Capital Regional District

625 Fisgard St.,
Victoria, BC V8W 1R7

Notice of Meeting and Meeting Agenda
Capital Regional District Board

Wednesday, May 12, 2021 | **1:10 PM** | **6th Floor Boardroom, 625 Fisgard Street, Victoria, BC**

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. TERRITORIAL ACKNOWLEDGEMENT

2. APPROVAL OF THE AGENDA

3. ADOPTION OF MINUTES

3.1. 21-371 Minutes of the April 14, 2021 Capital Regional District Board Meeting

Recommendation: That the minutes of the Capital Regional District Board meeting of April 14, 2021 be adopted as circulated.

Attachments: Minutes - April 14, 2021

4. REPORT OF THE CHAIR

5. PRESENTATIONS/DELEGATIONS

In keeping with directives from the Province of BC, this meeting will be held by Live Webcast without the public present.

To participate electronically, complete the online application for "Addressing the Board" on our website. Alternatively, you may email the CRD Board at crdboard@crd.bc.ca.

5.1. Presentations

5.2. Delegations

5.2.1. **21-406** Delegation - Eric Doherty; Representing Greater Victoria Acting Together Climate Action Research Team: Re: Agenda Item 8.4.: Identification of Regional Transportation Priorities

5.2.2. **21-374** Delegation - Alastair Craighead; Resident of Victoria: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.3. **21-376** Delegation - Alison Spriggs; Resident of Victoria: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.4.	**21-377**	Delegation - Nitya Harris; Representing Coexisting with Carnivores: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines
5.2.5.	**21-408**	Delegation - Peter Gose; Resident of Highlands: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines
5.2.6.	**21-409**	Delegation - Sarah Gose; Resident of Highlands: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines
5.2.7.	**21-410**	Delegation - Seamus McGrath; Resident of Colwood: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines
5.2.8.	**21-411**	Delegation - Vicky Husband; Resident of Victoria: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines and Agenda Item 10.1.: Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests
5.2.9.	**21-412**	Delegation - Hugh Stephens; Representing Mount Work Coalition: Re: 8.1.: Finalizing the Solid Waste Management Plan
5.2.10.	**21-413**	Delegation - Eric Diller; Representing Island Transformations Organization: Re: Agenda Item 8.4.: Identification of Regional Transportation Priorities
5.2.11.	**21-414**	Delegation - Salome Waters; Representing Saanich Eco Advocates: Re: Agenda Item 8.1.: Finalizing the Solid Waste Management Plan
5.2.12.	**21-415**	Delegation - Ray Zimmerman; Resident of Victoria: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines
5.2.13.	**21-416**	Delegation - Jane Welton; Representing Climate Action Research Team of Greater Victoria Acting Together: Re: 10.1.: Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests
5.2.14.	**21-417**	Delegation - Corey Burger; Representing Capital Bike: Re: Agenda Item 8.4.: Identification of Regional Transportation Priorities
5.2.15.	**21-431**	Delegation - Lydia Young; Resident of Central Saanich: Re: 10.1.: Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests
5.2.16.	**21-432**	Delegation - Jon O' Riordan; Representing Creatively United for the Planet: Re: 8.1.: Finalizing the Solid Waste Management Plan
5.2.17.	**21-418**	Delegation - David Lacey; Resident of Colwood: Re: Agenda Item 8.4.: Identification of Regional Transportation Priorities
5.2.18.	**21-419**	Delegation - Hugh Aitken; Resident of Oak Bay: Re: 10.1.: Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests
5.2.19.	**21-420**	Delegation - Alon Soraya; Representing South Island Mountain Biking Society: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.20. **21-433** Delegation - Mandy Farmer; Resident of Victoria: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.21. **21-434** Delegation - Lister Farrar; Resident of Victoria: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.22. **21-421** Delegation - Michael Meagher; Representing Thetis Park Nature Sanctuary Association: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.23. **21-423** Delegation - Yvonne Mendel; Representing Topaz Bike Club: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.24. **21-424** Delegation - Cathie Blanchard; Resident of View Royal: Re: 8.1.: Finalizing the Solid Waste Management Plan

5.2.25. **21-425** Delegation - Jessica Fudge; Representing Nolan Riding: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.26. **21-426** Delegation - Mahon Lamont; Representing The Cycling Co.: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.27. **21-427** Delegation - Sohad Kadum; Resident of Victoria: Re: 10.1.: Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests

5.2.28. **21-428** Delegation - Rose Stanton; Resident of Highlands: Re: Agenda Item 8.3.: CRD Regional Parks Mountain Biking Guidelines

5.2.29. **21-429** Delegation - Shannon Soroka; Representing Action Committee of People with Disabilities: Re: Agenda Item 8.4.: Identification of Regional Transportation Priorities

5.2.30. **21-430** Delegation - Catherine Culley; Representing SI-CAN: Re: 8.1.: Finalizing the Solid Waste Management Plan

6. CONSENT AGENDA

6.1. 21-355 2019-2022 Board Strategic Priorities - Annual Check-In

Recommendation: The Committee of the Whole recommends to the Capital Regional District Board:
1. That the current level of effort on CRD Board Priorities be maintained; and
2. That staff, through the service planning process, provide recommendations on funding, timing and service levels for 2022 in accordance with the approved 2019-2022 Board Strategic Priorities.
(NWA)

Attachments: Staff Report: 2019-2022 Board Strategic Priorities - Annual Check-In

Presentation: 2019-2022 Board Strategic Priorities - Annual Check-In

Appendix A: CRD Board Strategic Priorities

Appendix B: CRD Board Strategic Priorities Progress report

Appendix C: Progress Update (2021) CRD Corporate Plan 2019-2022

6.2. 21-328 Appointment of Officers

Recommendation: The Electoral Areas Committee recommends to the Capital Regional District Board: That for the purpose of Section 233 of the Local Government Act and Section 28(3) of the Offence Act and in accordance with Capital Regional District Bylaw No. 2681, Rick Sutherland, Spencer Navarrete, Morgan Shott, Kim Misick, Jeremy Restall and Barry Holland be appointed as Assistant Bylaw Officers.
(NWA)

Attachments: Staff Report: Appointments of Officers

6.3. 21-329 Community Emergency Preparedness Fund: Emergency Operations Centres and Training Grant - Motion of Support

Recommendation: The Electoral Areas Committee recommends to the Capital Regional District Board: That the Board support an application to Union of British Columbia Municipalities Community Emergency Preparedness Fund for the Emergency Operations Centres and Training Grant and direct staff to provide overall grant management.
(NWA)

Attachments: Staff Report: CEPF: EOC & Training Grant-Motion of Support

6.4. 21-330 Community Resiliency Initiative Grant: FireSmart Economic Recovery Fund

Recommendation: The Electoral Areas Committee recommends to the Capital Regional District Board: That the Board support an application to the Union of British Columbia Municipalities Community Resiliency Initiative Fund for the FireSmart Economic Recovery Fund and direct staff to provide overall grant management.
(NWA)

Attachments: Staff Report: CRIG-FireSmart Economic Recovery Fund-Support

Appendix A: UBCM FireSmart Economic Recovery Fund Application

6.5. 21-255 2020 Electoral Areas Grants-in-Aid Annual Report

Recommendation: The Electoral Areas Committee recommends to the Capital Regional District Board: That the 2020 Electoral Areas Grants-In-Aid Annual Report be received for information.
(NWA)

Attachments: Staff Report: 2020 Electoral Areas Grants-in-Aid Annual Report

Appendix A: 2020 Electoral Areas Grants-In-Aid Awarded

6.6. 21-256 2020 Community Works Fund Annual Report

Recommendation: The Electoral Areas Committee recommends to the Capital Regional District Board: That the 2020 Community Works Fund Annual Report be received for information.
(NWA)

Attachments: Staff Report: 2020 Community Works Fund Annual Report

Appendix A: 2020 CWF Balance Remaining

Appendix B: 2020 CWF Grants Awarded

Appendix C: 2020 CWF Detailed Breakdown by Electoral Area

6.7. 21-396 Alternate Approval Process for Bylaw 4408 - Southern Gulf Islands Harbours Service Loan Authorization

Recommendation: That the Electoral Areas Committee recommends to the Capital Regional District Board:
1. That in accordance with section 86(3) of the Community Charter, the date of July 5, 2021 be confirmed as the deadline by which electoral response, under the Alternate Approval process for CRD Bylaw No. 4408, must be submitted to the Capital Regional District by the qualified electors of Southern Gulf Islands Electoral Area;
2. That the attached Notice of Alternative Approval Process (Appendix B) and the Elector Response Form (Appendix C) be approved; and
3. That the total number of registered electors within the service area is 5,224 and that 10% of that number is 523 electors.
(NWA)

Attachments: Staff Report: AAP for Bylaw 4408 - SGI Harbours Service Loan Authorization

Appendix A: Bylaw No. 4408

Appendix B: Notice AAP Bylaw 4408

Appendix C: Elector Response Form SGIHarbours AAP

6.8. 21-382 Southern Gulf Islands Community Economic Sustainability Commission Bylaw Amendment

Recommendation: The Electoral Areas Committee recommends to the Capital Regional District Board:
That staff be directed to report back with amendments to Bylaw 3038, the "Southern Gulf Islands Community Economic Sustainability Commission Bylaw No. 1, 2012" to increase the number of commissioners from five (5) to nine (9), with the additional members considered commissioners at large to represent the Southern Gulf Islands Electoral Area as a whole, and to enable the commissioners at large to be appointed for one (1) or two (2) year terms.
(NWA)

Attachments: Staff Report: SGICESC Bylaw Amendment

Appendix A: Bylaw 3038, SGICESC Bylaw No. 1, 2012

6.9. 21-274 Organics Processing Next Steps

Recommendation: That the Environmental Services Committee recommends to the Capital Regional District Board:
That the Capital Regional District continue with the status quo of hauling and processing organics to private sector facilities on lower/mid-island, and signal to the market, through this resolution, that should the private sector establish an in-region facility, the Capital Regional District would consider working with municipalities to commit feedstock, pending pricing, greenhouse gas reductions, odour, location, and other environmental considerations.
(NWA)

Attachments: Staff Report: Organics Processing Next Steps

Appendix A: Organics Processing Options: Screening Report

6.10. 21-273 Landfill Gas Emissions Quantification at Hartland Landfill

Recommendation: That the Environmental Services Committee recommends to the Capital Regional District Board:
That this report be received for information.
(NWA)

Attachments: Staff Report: Landfill Gas Emissions Quantification at Hartland Landfill

Appendix A: Hartland Landfill GHG Emissions Quantification January 2021

6.11. 21-275 Environmental Resource Management - 2020 Progress Report

Recommendation: That the Environmental Services Committee recommends to the Capital Regional District Board:
That the Environmental Resource Management 2020 Progress Report be received for information.
(NWA)

Attachments: Staff Report: Environmental Resource Management - 2020 Progress Report

Appendix A: Environmental Resource Management - 2020 Progress Report

6.12. 21-290 Capital Regional District Climate Action - 2020 Annual Report

Recommendation: That the Environmental Services Committee recommends to the Capital Regional District Board:
1. That the 2020 Climate Action Annual Report be received for information; and
2. That staff complete all Climate Action Revenue Incentive Program reporting requirements and submit to the Province by the reporting deadline (currently June 1, 2021) and post on the CRD website.
(NWA)

Attachments: Staff Report: CRD Climate Action - 2020 Annual Report

Appendix A: Capital Regional District 2020 Climate Action Annual Report

6.13. 21-245 Capital Regional District 2020 Audit Findings Report and Statement of Financial Information

Recommendation: The Finance Committee recommends to the Capital Regional District Board:
That the Capital Regional District 2020 Audit Findings Report be received and the Capital Regional District 2020 Statement of Financial Information be approved.
(NWA)

Attachments: Staff Report: CRD 2020 Audit Report & Statement of Financial Info

Presentation: CRD Statement of Financial Information

Appendix A: 2020 Statement of Financial Information

Appendix B: 2020 Unaudited Financial Statements

Appendix C: Other Financial Statement Analysis

Appendix D: DBRS Rating Methodology

Appendix E: 2020 Additional Financial Analysis

Appendix F: 2020 Audit Findings Report

Appendix G: KPMG Management Letter

6.14. 21-246 Capital Regional District External Grants Update

Recommendation: The Finance Committee recommends to the Capital Regional District Board:
That the Capital Regional District External Grants Update be received for information.
(NWA)

Attachments: Staff Report: CRD External Grants Update

Appendix A: CRD External Grants Dashboard

6.15. 21-247 Capital Regional District External Grants 2020 Annual Report

Recommendation: The Finance Committee recommends to the Capital Regional District Board:
That the Capital Regional District External Grants 2020 Annual Report be received for information.
(NWA)

Attachments: Staff Report: CRD External Grants 2020 Annual Report

Appendix A: CRD External Grants Activity 2020

Appendix B: Grant Programs by Category

6.16. 21-248 2022 Service and Financial Planning Guidelines

Recommendation: The Finance Committee recommends to the Capital Regional District Board:
That the financial planning guidelines as presented be approved and that staff be directed to prepare the draft financial plan review based on the timeline presented.
(NWA)

Attachments: Staff Report: 2022 Service and Financial Planning Guidelines

Appendix A: 2022 Corporate Planning Framework

Appendix B: 2022 Financial Planning Timetable

6.17. 21-363 2021 Provincial Budget Highlights

Recommendation: The Finance Committee recommends to the Capital Regional District Board:
That the 2021 Provincial Budget Highlights be received for information.
(NWA)

Attachments: Staff Report: 2021 Provincial Budget Highlights

Appendix A: Provincial Budget Highlights

Appendix B: Ministry of Finance Provincial Budget and Fiscal Plan

6.18. 21-367 2021 Federal Budget Highlights

Recommendation: The Finance Committee recommends to the Capital Regional District Board:
That the 2021 Federal Budget Highlights report be received for information.
(NWA)

Attachments: Staff Report: 2021 Federal Budget Highlights

Appendix A: 2021 Federal Budget Highlights

Appendix B: Ministry of Finance - Federal Budget and Fiscal Plan

6.19. 21-325 Panorama Recreation Main Electrical Transformer

Recommendation: The Peninsula Recreation Commission recommends to the Capital Regional District Board:
That the approved Panorama Recreation project 19-02-Main Electrical Transformer Upgrade be amended by $52,100 to accommodate for the emergency replacement of the main electrical transformer, and to proceed with the purchase of the transformer.
(WP - Central Saanich, North Saanich, Sidney)

Attachments: Staff Report: Panorama Recreation Main Electrical Transformer

6.20. 21-324 2021/2022 Fees and Charges - Panorama Recreation Services

Recommendation: The Peninsula Recreation Commission recommend to the Capital Regional District Board:
That the proposed fees and charges be approved for inclusion in the 2021/2022 Fees and Charges Bylaw for Panorama Recreation Services.
(WP - Central Saanich, North Saanich, Sidney)

Attachments: Staff Report: 2021/2022 Fees and Charges – Panorama Recreation Services

Appendix A: Options for 2021/2022 Fee Charges

6.21. 21-307 Sustainable Funding Model for Future Land Acquisitions

Recommendation: The Regional Parks Committee recommends to the Capital Regional District Board:
1. That all future recommended regional park land acquisition purchases include a detailed unique operating cost schedule until a management plan is completed, and all draft management plans presented to the Regional Parks Committee will identify a cost schedule for plan implementation.
2. That costs required for future property acquisitions be identified within the subsequent Capital Regional District Regional Parks Financial Plan.
(NWA)

Attachments: Staff Report: Sustainable Funding for Future Land Acquisitions

Appendix A: Cost Estimates for New Land Purchases

Appendix B: Cost Estimates for Mgmt Plan Implementation

6.22. 21-392 Governance Committee Terms of Reference - Addition of Appointment Advisory Committee

Recommendation: That the updated Terms of Reference for the Governance Committee be approved.
(NWA)

Attachments: 2021 Governance Committee Terms of Reference

7. ADMINISTRATION REPORTS

7.1. 21-326 Capital Regional District 2020 Annual Report

Recommendation: That the Capital Regional District 2020 Annual Report be received for information.
(NWA)

Attachments: Staff Report: Capital Regional District 2020 Annual Report

Appendix A: Capital Regional District 2020 Annual Report

7.2. 21-332 Capital Region Housing Corporation Annual General Meeting

Recommendation: That the unanimous shareholder's resolution attached as Appendix A to the Capital Region Housing Corporation Annual General Meeting report be adopted, and the Chair and Corporate Officer execute it on behalf of the Capital Regional District.
(NWA)

Attachments: Staff Report: CRHC Annual General Meeting

Appendix A: Unanimous Resolution of CRHC Shareholders

Appendix B: Audited Financial Statements

Appendix C: Annual Report

7.3. 21-356 Bylaw No. 4372: Development Cost Charges Transfer to Capital Reserve

Recommendation: 1. That Bylaw No. 4372 cited as "Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020" be abandoned.
2. That the transfer of development cost charge funds be approved in the amount of $1.7 million from the Saanich Peninsula Water and Wastewater Development Cost Charge fund, under Bylaw No. 3208, to the Saanich Peninsula Wastewater Capital Reserve Fund, established under Bylaw No. 2760, to be used to fund capital improvements and capital debt servicing for projects covered by the DCC program.
(WA)

Attachments: Staff Report: Bylaw 4372 DCC Transfer to Capital Reserve

Appendix A: Staff Report October 15, 2020, including Bylaw 4372

7.4. 21-366 CRD Bylaw No. 4397 to Amend Ticket Information Authorization Bylaw No. 1857 - Saanich Peninsula Stormwater Source Control Bylaw

Recommendation: 1. That Bylaw No. 4397, "Capital Regional District Ticket Information Authorization Bylaw, 1990, Amendment Bylaw No. 69, 2021" be introduced, and read a first, second and third time; and
2. That Bylaw No. 4397 be adopted.
(WP - Central Saanich, North Saanich, Sidney, and 2/3rd on adoption)

Attachments: Staff Report: CRD Bylaw No. 4397 to Amend Bylaw 1857

Appendix A: Bylaw No. 4397

7.5. 21-397 Alternate Approval Process for Bylaws 4393 and 4394 - Florence Lake Improvement District Conversion to CRD Service

Recommendation: 1. That in accordance with section 86(3) of the Community Charter, the date of July 5, 2021 be confirmed as the deadline by which electoral response, under the Alternate Approval process for CRD Bylaw No. 4393 and 4394, must be submitted to the Capital Regional District by qualified electors within the Florence Lake Improvement District;
2. That the attached Notice of Alternative Approval Process (Appendix B) and the Elector Response Form (Appendix C) be approved; and
3. That the total number of registered electors within the service area is 32 and that 10% of that number is 4 electors.
(NWA)

Attachments: Staff Report: AAP for BL. 4393 & 4394 – Florence Lake Imp. Dist.

Appendix A: Bylaws 4393 and 4394

Appendix B: Notice AAP Bylaws 4393 and 4394

Appendix C: Elector Response Form Florence Lake

7.6. 21-398 City of Langford Request to Withdraw from Bylaw No. 3854: A Bylaw to Establish an Emergency Communication Dispatch Service

Recommendation: 1. That Bylaw No. 4426, "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012, Amendment Bylaw No. 1, 2021", be introduced and read a first, second, and third time; and
2. That elector approval for Bylaw No. 4426 be obtained via municipal consent and electoral area director consent, as applicable, and if successful, referred to the Inspector of Municipalities for approval.
(NWA)

Attachments: Staff Report: Langford Request to Withdraw from Bylaw 3854

Appendix A: Langford Svc Review & Withdrawal Letter-April 22, 2021

Appendix B: Bylaw No. 4426

8. REPORTS OF COMMITTEES

Environmental Services Committee

8.1. 21-314 Finalizing the Solid Waste Management Plan

Recommendation: That the Environmental Services Committee recommends to the Capital Regional District Board:
1. That the final draft Solid Waste Management Plan be approved, that the final draft plan be submitted to the Ministry of Environment and Climate Change Strategy for regulatory approval, that staff immediately begin implementing the Solid Waste Management Plan, and that the Solid Waste Advisory Committee begins to function as the Plan Monitoring Advisory Committee;
2. That staff work with the WSANEC Leadership Council to implement recommendations from their February 9, 2021 letter, including establishing a WSANEC Leadership Council/Capital Regional District negotiation table and related meeting schedule, and providing information regarding the Solid Waste Management Plan; and,
3. That staff prepare a package of Hartland area road access mitigation options costing up to $4 million funded by the Capital Regional District's Environmental Resource Management division, review these options with District of Saanich staff and area residents, and return to the CRD Board for direction on next steps.
(WA)

[At the April 14, 2021 meeting, the CRD Board referred the Zero Waste BC Input on the SWMP motion with notice to the Environmental Services Committee for consideration. On April 21, 2021, the Environmental Services Committee recommended the first and second part of the motion, and defeated the third part (For reference: c) Direct staff to strengthen the emphasis on the principles of Zero Waste and Circular Economy in the Solid Waste Management Plan, including in the waste-reduction targets within the plan):]
That the Environmental Services Committee recommends:
4. That the Board:
a) Refer the attached report from Zero Waste British Columbia dated February 10, 2021 to staff, to inform revisions to the Solid Waste Management Plan.
b) Endorse the goal of the CRD becoming a national leader in Zero Waste and the Circular Economy in solid waste management.
(WA)

Attachments:
- Staff Report: Finalizing the Solid Waste Management Plan
- Appendix A: Final Draft Solid Waste Management Plan
- Appendix B: Proposed Plan Revisions
- Appendix C: Phase Two Engagement Summary
- Appendix D: Consultation Summary Table
- Appendix E: Hartland Access Consultation
- Appendix F: Solid Waste Advisory Committee April 9, 2021 Motions

Finance Committee

8.2. 21-252 Bylaw No. 4421: Financial Plan Amendment No. 1, 2021

Recommendation: The Finance Committee recommends to the Capital Regional District Board:
1. That Bylaw No. 4421, "2021 to 2025 Financial Plan Bylaw, 2021, Amendment Bylaw No. 1, 2021" be introduced and read a first, second, and third time; and
2. That Bylaw No. 4421 be adopted.
(WA, 2/3rd on adoption)

Attachments: Staff Report: Bylaw 4421 Financial Plan Amendment No1, 2021

Appendix A: Bylaw 4421 Financial Plan Amendment 1-With Sch. A-B

Regional Parks Committee

8.3. 21-296 CRD Regional Parks Mountain Biking Guidelines

Recommendation: [At the April 28, 2021 Regional Parks Committee meeting, the recommendation carried as amended:]
The Regional Parks Committee recommends to the Capital Regional District Board:
1. That the CRD Regional Parks Mountain Biking Guidelines and the Short-term Actions to support the Mountain Biking Advisory Committee Advice and Guidance Report be approved.
2. That the CRD Regional Parks Mountain Biking Guidelines be reviewed in the context of the Regional Parks Strategy Plan update.
(WA)

[Furthermore, the Regional Parks Committee also carried the following motion arising:]
That the Regional Parks committee recommend to the Capital Regional District Board:
3. That the CRD Board develop a mountain bike policy for CRD Regional Parks.
(WA)

Attachments: Staff Report: Mountain Biking Guidelines

Appendix A: CRD Regional Parks Mountain Biking Guidelines

Appendix B: MBAC Mountain Bike Guidelines Report

Appendix C: Short-term Actions to support MBAC Report

Transportation Committee

8.4. 21-306 Identification of Regional Transportation Priorities

Recommendation: [At the April 21, 2021 Transportation Committee meeting, the following motion arising carried:]
The Transportation Committee recommends to the Capital Regional District Board:
A. That we move to the advocacy options that the Province proceed with 1) a feasibility study of the Westshore ferry; and 2) maintenance/upgrade of the rail corridor.
(NWA)

[Furthermore, the Transportation Committee amended recommendations 1 and 3. The following motions carried as amended:]
The Transportation Committee recommends to the Capital Regional District Board:
1. That the categorized priority areas listed in Appendix A be confirmed as amended, subject to clarification of the description of the 'Highway Safety Improvements' priority to ensure alignment with the Mode Share targets in the report."
2. That the list of confirmed regional transportation priority areas be shared with the Minister of Transportation and Infrastructure, all CRD municipalities, CRD electoral areas and agency partners; and
3. That staff be directed to develop implementation strategies for each of the approved transportation priority areas and report back to the Committee on the findings, including a consideration of cooperation mechanisms.
(NWA)

Attachments:
- Staff Report: Identification of Regional Transportation Priorities
- Presentation: Identification of Regional Transportation Priorities
- Appendix A (Revised/committee): Summary of Partner Input and Priority Setting
- Appendix A: Summary of Partner Input and Priority Setting Process
- Appendix B: Regional Transportation Priority Areas
- Appendix C: Transportation and Climate Action Policy Context
- Appendix D: Summary of Regional Priorities by Transportation Function

9 BYLAWS

10. NOTICE(S) OF MOTION

10.1. 21-316 Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests

Recommendation: That the Board endorse the following resolution and direct staff to forward copies to the Premier of British Columbia, Members of the Legislative Assembly representing constituencies on Vancouver Island, the Capital Regional District Board, municipalities in the Capital Region, and the Association of Vancouver Island and Coastal Communities, requesting favourable consideration:

Resolution: Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests on Vancouver Island

WHEREAS Ancient high productivity old-growth ecosystems are globally one of the most valuable climate mitigation and resiliency assets in terms of carbon storage, sequestration, protection against wildfire, storage of water and preservation of biological diversity;

AND WHEREAS Less than 3% of the original high productivity (big tree) old-growth forests in British Columbia remain standing, and of this residual land base, 75% is slated to be eliminated through industrial logging operations;

AND WHEREAS Alternatives exist to increase protection of biological diversity and employment, through the immediate and just transition to sustainable management of second-growth forests with expanded value-added processing and manufacturing;

THEREFORE BE IT RESOLVED THAT the Capital Regional District expresses its willingness to work with the Pacheedaht First Nation, the Government of British Columbia and other entities to protect Fairy Creek and other at-risk old-growth forests on southern Vancouver Island, including consideration of establishing Indigenous Protected and Conserved Areas;

AND BE IT FURTHER RESOLVED THAT the Capital Regional District calls on the Government of British Columbia to defer logging in high-productivity old-growth forests on Vancouver Island, as recommended by the Old Growth Strategic Review, until the panel's 14 recommendations have been implemented;

AND BE IT FURTHER RESOLVED THAT the Capital Regional District calls on the Government of British Columbia to allocate funding to enact deferrals in an economically just manner, in the full spirit of reconciliation and to support the economic transition of affected First Nations and non-First Nation workers, communities and companies from unsustainable old-growth logging toward the development of long-term sustainable local economies.
(NWA)

Attachments:
- Notice of Motion: Fairy Creek
- Attachment 1: Old Growth Strategic Review 2020
- Attachment 2: Statement from Pacheedaht First Nation
- Attachment 3: Letter From Elder Bill Jones
- Attachment 4: City of Port Moody Resolution
- Attachment 5: City of Nanaimo Letter
- Attachment 6: City of Powell River Letter
- Attachment 7: City of Victoria Letter
- Supplemental: Memorandum from Pacheedaht to CRD dated May 10, 2021

11. NEW BUSINESS

12. MOTION TO CLOSE THE MEETING

12.1. 21-395 Motion to Close the Meeting

Recommendation: That the meeting be closed for Appointments in accordance with Section 90(1)(a) of the Community Charter. [1 item].

13. RISE AND REPORT

14. ADJOURNMENT

Votinq Key:
NWA - Non-weighted vote of all Directors
NWP - Non-weighted vote of participants (as listed)
WA - Weighted vote of all Directors
WP - Weighted vote of participants (as listed)

Capital Regional District

625 Fisgard St.,
Victoria, BC V8W 1R7

Meeting Minutes

Capital Regional District Board

Wednesday, April 14, 2021 | **1:10 PM** | **6th Floor Boardroom, 625 Fisgard Street, Victoria, BC**

PRESENT
Directors: C. Plant (Chair), R. Mersereau (Vice Chair), D. Blackwell, S. Brice (EP), B. Desjardins (EP), F. Haynes (EP), L. Helps, M. Hicks (EP), G. Holman (EP), P. Brent (for D. Howe) (EP), B. Isitt (EP), J. Loveday (EP), C. McNeil-Smith (EP), D. Kobayashi (for R. Martin) (EP), R. Mersereau, K. Murdoch (EP), G. Orr (EP), J. Ranns (EP), D. Screech, L. Seaton, M. Tait (EP), N. Taylor, K. Williams, R. Windsor (EP), G. Young

Staff: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; L. Hutcheson, General Manager, Parks and Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; T. Robbins, General Manager, Integrated Water Services; G. Harris, Senior Manager, Environmental Protection; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk, T. Pillipow, Committee Clerk (Recorder)

EP – Electronic Participation

Regrets: Directors D. Howe, R. Martin

The meeting was called to order at 1:35 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

A Territorial Acknowledgement was provided in the preceding meeting.

2. APPROVAL OF THE AGENDA

MOVED by Director Mersereau, SECONDED by Director Blackwell,
That the agenda for the April 14, 2021 Session of the Capital Regional District Board be approved.
CARRIED

3. ADOPTION OF MINUTES

3.1. 21-292 Minutes of the March 10, 2021 and March 24, 2021 Capital Regional District Board Meetings

MOVED by Director Blackwell, SECONDED by Director Mersereau,
That the minutes of the Capital Regional District Board meetings of March 10, 2021 and March 24, 2021 be adopted as circulated.
CARRIED

4. REPORT OF THE CHAIR

The Chair acknowledged that while it is not ideal that we are not all in the room together, we are taking the Provincial Health Officer's advice to heart. He advised the Board that at next month's meeting we will be reviewing a revised Solid Waste Management Plan and doing our annual check-in of the Board strategic priorities.

5. PRESENTATIONS/DELEGATIONS

5.1. Presentations

There were no presentations.

5.2. Delegations

5.2.1. 21-297 Delegation - Salome Waters: Representing Saanich Eco Advocates: Re: Agenda Item 10.2.: Motion with Notice: Zero Waste British Columbia Input on Solid Waste Management Plan

Salome Waters spoke in favour of Item 10.2.

5.2.2. 21-298 Delegation - Shannon Graham: Representing Surfrider Foundation Vancouver Island: Re: Agenda Item 10.2.: Motion with Notice: Zero Waste British Columbia Input on Solid Waste Management Plan

Shannon Graham spoke in favour of Item 10.2.

5.2.3. 21-299 Delegation - Jane Devonshire: Representing South Island Climate Action Network: Re: Agenda Item 10.2.: Motion with Notice: Zero Waste British Columbia Input on Solid Waste Management Plan

Jane Devonshire spoke in favour of Item 10.2.

5.2.4. 21-300 Delegation - Jonathan O'Riordan: Representing Mount Work Coalition: Re: Agenda Item 10.2.: Motion with Notice: Zero Waste British Columbia Input on Solid Waste Management Plan

Jonathan O'Riordan spoke in favour of Item 10.2.

6. CONSENT AGENDA

Consent agenda item 6.6. was removed from the consent agenda and moved to be considered under Reports of Committees as agenda item 8.7.

Consent agenda item 6.5. was removed from the consent agenda and moved to be considered under Reports of Committees as agenda item 8.8.

MOVED by Director Helps, SECONDED by Director Mersereau,
That consent agenda items 6.1. through 6.7., with the exception of consent agenda items 6.5. and 6.6., be approved.
CARRIED

6.1. 21-129 Review of Separation of Building Inspection Services for Each Electoral Area

That the Building Inspection service to the three Electoral Areas remain as a single shared service with a single budget.
CARRIED

6.2. 21-270 Community Emergency Preparedness Fund: Emergency Operations Centres and Training Grant - Motion of Support

That the CRD Board support an application to Union of British Columbia Municipalities Community Emergency Preparedness Fund for the Emergency Operations Centres and Training grant and direct staff to provide overall grant management.

6.3. 21-279 AGMs and Nomination Procedures for Local Service Committees & Commissions

1. That the bylaw requirement that CRD local service committees and commissions hold Annual General Meetings be waived for 2021.
2. That new appointments to local service committees and commissions be made by the CRD Board based on the Electoral Area Director recommendation for 2021.
CARRIED

6.4. 21-265 CRD Appointment of Public Members to External Boards Policy

1. That Board Policy "CRD Appointment of Public Members to External Boards" be adopted.
2. That the Terms of Reference for the Governance Committee be updated to allow for the establishment of an Appointment Advisory Committee, on an as-and-when needed basis, responsible for reviewing applications and making recommendation for appointments to external boards.
3. That the Appointment Advisory Committee be permitted to meet in closed when evaluating public member applications.
CARRIED

6.7. 21-235 2021 Committee and External Membership Appointments - Update #3

That the Board receive for information the updated 2021 Appointments to Board and Committees as attached.

7. ADMINISTRATION REPORTS

7.1. 21-241 CAO Quarterly Progress Report No. 1 - 2021

R. Lapham spoke to Item 7.1.

Discussion ensued on the following:
- reporting on the methane capture at Hartland landfill
- rapid housing projects and federal funding
- engaging residents for the Reaching Home program

MOVED by Director Helps, SECONDED by Director Blackwell,
That the CAO Quarterly Progress Report No. 1 - 2021 be received for information.
CARRIED

7.2. 21-266 City of Victoria MRDT Renewal

N. Chan spoke to Item 7.2.

MOVED by Director Helps, SECONDED by Director Young,
That the Capital Regional District Board supports the City of Victoria's five-year renewal for the Municipal and Regional District Tax (MRDT) and Destination Greater Victoria as an eligible entity from 2022-2026, as well as the new incremental MRDT from Airbnb for affordable housing initiatives.
CARRIED

7.3. 21-237 Additional COVID-19 Safe Restart Grants for Local Governments

N. Chan spoke to Item 7.3.

Discussion ensued on the allocation of grant funds.

MOVED by Director Hicks, SECONDED by Director Blackwell,
1. That staff allocate the $575,000 CRD COVID-19 Safe Restart Grants for Local Government in alignment with the Provincial allocation formulae to Regional Services and Local Area Services as summarized in Appendix E;
2. That the Regional Services allocation be distributed to the Regional Corporate Emergency Service Budget;
3. That the Local Area Services allocation be apportioned to the respective Electoral Areas where staff will engage Electoral Area Directors to determine allocation to specific services.
CARRIED

8. REPORTS OF COMMITTEES

Electoral Areas Committee

8.1. 21-128 Amendments to CRD Ticket Information Authorization Bylaw, 1990, Bylaw No. 1857

MOVED by Director Hicks, SECONDED by Director Holman,
1) That Bylaw No. 4401, "Capital Regional District Ticket information Authorization Bylaw 1990, Amendment Bylaw No. 70, 2021" be introduced and read a first, second, and third time; and
CARRIED

MOVED by Director Hicks, SECONDED by Director Holman,
2) That Bylaw No. 4401 be adopted.
CARRIED

Juan de Fuca Land Use Committee

8.2. 21-230 Public Hearing Report on Bylaw No. 4380, "Juan de Fuca Land Use Bylaw, 1992, Amendment Bylaw No. 148, 2020"

MOVED by Director Hicks, SECONDED by Director Blackwell,
a) That the minutes that form the Report of the Public Hearing for Bylaw No. 4380, "Juan de Fuca Land Use Bylaw, 1992, Amendment Bylaw No. 148, 2020", which are certified as a fair and accurate summary of the representations that were made at the public hearing held on March 9, 2021, for Bylaw No. 4380, be received;
CARRIED

MOVED by Director Hicks, SECONDED by Director Blackwell,
b) That Bylaw No. 4380 be read a third time; and
CARRIED

MOVED by Director Hicks, SECONDED by Director Blackwell,
c) That Bylaw No. 4380 be adopted.
CARRIED

Peninsula Recreation Commission

8.3. 21-231 Canadian Tire Jumpstart Charities Inclusive Play Project

MOVED by Director Windsor, SECONDED by Director Orr,
That the approved Panorama Recreation Service 2021-2025 capital plan and budget be amended in accordance with the revised plan and budget for Project No. 21-07 as presented, and to proceed with the Canadian Tire Jumpstart multi-sport court and relocation of the playground.
CARRIED

Planning & Protective Services Committee

8.4. 21-212 Esquimalt Regional Context Statement Consideration

MOVED by Director McNeil-Smith, SECONDED by Director Desjardins,
That the Township of Esquimalt regional context statement be considered in relation to the 2018 Regional Growth Strategy (Bylaw No. 4017) and be accepted in accordance with the requirements of section 448 of the Local Government Act.
CARRIED

8.5. 21-213 Adoption of Regional Growth Strategy Amendment Bylaw No. 4328

MOVED by Director McNeil-Smith, SECONDED by Director Mersereau,
1) That Bylaw No. 4328 be amended to correct the bylaw title and citation;
CARRIED

MOVED by Director McNeil-Smith, SECONDED by Director Mersereau,
2) That Bylaw No. 4328, "Capital Regional District Regional Growth Strategy Bylaw No. 1, 2016, Amendment Bylaw No. 1, 2019", be read a third time as amended; and
CARRIED

MOVED by Director McNeil-Smith, SECONDED by Director Mersereau,
3) That Bylaw No. 4328 be adopted.
CARRIED

Regional Housing Trust Fund Commission

8.6. 21-239 Additional Grant Request for Michigan Square

MOVED by Director Screech, SECONDED by Director Holman,
That a grant in the amount of $525,000 to the Capital Region Housing Corporation be approved to support the development of 35 additional units of affordable rental housing at 330 Michigan Street, Victoria, subject to meeting the terms of the Regional Housing Trust Fund Grant Funding Agreement.
CARRIED

8.7. 21-244 Reaching Home and Canadian Medical Association Foundation COVID-19 Funding

Director Isitt declared a personal conflict and recused himself from the meeting at 2:36 pm.

Director Loveday declared a personal conflict and recused himself from the meeting at 2:36 pm.

MOVED by Director Helps, SECONDED by Director Screech,
That the Reaching Home and Canadian Medical Association Foundation COVID-19 Funding report be received for information.
CARRIED

Directors Isitt and Loveday returned to the meeting at 2:37 pm.

8.8. 21-251 Creation of a Committee to Oversee Development of a Regional Performing Arts Facilities Service

MOVED by Director Murdoch, SECONDED by Director Williams,
1. That the creation of a Performing Arts Facilities Select Committee whose purpose will be to define the scope and functions of a regional service that will lead to the drafting of an establishing bylaw for the Performing Arts Facilities Service be approved.
2. That the Performing Arts Facilities Select Committee Terms of Reference be approved.
CARRIED
OPPOSED: Blackwell, Hicks, Holman, Seaton

9. BYLAWS

There were no bylaws for consideration.

10. NOTICE(S) OF MOTION

10.1. 20-034 Motion with Notice: Kings Road - Director Holman

This Motion with Notice was withdrawn.

[At the September 9, 2020 meeting the Capital Regional District Board tabled the below Notice of Motion to April 14, 2021:]

That CRD staff provide a report to the Hospitals and Housing Committee examining options for the purchase of a small portion of the Kings Road property in Saanich, at a cost of up to $2 million, for the purposes of affordable housing while still protecting all of the undeveloped portion of the parcel, including the forested riparian corridor.
(NWA)

10.2. 21-278 Motion with Notice: Zero Waste British Columbia Input on Solid Waste Management Plan (Directors Isitt, Loveday, and Taylor)

Director Loveday spoke to Item 10.2.

Discussion ensued on the following:
- reviewing the Solid Waste Management before this motion is put to the Board
- the opportunity for staff to thoroughly review the submission
- implications to the Solid Waste Management Plan should this move forward

MOVED by Director Loveday, SECONDED by Director Taylor,
That the Board:
1. Refer the attached report from Zero Waste British Columbia dated February 10, 2021 to staff, to inform revisions to the Solid Waste Management Plan.
2. Endorse the goal of the CRD becoming a national leader in Zero Waste and the Circular Economy in solid waste management; and
3. Direct staff to strengthen the emphasis on the principles of Zero Waste and Circular Economy in the Solid Waste Management Plan, including in the waste-reduction targets within the plan.

MOVED by Director Desjardins, SECONDED by Director Screech,
That this item be referred to the April 21, 2021 meeting of the Environmental Services Committee.
CARRIED

11. NEW BUSINESS

Director Isitt Notice of Motion for consideration at the May 12, 2021 meeting of the Capital Regional District Board:

That the Board endorse the following resolution and direct staff to forward copies to the Premier of British Columbia, Members of the Legislative Assembly representing constituencies on Vancouver Island, the Capital Regional District Board, municipalities in the Capital Region, and the Association of Vancouver Island and Coastal Communities, requesting favourable consideration:

Resolution: Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests on Vancouver Island

WHEREAS Ancient high productivity old-growth ecosystems are globally one of the most valuable climate mitigation and resiliency assets in terms of carbon storage, sequestration, protection against wildfire, storage of water and preservation of biological diversity;

AND WHEREAS Less than 3% of the original high productivity (big tree) old-growth forests in British Columbia remain standing, and of this residual land base, 75% is slated to be eliminated through industrial logging operations;

AND WHEREAS Alternatives exist to increase protection of biological diversity and employment, through the immediate and just transition to sustainable management of second-growth forests with expanded value-added processing and manufacturing;

THEREFORE BE IT RESOLVED THAT the Capital Regional District expresses its willingness to work with the Pacheedaht First Nation, the Government of British Columbia and other entities to protect Fairy Creek and other at-risk old-growth forests on southern Vancouver Island, including consideration of establishing Indigenous Protected and Conserved Areas;

AND BE IT FURTHER RESOLVED THAT the Capital Regional District calls on the Government of British Columbia to defer logging in high-productivity old-growth forests on Vancouver Island, as recommended by the Old Growth Strategic Review, until the panel’s 14 recommendations have been implemented;

AND BE IT FURTHER RESOLVED THAT the Capital Regional District calls on the Government of British Columbia to allocate funding to enact deferrals in an economically just manner, in the full spirit of reconciliation and to support the economic transition of affected First Nations and non-First Nation workers, communities and companies from unsustainable old-growth logging toward the development of long-term sustainable local economies.

12. MOTION TO CLOSE THE MEETING

12.1. 21-291 Motion to Close the Meeting

MOVED by Director Mersereau, SECONDED by Director Blackwell,
1. That the meeting be closed for Appointments in accordance with Section 90(1)(a) of the Community Charter.
CARRIED

MOVED by Director Mersereau, SECONDED by Director Blackwell,
2. That the meeting be closed for Labour Relations under Section (90)(1)(c) of the Community Charter.
CARRIED

MOVED by Director Mersereau, SECONDED by Director Blackwell,
3. That the meeting be closed for Land Acquisition in accordance with Section 90(1)(e) of the Community Charter.
CARRIED

MOVED by Director Mersereau, SECONDED by Director Blackwell,
4. That such disclosures could reasonably be expected to harm the interests of the Regional District.
CARRIED

MOVED by Director Mersereau, SECONDED by Director Blackwell,
5. That the meeting be closed for a Legal Update in accordance with Section 90(1)(g) of the Community Charter.
CARRIED

MOVED by Director Mersereau, SECONDED by Director Blackwell,
6. That the meeting be closed for Intergovernmental Negotiations in accordance with Section 90(2)(b) of the Community Charter.
CARRIED

13. RISE AND REPORT

The Capital Regional District Board rose from the closed session at 4:12 pm.

and reported on the following item:

3.3. - Appointments to CRD Committees and Commissions

In accordance with Bylaw No. 2945, that the following person be appointed to the Shirley/Jordan River Advisory Planning Commission for a term to expire December 31, 2022: E. Anderson

14. ADJOURNMENT

MOVED by Director Mersereau, SECONDED by Director Blackwell,
That the April 14, 2021 Capital Regional District Board meeting be adjourned at 4:12 pm.
CARRIED

_____

CHAIR

CERTIFIED CORRECT:

_____

CORPORATE OFFICER

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REPORT TO COMMITTEE OF THE WHOLE
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **2019-2022 Board Strategic Priorities – Annual Check-In**

ISSUE SUMMARY

To report on progress made to deliver the 2019-2022 Corporate Plan and Board Priorities.

BACKGROUND

The Capital Regional District (CRD) Board identified its Board Strategic Priorities in early 2019 (see Appendix A). They are:
1. Community Wellbeing – Transportation & Housing;
2. Climate Action & Environmental Stewardship;
3. First Nations Reconciliation; and
4. Advocacy, Governance & Accountability.

Subsequently, staff prepared the 2019-2022 CRD Corporate Plan to align with this direction. The CRD Corporate Plan presents the work the CRD needs to deliver over the Board term to meet the region's 15 most important needs (community needs). These initiatives are delivered in conjunction with the mandated core services and regulatory requirements that the CRD is accountable for delivering.

The Board meets in the spring of every year to discuss and confirm the direction for the four Board Strategic Priorities. This report has been produced to facilitate this discussion and provide evidence of the CRD's progress over the last year.

Board direction shapes the service planning process that identifies recommended funding, timing and service levels to deliver the next year's work. Staff will prepare these recommendations through the summer and for review by standing committees and commissions in the fall. The Board provides approval at the Provisional Budget meeting in October 2021.

It is important to note that the Corporate Plan is an ambitious and future-looking document. Delivering the outcome for each community need, while providing mandated core services and meeting regulatory requirements, has taken all of the CRD's work effort and capacity since 2019. Any changes to the Board-endorsed Strategic Priorities will necessarily result in a thorough review of the CRD Corporate Plan, its initiatives and budgets to re-align CRD resources and work plans to a new direction.

ALTERNATIVES

Alternative 1
The Committee of the Whole recommends to the Capital Regional District Board:
1. That the current level of effort on CRD Board Priorities be maintained; and
2. That staff, through the service planning process, provide recommendations on funding, timing and service levels for 2022 in accordance with the approved 2019-2022 Board Strategic Priorities.

Alternative 2
The Committee of the Whole recommends to the Capital Regional District Board:
1. That the level of effort on CRD Board Priorities be adjusted as directed by the Committee of the Whole; and
2. That staff, through the service planning process, provide recommendations on funding, timing and service levels for 2022 in accordance with direction from the Committee of the Whole.

IMPLICATIONS

Financial Implications
Any change in strategic direction will have to be addressed and reflected through the 2022 service planning and financial planning processes. Such change includes, but is not limited to, Board direction to include new initiative(s), expand the scope of the initiatives, and/or accelerate or decelerate effort on existing initiative(s). Resource implications would be identified in the preliminary budget, brought forward by staff in October 2021.

Service Delivery Implications
The CRD reports on the progress of its initiatives and services on a regular basis. The Board oversees the Board Strategic Priorities through the Quarterly Board Priorities Dashboard which accompanies the Chief Administrative Officer's Quarterly Progress Reports. The Board also receives a progress report on the entirety of the CRD Corporate Plan initiatives twice a year at the Board Strategic Check-in and Provisional Budget meetings, which take place in the spring and fall respectively. During the course of the year, standing committees and commissions also fulfil an oversight and advisory role in relation to advancing this work.

This layered oversight ensures that there is transparency over the organization's progress year round and that adjustments can be made to policy in close consultation with the Board, where necessary.

Appendix B reports on progress made toward the CRD Board Strategic Priorities. Appendix C reports on progress made toward the 2019-2022 CRD Corporate Plan. Both highlight that staff have been able to navigate what was for many a tumultuous year and make decisions that ensured the continued delivery of CRD services. Staff have maintained efforts delivering mandated and essential services for the region, while also adjusting operations as directed in the Corporate Plan. Approximately half of the initiatives delivered to date have resulted in an adjustment to operational activities. Staff have also progressed or completed a range of one-off initiatives. Overall, the vast majority (around 95%) of initiatives identified in the CRD Corporate Plan have already been actioned.

As demand for operational service delivery increase, so does demand on the corporate divisions which support them with organization-wide functions. These divisions have also had to increase their capacity to support requirements driven by population growth.

The COVID-19 health emergency impacted pockets of services and the organization's ability to deliver usual engagement and volunteer-led work. However, these impacts have not materialized into significant delays or deterioration of outputs and workflows. In some cases, logistical challenges emerged resulting in staff having to adapt by amending their processes, engagement approaches or re-phasing their 2020 work plan to carry on into 2021. This was reflected in the final budget which was approved in March 2021.

As the CRD prepares for 2022, staff are in a good position to meet the expectations that have been set at the start of the Board's term. The Board's leadership has enabled the CRD to make great strides towards delivering meaningful work for the region. The focus over the coming year is to finish the work that has been started.

Alignment with Board & Corporate Priorities
The 2019-2022 CRD Corporate Plan identifies and prioritizes initiatives that advance Board Priorities and deliver the CRD's core services. Together, the initiatives and actions in the corporate plan respond to the region's collective community needs in consideration of Board priorities, within the CRD's established service mandates, approved plans and corporate priorities.

CONCLUSION

Staff have been progressing initiatives and actions identified in the CRD Corporate Plan, including Board Strategic Priorities. The Board determines resourcing through its annual review and approval of financial plans. To support the Board's decision-making, staff will provide recommendations on funding, timing and service levels through the service and financial planning processes. These will be reviewed through the standing committees and commissions and form the basis of the Provisional Budget.

RECOMMENDATION

The Committee of the Whole recommends to the Capital Regional District Board:
1. That the current level of effort on CRD Board Priorities be maintained; and
2. That staff, through the service planning process, provide recommendations on funding, timing and service levels for 2022 in accordance with the approved 2019-2022 Board Strategic Priorities.

Submitted by:	Emily Sinclair, MCIP, RPP, Senior Manager, Regional & Strategic Planning
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: CRD Board Strategic Priorities
Appendix B: CRD Board Strategic Priorities Progress report
Appendix C: Progress Update (2021) CRD Corporate Plan 2019-2022

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2019-2022 Board Strategic Priorities Annual Check-In

Capital Regional District Board
May 12, 2021

Bob Lapham MCIP RPP
Chief Administrative Officer

Kevin Lorette P.Eng. MBA
General Manager, Planning & Protective Services

Session outline

1. **Current Context** — Bob Lapham

   Objective of today's session and overview

2. **CRD Planning Framework** — Kevin Lorette

   Review service planning and Board strategic planning processes

3. **Delivering the CRD Corporate Plan 2019-2022** — Kevin Lorette

   Overview of progress to date

4. **Facilitated Discussion and Board Direction** — Board Chair

   For discussion:

   - ❑ Is progress on the Board Strategic Priorities meeting expectations?
   - ❑ If not, where would the Board like to see additional effort to advance priorities?

1. Current Context

Operating Environment Scan

External Context

- Local and national key performance indicators continue to reflect the impact of COVID-19 on the economy
- Given the sectors that drive economic activity in the region, economic performance and growth continue at pace and are high when compared across the province and nationally
- Demand and utilization of CRD services remain strong

Internal Context

- The CRD has experienced an increase in demand for regional services in key sectors, including parks, landfill and service connections
- As demand for our operational staff's time and services increase, so does demand on the corporate divisions that provide organization-wide functions

Corporate Context

- The CRD has dedicated significant time and effort to address the changing demands arising from the COVID-19 pandemic
- Management and staff have shown flexibility and adapted their ways of working to continue delivering against Board and corporate priorities and to meet increased regional demand for services

2. CRD Planning Framework

Four-year Board planning cycle

2019

Identify Board Strategic Priorities and community needs with Board

Align CRD Corporate Plan and resources to strategic direction

2020

Initiate the work on the bulk of the initiatives

Maintain momentum on mandated and core service delivery

2021

Keep up high level of effort to deliver approved initiatives that are progressing and initiate additional new initiatives

Ensure mandated and core services continue to be delivered in line with expectations

2022

Initiate final remaining initiatives

Initiatives that have been progressing over the course of the Board term are either operationalized (i.e. absorbed into day-to-day activities and service level adjusted to accommodate) or, if they were a one-off piece of work, completed and brought to a close

2. CRD Planning Framework

Service planning framework

The CRD's service planning framework is a multi-step coordinated process involving the whole organization.

1. The CRD Board meets annually in late spring to confirm the strategic direction for the following year.

2. This strategic direction, along with direction from committees about advancing corporate priorities, informs the recommendations brought forward by staff for new initiatives, resourcing and core service delivery adjustments.

3. The outputs of this work – Community Need Summaries – are routed for approval through standing committees and commissions during the fall. The CRD Board completes the process by approving proposed resourcing and service adjustments at provisional budget in October.

Today's session is the first stage in this multi-step coordinated process.



2. Delivering the CRD Corporate Plan 2019-2022

CRD Board Strategic Priorities Progress Report

Community Wellbeing – Transportation & Housing	We envision that residents have access to affordable housing and convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.

On track · Delayed · Operationalized · Not started

Initiatives	Description	Status	Key deliverables as of May 2021
1a Multi-Modal Transportation	Work with government / community partners to plan for and deliver an effective, long-term multi-modal transportation system and to increase use of public transit, walking and cycling.	19 20 21 22	MOTI's South Island Transportation Strategy (SITS) was published in Q3 2020. Staff brought a report on gaps in regional transportation functions and options for next steps to the Committee of the Whole. Based on the gaps, the Board directed that staff prepare a list of transportation priorities for Board prioritization, in close collaboration with regional partners and agencies, and the reinstatement of the Transportation Committee to provide oversight on this work going forward.
1b E&N Corridor	Protect the E&N corridor as a transportation corridor and participate in a Provincial working group to come to agreement on the future use of the E&N corridor.	19 20 21 22	**Operationalized.** SITS considered the E&N Corridor in its recommendations and will continue to protect it as a transportation corridor.
1c Affordable Housing	Create and deliver more affordable housing across the region in a manner aligned with the Regional Growth Strategy in order to address the needs of a diverse and growing population, including vulnerable residents.	19 20 21 22	Housing and Transportation Cost Estimate Study was released in Q3 2020, exploring the impact of transportation costs on household affordability in the region. CRD awarded three Regional Housing Trust Fund grants to support the construction of over 100 affordable rental units in Q4 2020. Through the Regional Housing First program: • 282 new affordable housing units opened for rental in the Westshore (Spencer Close and West Park) in Q4 2020 • 120 new affordable homes opened in Langford (Hockley House) in Q1 2021 Government of Canada announced $13.1m in federal funds for the Rapid Housing Initiative to create up to 91 new affordable homes. CRD received $1.9m in the fall in additional COVID-19 emergency response funding from Reaching Home to support the region's response capacity for those experiencing homelessness.

2. Delivering the CRD Corporate Plan 2019-2022

Making a difference...together

CRD Board Strategic Priorities Progress Report

Climate Action & Environmental Stewardship	We envision reduced greenhouse gas (GHG) emissions, triple-bottom line solutions and progress on adaptation.

On track · Delayed · Operationalized · Not started

Initiatives	Description	Status	Key Deliverables as of May 2021
2a Climate Emergency	Declare a Climate Emergency and take a leadership role to pursue regional carbon neutrality by 2030.	19 20 21 22	CRD Residential (Energy) Retrofit Acceleration Strategy was completed in Q2 2020, with more rebates offered. Completed the Climate Action Revenue Incentive Program reporting in Q2 2020 and the regional GHG inventory and associated municipal study in Q3 2020. Update of the CRD Climate Action Strategy is underway.
2b GHG from buildings, transportation and solid waste	Work with local governments to further reduce emissions from buildings, transportation and solid waste.	19 20 21 22	Implemented the neighborhood Transition 2050 'Bring It Home 4 Climate' Program to encourage residential energy retrofit in Q4 2020. The program has been extended. Working in partnership with Saanich and Victoria on a social media campaign to increase Electric Vehicle awareness and take-up in the region.
2c Environmental Resource Management	Explore additional opportunities for resource recovery and identify best practices to further reduce waste, increase recycling and find beneficial uses for waste.	19 20 21 22	Completed the community and local government consultation on the draft Solid Waste Management Plan, including targeted engagement with First Nations groups and residents in the Hartland Landfill area. The Board is considering the final draft in May. CRD announced biosolids trucking contract with K'ENES Transportation in Q4 2020. Process started to design and construct a new facility to upgrade the biogas generated at Hartland Landfill to renewable gas. Supply contract with FortisBC to purchase this gas for distribution submitted to BC Utilities Commissions in spring.
2d Regional Parks	Ensure appropriate funding for parks and trails infrastructure, improvements and maintenance by updating the Regional Parks Strategy.	19 20 21 22	Regional Parks 2020 to 2021 Land Acquisition Criteria was approved in Q2 2020. CRD has acquired further parkland in Saanich, Mount Parke and Mount Work Regional Parks. Mountain Biking Guidelines expected in spring 2021. Regional Trails Widening Study received by Board in Q1 2021 and staff directed to conduct public engagement. After a review of the appropriateness of property tax requisition as primary revenue source for regional parks operating costs, Board directed staff to consider additional parking revenue options as part of the Regional Parks strategic planning process.
2e Environmental Protection	Develop model bylaws and best practices for use by municipalities and electoral areas.	19 20 21 22	Completed the Region Coastal Flood Inundation Mapping Project in Q3 2020 and the Regional Electric Vehicle Charging Roadmap in Q1 2021. Engaged with the province on opportunities related to the BC Recycling Regulations amendments.

2. Delivering the CRD Corporate Plan 2019-2022

CRD Board Strategic Priorities Progress Report

First Nations Reconciliation	We envision strong relationships with First Nations based on trust and mutual respect, partnerships and working together on shared goals.

On track · Delayed · Operationalized · Not started

Initiatives	Description	Status	Key Deliverables as of May 2021
3a First Nations Leadership	Look to First Nations for leadership in understanding how to create new regional planning and decision-making systems together on their Traditional Territories.	19 20 21 22	CRD Board approved inclusion of First Nations in regional governance and decision making in Q1 2021. Amendments were approved and made to *CRD Procedures Bylaw* (to include First Nations Members on CRD Committees), *Terms of Reference* for various CRD Standing Committees (to allow for First Nation Member participation at their leisure in accordance with CRD Procedures Bylaw) and *CRD Board Remuneration and Travel Expense Reimbursement Policy*. CRD Board Chair and CRD CAO met with Nations' Chiefs and Council to present proposed changes and receive feedback ahead of amendments being made. Outreach to the Nations to determine their identified elected representatives is ongoing, with orientation to take place once they have been identified.
3b Service Delivery	Seek partnerships, share information and deliver fair and equitable services in working with First Nations on achieving their economic goals.	19 20 21 22	Completed First Nations Economic Development Partnership Model Feasibility Study in Q3 2020. Through the Economic Partnership Model from the Indigenomics Institute, staff are working to establish a First Nations Economic Opportunity Portal, advance procurement opportunities for First Nations, and support First Nations employment through an Indigenous Internship Program. Outreach in Q4 2020 to local First Nations informing them of additional Reaching Home COVID-19 Funding available. To date, three First Nations have projects underway.
3c First Nations Traditional Practices	Work with First Nations on taking care of the land and water while providing space for cultural and ceremonial use, food and medicine harvesting, traditional management practices and reclaiming Indigenous place names.	19 20 21 22	Corporate wide training to support the new Protection and Conservation of Heritage Sites underway. Training will be made available to staff bi-annually going forward. Board approved draft Land Altering Works MOU between WSÁNEC Leadership Council and CRD. Quarterly meetings began in Q4 2020 to review upcoming works taking place in WSÁNEC Territory and receive feedback from the Nations on the proposed works. Engagement and consultations ongoing with First Nations on parks management plans for Mount Work Park and East Sooke Park, water and wastewater service agreements.
3d First Nations Ecological Asset Management	Prepare an ecological asset management plan.	19 20 21 22	Ecological Asset Management Plan project scoping ongoing with multiple CRD divisions. Report expected in Q3 2021.

2. Delivering the CRD Corporate Plan 2019-2022

CRD Board Strategic Priorities Progress Report

Advocacy, Governance & Accountability	We envision effective advocacy, coordinated, collaborative and transparent governance of our committees and commissions, and fiscal/corporate accountability.

On track · Delayed · Operationalized · Not started

Initiatives	Description	Status	Key Deliverables as of May 2021
4a Electoral Area Advocacy	Develop an advocacy strategy to ensure all occupied properties have the opportunity to access high-speed internet services.	19 20 21 22	Engineering firm contracted to advance Phase 2 of the Connectivity Design Plan to create a broadband infrastructure plan for SGI. CRD Board supported two requests by Internet Service Providers for federal funding aimed at improving services.
4b Electoral Area Governance	Develop a comprehensive strategy and operational review to reflect the unique needs and governance of each electoral area (EA).	19 20 21 22	Service Planning and business case modelling underway to create new SGI Transportation service. Contract to develop plan awarded in Q1 2021. SSI Transportation Committee conducted a strategic planning session in Q4 2020 to set direction for annual capital priorities. SSI Water Optimization Study published in Q1 2021.
4c Regional Emergency Management Partnership (REMP)	Explore more comprehensive regional coordination of emergency services, including an assessment of regional hazards, risks and vulnerabilities.	19 20 21 22	SEOC continues to facilitate coordination of actions and resources in the Electoral Areas and regionally. The Corporate Emergency Management Plan has been updated. CRD advocated to CREST to urgently find an alternative method of providing emergency telecommunication in the Juan de Fuca electoral area. Public Alert Notification System contract awarded in Q1 2021. EA Volunteer Fire Service Regulatory Review completed in Q1 2021. Direction received to report back on strategies to meet and sustain regulatory compliance.
4d Triple Bottom Line	Achieve sustainable budgets through innovation and streamlining while recognizing the need for infrastructure revitalization and accountability to taxpayers.	19 20 21 22	Overhaul of service planning process implemented and operationalized. Review of capital reserve balances and funding practices completed Q4 2020, with comparison to other local governments. Work now underway developing guidelines targeted at setting reserve balances and levels of debt to set a standard approach to long-term funding strategies for capital obligations. Government Finance Officers Association US & Canada awarded CRD with this year's Distinguished Budget Presentation Award and the Canadian Award for Financial Reporting.

Continues on next page

2. Delivering the CRD Corporate Plan 2019-2022

CRD Board Strategic Priorities Progress Report

Advocacy, Governance & Accountability (cont'd)	We envision effective advocacy, coordinated, collaborative and transparent governance of our committees and commissions, and fiscal/corporate accountability.

On track Delayed Operationalized Not started

Initiatives	Description	Status	Key Deliverables as of May 2021
4e Arts	Seek 100% participation in the CRD arts function and facilitate a discussion of the region's art facility needs.	19 20 21 22	CRD Arts & Culture Support Service Strategic plan update completed in Q2 2020. Public engagement regarding performing arts facilities work completed in Q4 2020. Implementation ongoing of report recommendations, including establishing a regional service for the purposes of planning, developing and funding of performing arts facilities that have regional impact.
4f Economic Development	Explore how the CRD can best contribute to regional economic development.	19 20 21 22	Contract for the Rural Dividend grant project to establish a shared business services model in SSI awarded to Rural Island Economic Partnership in Q1 2021. CRD allocated $1.4 million to the COVID-19 Safe Restart Grants for Local Government. SGI Community Economic Sustainability Commission coordinating with SSI Community Economic Development Commission for regional economic resiliency. Island Food Security report was presented to the SGI CESC. Island Coastal Economic Trust expanded to include Juan de Fuca, SSI and SGI who are not eligible to apply for funding and services.

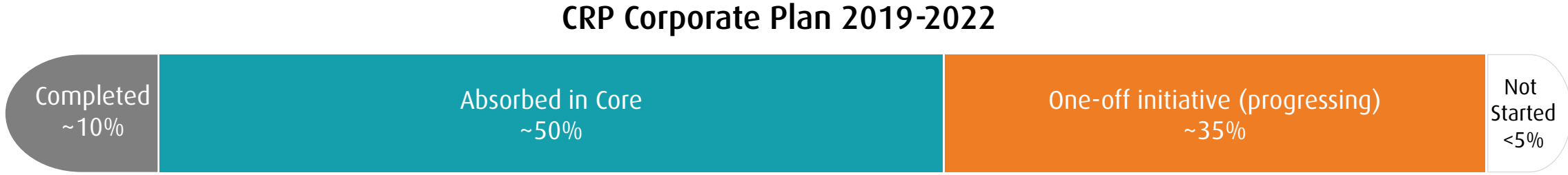
CRD Corporate Plan Progress Report

Please see Progress Update CRD Corporate Plan 2019-2022 (Appendix C) for detailed overview of progress to date on each initiative.

The majority of initiatives highlighted in the Corporate Plan have started and are:

- Being progressed as a one-off initiative (orange)
- Been absorbed as part of a core service adjustment (teal)
- Completed (grey)

A handful of initiatives remain to be actioned/progressed (<5%); in a number of cases direction has been received but the work has not yet started.



Maintaining our day-to-day operations

CRD staff continue to deliver 200+ core services at a regional, sub-regional and local level.

Support Services continue to support the corporation with day-to-day operations.

4. Facilitated discussion and Board direction

Making a difference...together

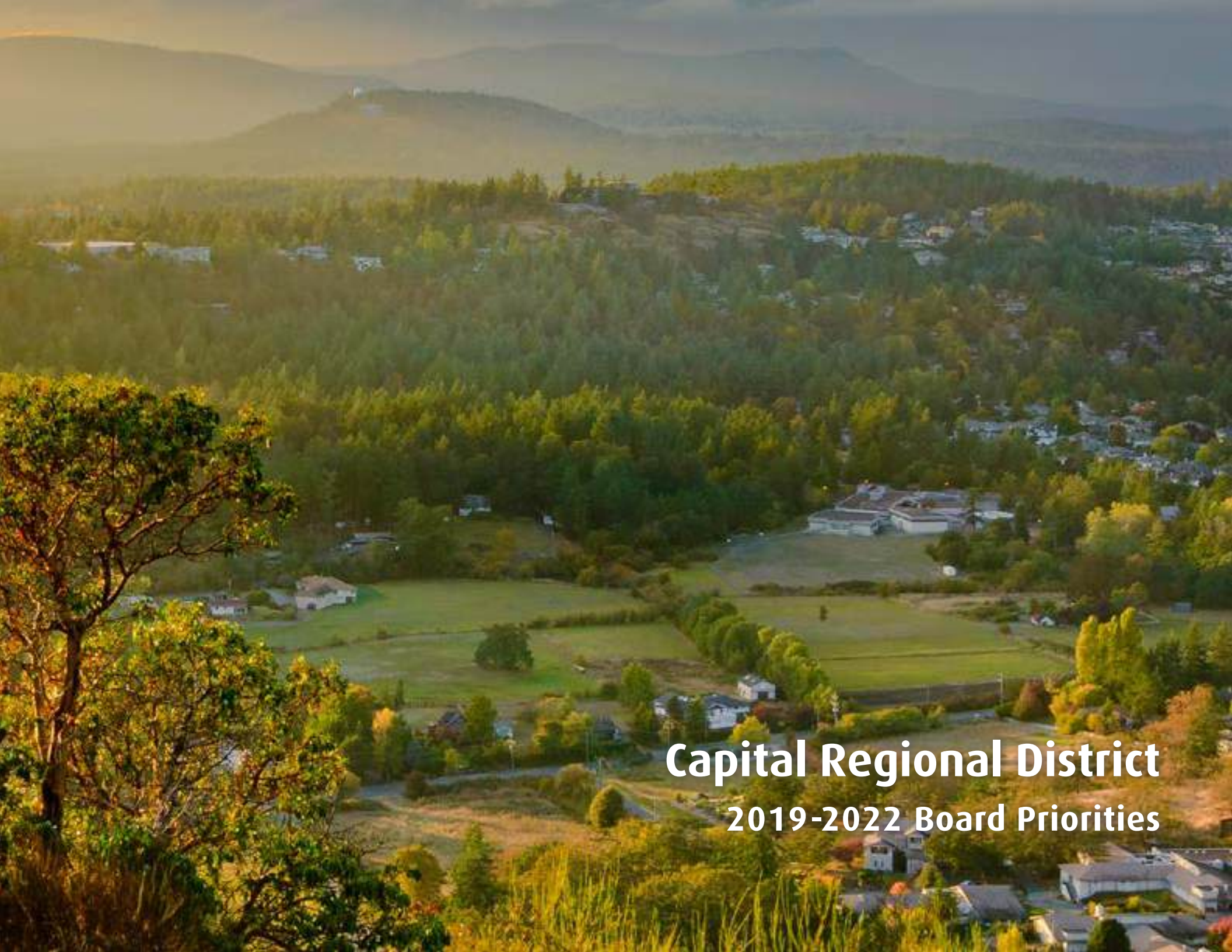
For discussion:

- ❑ Is progress on the Board Strategic Priorities meeting expectations?
- ❑ If not, where would the Board like to see additional effort to advance priorities?

APPENDIX A

CRD Board Priorities on a Page

Priorities	Community Wellbeing – Transportation & Housing	Climate Action & Environmental Stewardship	First Nations Reconciliation	Advocacy, Governance & Accountability
Initiatives	• Work with government/community partners to plan for and deliver an effective, long-term regional multi-modal transportation system and to increase use of public transit, walking and cycling. • Protect the E&N Corridor as a transportation corridor and participate in a Provincial working group to come to agreement on the future use of the E&N corridor. • Create and deliver more affordable housing across the region in a manner aligned with the Regional Growth Strategy in order to address the needs of a diverse & growing population, including vulnerable residents.	• Declare a Climate Emergency and take a leadership role to pursue regional carbon neutrality by 2030. • Work with local governments to further reduce emissions from buildings, transportation and solid waste. • Explore additional opportunities for resource recovery and identify best practices to further reduce waste, increase recycling and find beneficial uses for waste. • Ensure appropriate funding for parks and trails infrastructure, improvements and maintenance by updating the Regional Parks Strategy with consideration to ecological, recreation and reconciliation principles, land acquisition capacity, and expanded partnerships with First Nations and parks user groups. • Develop model bylaws and best practices for use by municipalities and electoral areas.	• Look to First Nations for leadership in understanding how to create new regional planning and decision-making systems together on their Traditional Territories. • Seek partnerships, share information and deliver fair and equitable services in working with First Nations on achieving their economic goals. • Work with First Nations on taking care of the land and water while providing space for cultural and ceremonial use, food and medicine harvesting, traditional management practices and reclaiming Indigenous place names. • Prepare an ecological asset management plan that includes natural infrastructure, First Nations guiding principles, First Nations language and place names, historical uses and invasive species management.	• Develop an advocacy strategy to ensure all occupied properties have the opportunity to access high-speed internet services. • Develop a comprehensive strategy and operational review to reflect the unique needs and governance of each electoral area. • Explore more comprehensive regional coordination of emergency services, including an assessment of regional hazards, risks and vulnerabilities. • Achieve triple bottom-line sustainable budgets through innovation and streamlining while recognizing the need for infrastructure revitalization and accountability to taxpayers. • Seek 100% participation in the CRD arts function and facilitate a discussion of the region's art facility needs. • Explore how the CRD can best contribute to regional economic development.
Desired Outcomes	• We envision that residents have access to affordable housing and convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.	• We envision reduced GHG emissions, triple-bottom line solutions and progress on adaptation.	• We envision strong relationships with First Nations based on trust and mutual respect, partnerships and working together on shared goals.	• We envision effective advocacy, coordinated, collaborative and transparent governance of our committees and commissions, and fiscal/corporate accountability.



Capital Regional District

2019-2022 Board Priorities

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Message from the Board

As the 2019 – 2022 Capital Regional District (CRD) Board of Directors, we are the mayors and councillors in each municipality and representatives of the electoral areas. In our roles, we hear the concerns of our constituents, we identify risks and opportunities, and we work together as the CRD Board for the benefit of the region as a whole.

The continued growth of the region brings new opportunities and deepens existing issues for our communities, requiring decisive and collaborative action to set the strategic course for the CRD over the next four years.

We invite you to read this plan to see how we will work together to build a vibrant, livable and sustainable region.

Responding to Community Issues

As the CRD Board of Directors, we voice the needs of our constituents and direct the CRD's actions to respond.

In our Board planning sessions, we discussed a range of community issues, including but not limited to:

- Arts
- Climate Change
- Budgeting
- Environmental Protection
- Emergency Services
- Electoral Areas
- Farmland
- First Nations Reconciliation
- Governance & Service Delivery
- Health
- Housing
- Regional Parks
- Transportation
- Waste Management

Board Priorities & Initiatives

While all issues are important, limited resources require the Board to make strategic decisions. The Board carefully selected strategic priorities and associated initiatives that can be addressed within the CRD's legislative mandate, that are new, or that require more intense or urgent effort than has previously been applied.

We acknowledge the extensive work the CRD is already doing for the region and will continue to do. Accordingly, this document focuses on initiatives that we would like the CRD to address in addition to ongoing initiatives. Through the CRD's established service planning and budget processes, we will determine how best to fund our priorities/initiatives, with a focus on delivering value to taxpayers.

Board of Directors (2019–2022)

Our 24-member Board is composed of one or more elected officials from each of the local governments within the CRD boundaries. Each local government holds one director position on the Board for every 25,000 people (or portion thereof).

- Denise **BLACKWELL**, Langford (*2018 Vice-Chair*)
- Susan **BRICE**, Saanich
- Barbara **DESJARDINS**, Esquimalt
- Fred **HAYNES**, Saanich
- Lisa **HELPS**, Victoria
- Mike **HICKS**, Juan de Fuca Electoral Area
- Gary **HOLMAN**, Salt Spring Island Electoral Area
- Dave **HOWE**, Southern Gulf Islands Electoral Area
- Ben **ISITT**, Victoria
- Jeremy **LOVEDAY**, Victoria
- Rob **MARTIN**, Colwood
- Cliff **MCNEIL-SMITH**, Sidney
- Rebecca **MERSEREAU**, Saanich
- Kevin **MURDOCH**, Oak Bay
- Geoff **ORR**, North Saanich
- Colin **PLANT**, Saanich (*2018 Chair*)
- John **RANNS**, Metchosin
- David **SCREECH**, View Royal
- Lanny **SEATON**, Langford
- Maja **TAIT**, Sooke
- Ned **TAYLOR**, Saanich
- Ken **WILLIAMS**, Highlands
- Ryan **WINDSOR**, Central Saanich
- Geoff **YOUNG**, Victoria



Photo: Derek Ford

About the CRD

The Capital Regional District (CRD) is the regional government for 13 municipalities and three electoral areas (EA) on southern Vancouver Island and the Gulf Islands, serving more than 393,000 residents. The traditional territories of over 20 First Nations span portions of the region and 11 of those hold reserve lands throughout the capital region.

The Capital Regional District (CRD) was incorporated in 1966 to provide regional decision-making on issues that transcend municipal boundaries and to enable more effective service delivery to residents regionally, sub-regionally and locally.

As a local government, the CRD develops partnerships to facilitate and deliver projects and services to ensure a sustainable, livable and vibrant capital region.

The CRD plays a key role in providing services that can be delivered efficiently and effectively through region-wide or shared service delivery models.

The CRD has more than 200 services, infrastructure and financing agreements with municipalities and electoral areas. CRD services are organized into the following categories:

- **Regional**, where all municipalities and electoral areas are served;
- **Sub-regional**, where two or more jurisdictions are served;
- **Local**, in the electoral areas where the CRD is the local government.

The CRD works collaboratively with First Nations and other levels of governments and has direct relationships with individuals, businesses, organizations, institutions and communities that access regional utilities and services.

The CRD owns and operates the Capital Region Housing Corporation (CRHC), a non-profit provider of 1,418 affordable rental units throughout the region, and administers the Capital Regional Hospital District (CRHD). The CRHD invests in traditional health care services and provides capital funding for health care infrastructure, such as health facilities and hospital equipment.

Corporate Statements

Mission

We are diverse communities working together to serve the public good and build a vibrant, livable and sustainable region, through an effective, efficient and open organization.

Vision

Our communities strive to achieve exemplary environmental stewardship, a dynamic vibrant economy and an inclusive, caring society. Regional cooperation, mutually beneficial decision making and advancing shared interests shape the essence of the CRD.

Reconciliation

The CRD's boundaries span the Traditional Territories of over 20 First Nations, whose ancestors have been taking care of the land since time immemorial. The CRD believes that a positive working relationship with First Nations is good for the whole region. For the CRD to have a positive relationship with First Nations we need to acknowledge, respect and complement their Indigenous laws, customs and systems of governance.

The CRD is part of a national movement towards Reconciliation with Canada's Indigenous peoples, informed by:

- The Truth and Reconciliation Commission's Calls to Action
- The United Nations Declaration on the Rights of Indigenous Peoples
- Sec. 35 of the Canadian Charter of Rights and Freedoms
- The Douglas Treaties and the BC Modern Treaty process

For the full Statement of Reconciliation, please visit: **www.crd.bc.ca/firstnations.**



Priority Setting

Priority Setting

Priorities

For our 2019 - 2022 mandate, with an annual review, we agreed to focus on the following regional priorities:

- Community Wellbeing - Transportation & Housing
- Climate Change Adaptation & Mitigation
- First Nations Reconciliation
- Advocacy, Governance & Accountability (including EA-specific initiatives)

As part of the above regional priorities, we identified two electoral area initiatives that apply where the CRD serves as the local government, specifically Juan de Fuca, Salt Spring Island and the Southern Gulf Islands. The two initiatives call for an advocacy strategy to ensure all occupied properties have high-speed internet access and a comprehensive strategy and operational review to reflect the unique governance needs of each electoral area.

Strategic Planning Process

Through a series of facilitated Board meetings, beginning in November 2018 and ending in January 2019, we set the strategic priorities for our 2019 - 2022 mandate. Our priorities complement existing plans and budgets developed over many years.

The creation of this document involved consultation with Directors (surveys and discussions) and several Board planning sessions.

We, the Board, approved the 2019 - 2022 priorities on February 13, 2019.

Connecting Board Priorities to Action

Organizational efforts are aligned to ensure work is prioritized according to Board direction. Robust corporate planning processes consider existing CRD strategies, organizational mandates and resource availability to ensure the CRD delivers on Board expectations and administrative/operational obligations.

Internal Capacity

Board priorities cannot be fully implemented without sufficient internal capacity - be it systems (e.g. budgeting and information technology) or people (e.g. training, performance management, retention and recruitment). The CRD's Organizational Development Plan addresses organizational management.

Planning & Budgeting

Board priorities guide the strategic direction of the CRD. To deliver on Board priorities and corporate obligations, executive staff create a Corporate Plan that guides service delivery over the Board's four-year mandate. The Corporate Plan is implemented through annual Board approval of divisional service plans. Service plans detail service levels, actions, measurable targets and resources required to achieve Board and corporate priorities. Board approval of financial plans and budgets provides the resources for implementation.

Implementation

Once resourced, staff move to deliver on Board priorities and initiatives.

Accountability & Transparency

Staff report quarterly and annually on progress towards achieving Board priorities and on significant budget variances and emerging risks. Through the corporate planning process, key performance indicators will be developed to track progress.



Board Priorities

2019 - 2022 Board Priorities



Community Wellbeing – Transportation & Housing

The CRD Board will advocate, collaborate and form partnerships to address the affordable housing and transportation needs of the region's diverse and growing population.



Climate Action & Environmental Stewardship

The CRD Board will encourage and implement bold action on climate change by enhancing its natural and built assets to achieve environmental resilience, food security and continued wellbeing of our current and future residents.



First Nations Reconciliation

The CRD Board will take measurable steps toward strengthening government-to-government relationships with First Nations to foster shared prosperity for all.



Advocacy, Governance & Accountability

The CRD Board will advocate for infrastructure, regulatory, legislative, financial and operational support, focus its governance and Committees/Commissions on advancing regional, sub-regional and local priorities, and work to resolve issues that the CRD does not have the direct mandate to address.

Desired Outcomes



Community Wellbeing – Transportation & Housing

We envision residents have access to affordable housing and convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.



Climate Action & Environmental Stewardship

We envision reduced GHG emissions, triple-bottom line solutions and progress on adaptation.



First Nations Reconciliation

We envision strong relationships with First Nations based on trust and mutual respect, partnerships and working together on shared goals.



Advocacy, Governance & Accountability

We envision effective advocacy, coordinated, collaborative and transparent governance of our committees and commissions, and fiscal/corporate accountability.



Community Wellbeing – Transportation & Housing

The CRD Board will advocate, collaborate and form partnerships to address the affordable housing and transportation needs of the region's diverse and growing population.

Why?

The region currently faces issues of unaffordable housing, as well as lengthy and costly commutes. These issues negatively impact community wellbeing and do not meet the long-term needs of our communities.

Initiatives

1a	Work with government/community partners to plan for and deliver an effective, long-term regional multi-modal transportation system and to increase use of public transit, walking and cycling.
1b	Protect the E&N Corridor as a transportation corridor and participate in a Provincial working group to come to agreement on the future use of the E&N corridor.
1c	Create and deliver more affordable housing across the region in a manner aligned with the Regional Growth Strategy in order to address the needs of a diverse and growing population, including vulnerable residents.

Desired Outcome

We envision residents have access to affordable housing and convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.



Climate Action & Environmental Stewardship

The CRD Board will encourage and implement bold action on climate change by protecting and enhancing its natural and built assets to achieve environmental resilience, food security, managed growth and continued wellbeing of our current and future residents.

Why?

The impacts of climate change are already being felt globally and locally, and these impacts will continue to intensify and affect our communities and the natural environment for decades to come. It is urgent that we do our part to stabilize the climate and adapt.

Initiatives

2a	Declare a Climate Emergency and take a leadership role to pursue regional carbon neutrality by 2030.
2b	Work with local governments to further reduce emissions from buildings, transportation and solid waste.
2c	Explore additional opportunities for resource recovery and identify best practices to further reduce waste, increase recycling and find beneficial uses for waste.
2d	Ensure appropriate funding for parks and trails infrastructure, improvements and maintenance by updating the Regional Parks Strategy with consideration to ecological, recreation and reconciliation principles, land acquisition capacity, and expanded partnerships with First Nations and parks user groups.
2e	Develop model bylaws and best practices for use by municipalities and electoral areas.

Desired Outcome

We envision reduced GHG emissions, triple-bottom line solutions and progress on adaptation.



First Nations Reconciliation

The CRD Board will take measurable steps toward developing respectful government-to-government relationships and partnerships with First Nations to foster shared prosperity for all.

Why?

It is important to acknowledge historic harms, overcome current inequities and respect local indigenous laws and culture.

Initiatives

3a	Look to First Nations for leadership in understanding how to create new regional planning and decision-making systems together on their Traditional Territories.
3b	Seek partnerships, share information and deliver fair and equitable services in working with First Nations on achieving their economic goals.
3c	Work with First Nations on taking care of the land and water while providing space for cultural and ceremonial use, food and medicine harvesting, traditional management practices and reclaiming Indigenous place names.
3d	Prepare an ecological asset management plan that includes natural infrastructure, First Nations guiding principles, First Nations language and place names, historical uses and invasive species management.

Desired Outcome

We envision strong relationships with First Nations based on trust and mutual respect, partnerships and working together on shared goals.



Advocacy, Governance & Accountability

The CRD Board will advocate for infrastructure, regulatory, legislative, financial and operational support, focus its governance and Committees/Commissions on transparently and efficiently advancing regional, sub-regional and local priorities, and work collaboratively to address multi-jurisdictional issues that impact the wellbeing of the region's residents.

Why?

There are issues that require regional action outside the CRD's service mandate. Where the CRD does not have a direct mandate, the Board can advocate on behalf of the CRD. Through partnerships and effective governance, the CRD can leverage resources, extend its impact to more communities and achieve greater outcomes.

Initiatives

4a	Develop an advocacy strategy to ensure all occupied properties have the opportunity to access high-speed internet services.
4b	Develop a comprehensive strategy and operational review to reflect the unique needs and governance of each electoral area.
4c	Explore more comprehensive regional coordination of emergency services, including an assessment of regional hazards, risks and vulnerabilities.
4d	Achieve triple bottom-line sustainable budgets through innovation and streamlining while recognizing the need for infrastructure revitalization and accountability to taxpayers.
4e	Seek 100% participation in the CRD arts function and facilitate a discussion of the region's art facility needs.
4f	Explore how the CRD can best contribute to regional economic development.

Desired Outcome

We envision effective advocacy, coordinated, collaborative and transparent governance of our committees and commissions, and fiscal/corporate accountability.

Next Steps

To achieve our priorities, we commit to work collaboratively with each other and to direct the CRD with clarity and accountability. CRD staff will undertake specific actions that will be outlined in the 2019-2022 Corporate Plan and staff will report back on the progress of these actions at regular intervals. In turn, progress on our priorities and initiatives will be regularly updated to reflect our commitment to continually evolve and adapt.

We will focus on a handful of initiatives at one time, and, as they are completed or well underway, we will address remaining initiatives.

To ensure the Board priorities and initiatives continue to respond to the needs of our communities, we will review the 2019-2022 Board Priorities on an annual basis to confirm or revise the agreed-upon initiatives.

This document is available on **www.crd.bc.ca/plans**.

Key Documents

The following plans relate to the Board's priorities and guide CRD operations. Please visit our website at **www.crd.bc.ca/plans** to view all plans.

Community Wellbeing – Transportation & Housing

- Capital Region Housing Corporation (CRHC) Strategic Plan
- Regional Housing Affordability Strategy (RHAS)
- Regional Growth Strategy (RGS)
- Regional Transportation Strategy (RTP)

Climate Action & Environmental Stewardship

- Corporate Climate Action Strategy (CCAS)
- Regional Climate Action Strategy (RCAS)
- Regional Food & Agricultural Strategy (RFAS)
- Regional Parks Strategic Plan
- Solid Waste & Resource Management Plan (SWMP)

First Nations Reconciliation

- First Nations Task Force Final Report
- Statement of Reconciliation

Advocacy, Governance & Accountability

- Regional Water Supply Strategic Plan
- CRD Arts & Culture Support Service Strategic Plan

Other

- Organizational Development Plan (ODP)
- Corporate Asset Management Strategy (CAMS) [link will be provided pending CAMS approval in Spring 2019]

Note: The strategic plans contained herein have a regional focus. Please note, there are various sub-regional strategic plans that also guide operations.

Photo Acknowledgment

The photos in this document were taken within the boundaries of the Capital Regional District. We wish to acknowledge the photographers whose work is featured here, including:

- Devin **CARD**
- Derek **FORD**
- istock.com/**PSAHOTA**

Cover Photo
Credit: P. Sahota
Location: Mount Douglas

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CRD Board Strategic Priorities Progress Report

Community Wellbeing – Transportation & Housing

We envision that residents have access to affordable housing and convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.

On track Delayed Operationalized Not started

Initiatives	Description	Status	Key deliverables as of May 2021
1a Multi-Modal Transportation	Work with government / community partners to plan for and deliver an effective, long-term multi-modal transportation system and to increase use of public transit, walking and cycling.	19 20 21 22	MoTI's South Island Transportation Strategy (SITS) was published in Q3 2020. Staff brought a report on gaps in regional transportation functions and options for next steps to the Committee of the Whole. Based on the gaps, the Board directed that staff prepare a list of transportation priorities for Board prioritization, in close collaboration with regional partners and agencies, and the reinstatement of the Transportation Committee to provide oversight on this work going forward.
1b E&N Corridor	Protect the E&N Corridor as a transportation corridor and participate in a Provincial working group to come to agreement on the future use of the E&N Corridor.	19 20 21 22	Operationalized. SITS considered the E&N Corridor in its recommendations and will continue to protect it as a transportation corridor.
1c Affordable Housing	Create and deliver more affordable housing across the region in a manner aligned with the Regional Growth Strategy in order to address the needs of a diverse and growing population, including vulnerable residents.	19 20 21 22	Housing and Transportation Cost Estimate Study was released in Q3 2020, exploring the impact of transportation costs on household affordability in the region. CRD awarded three Regional Housing Trust Fund grants to support the construction of over 100 affordable rental units in Q4 2020. Through the Regional Housing First program: • 282 new affordable housing units opened for rental in the Westshore (Spencer Close and West Park) in Q4 2020 • 120 new affordable homes opened in Langford (Hockley House) in Q1 2021 Government of Canada announced $13.1M in federal funds for the Rapid Housing Initiative to create up to 91 new affordable homes. CRD received $1.9M in the fall in additional COVID-19 emergency response funding from Reaching Home to support the region's response capacity for those experiencing homelessness.

CRD Board Strategic Priorities Progress Report

Climate Action & Environmental Stewardship

We envision reduced greenhouse gas (GHG) emissions, triple-bottom line solutions and progress on adaptation.

On track | Delayed | Operationalized | Not started

Initiatives	Description	Status	Key Deliverables as of May 2021
2a Climate Emergency	Declare a Climate Emergency and take a leadership role to pursue regional carbon neutrality by 2030.	19 20 21 22	CRD Residential (Energy) Retrofit Acceleration Strategy was completed in Q2 2020, with more rebates offered. Completed the Climate Action Revenue Incentive Program reporting in Q2 2020 and the regional GHG inventory and associated municipal study in Q3 2020. Update of the CRD Climate Action Strategy is underway.
2b GHG from buildings, transportation and solid waste	Work with local governments to further reduce emissions from buildings, transportation and solid waste.	19 20 21 22	Implemented the neighborhood Transition 2050 'Bring It Home 4 Climate' Program to encourage residential energy retrofit in Q4 2020. The program has been extended. Working in partnership with Saanich and Victoria on a social media campaign to increase Electric Vehicle awareness and take-up in the region.
2c Environmental Resource Management	Explore additional opportunities for resource recovery and identify best practices to further reduce waste, increase recycling and find beneficial uses for waste.	19 20 21 22	Completed the community and local government consultation on the draft Solid Waste Management Plan, including targeted engagement with First Nations groups and residents in the Hartland Landfill area. The Board is considering the final draft in May. CRD announced biosolids trucking contract with K'ENES Transportation in Q4 2020. Process started to design and construct a new facility to upgrade the biogas generated at Hartland Landfill to renewable gas. Supply contract with FortisBC to purchase this gas for distribution submitted to BC Utilities Commissions in spring.
2d Regional Parks	Ensure appropriate funding for parks and trails infrastructure, improvements and maintenance by updating the Regional Parks Strategy.	19 20 21 22	Regional Parks 2020 to 2021 Land Acquisition Criteria was approved in Q2 2020. CRD has acquired further parkland in Saanich, Mount Parke and Mount Work Regional Parks. Mountain Biking Guidelines expected in spring 2021. Regional Trails Widening Study received by Board in Q1 2021 and staff directed to conduct public engagement. After a review of the appropriateness of property tax requisition as primary revenue source for Regional Parks operating costs, Board directed staff to consider additional parking revenue options as part of the Regional Parks strategic planning process.
2e Environmental Protection	Develop model bylaws and best practices for use by municipalities and electoral areas.	19 20 21 22	Completed the Region Coastal Flood Inundation Mapping Project in Q3 2020 and the Regional Electric Vehicle Charging Roadmap in Q1 2021. Engaged with the Province on opportunities related to the BC Recycling Regulations amendments.

CRD Board Strategic Priorities Progress Report

First Nations Reconciliation

We envision strong relationships with First Nations based on trust and mutual respect, partnerships and working together on shared goals.

On track Delayed Operationalized Not started

Initiatives	Description	Status	Key Deliverables as of May 2021
3a First Nations Leadership	Look to First Nations for leadership in understanding how to create new regional planning and decision-making systems together on their Traditional Territories.	19 20 21 22	CRD Board approved inclusion of First Nations in regional governance and decision making in Q1 2021. Amendments were approved and made to CRD Procedures Bylaw (to include First Nations Members on CRD Committees), Terms of Reference for various CRD Standing Committees (to allow for First Nation Member participation at their leisure in accordance with CRD Procedures Bylaw) and CRD Board Remuneration and Travel Expense Reimbursement Policy. CRD Board Chair and CRD CAO met with Nations' Chiefs and Council to present proposed changes and receive feedback ahead of amendments being made. Outreach to the Nations to determine their identified elected representatives is ongoing, with orientation to take place once they have been identified.
3b Service Delivery	Seek partnerships, share information and deliver fair and equitable services in working with First Nations on achieving their economic goals.	19 20 21 22	Completed First Nations Economic Development Partnership Model Feasibility Study in Q3 2020. Through the Economic Partnership Model from the Indigenomics Institute, staff are working to establish a First Nations Economic Opportunity Portal, advance procurement opportunities for First Nations, and support First Nations employment through an Indigenous Internship Program. Outreach in Q4 2020 to local First Nations informing them of additional Reaching Home COVID-19 Funding available. To date, three First Nations have projects underway.
3c First Nations Traditional Practices	Work with First Nations on taking care of the land and water while providing space for cultural and ceremonial use, food and medicine harvesting, traditional management practices and reclaiming Indigenous place names.	19 20 21 22	Corporate wide training to support the new Protection and Conservation of Heritage Sites underway. Training will be made available to staff bi-annually going forward. Board approved draft Land Altering Works MOU between WSÁNEC Leadership Council and CRD. Quarterly meetings began in Q4 2020 to review upcoming works taking place in WSÁNEC Territory and receive feedback from the Nations on the proposed works. Engagement and consultations ongoing with First Nations on parks management plans for Mount Work Park and East Sooke Park, water and wastewater service agreements.
3d First Nations Ecological Asset Management	Prepare an ecological asset management plan.	19 20 21 22	Ecological Asset Management Plan project scoping ongoing with multiple CRD divisions. Report expected in Q3 2021.

CRD Board Strategic Priorities Progress Report

Advocacy, Governance & Accountability

We envision effective advocacy, coordinated, collaborative and transparent governance of our committees and commissions, and fiscal/corporate accountability.

On track Delayed Operationalized Not started

Initiatives	Description	Status	Key Deliverables as of May 2021
4a Electoral Area Advocacy	Develop an advocacy strategy to ensure all occupied properties have the opportunity to access high-speed internet services.	19 20 21 22	Engineering firm contracted to advance Phase 2 of the Connectivity Design Plan to create a broadband infrastructure plan for SGI. CRD Board supported two requests by Internet Service Providers for federal funding aimed at improving services.
4b Electoral Area Governance	Develop a comprehensive strategy and operational review to reflect the unique needs and governance of each electoral area (EA).	19 20 21 22	Service Planning and business case modelling underway to create new SGI Transportation service. Contract to develop plan awarded in Q1 2021. SSI Transportation Committee conducted a strategic planning session in Q4 2020 to set direction for annual capital priorities. SSI Water Optimization Study published in Q1 2021.
4c Regional Emergency Management Partnership (REMP)	Explore more comprehensive regional coordination of emergency services, including an assessment of regional hazards, risks and vulnerabilities.	19 20 21 22	SEOC continues to facilitate coordination of actions and resources in the Electoral Areas and regionally. The Corporate Emergency Management Plan has been updated. CRD advocated to CREST to urgently find an alternative method of providing emergency telecommunication in the Juan de Fuca Electoral Area. Public Alert Notification System contract awarded in Q1 2021. EA Volunteer Fire Service Regulatory Review completed in Q1 2021. Direction received to report back on strategies to meet and sustain regulatory compliance.
4d Triple Bottom Line	Achieve triple bottom-line sustainable budgets through innovation and streamlining while recognizing the need for infrastructure revitalization and accountability to taxpayers.	19 20 21 22	Overhaul of service planning process implemented and operationalized. Review of capital reserve balances and funding practices completed Q4 2020, with comparison to other local governments. Work now underway developing guidelines targeted at setting reserve balances and levels of debt to set a standard approach to long-term funding strategies for capital obligations. Government Finance Officers Association US & Canada awarded CRD with this year's Distinguished Budget Presentation Award and the Canadian Award for Financial Reporting.

Continues on next page

CRD Board Strategic Priorities Progress Report

Advocacy, Governance & Accountability (cont'd)

We envision effective advocacy, coordinated, collaborative and transparent governance of our committees and commissions, and fiscal/corporate accountability.

On track | Delayed | Operationalized | Not started

Initiatives	Description	Status	Key Deliverables as of May 2021
4e Arts	Seek 100% participation in the CRD arts function and facilitate a discussion of the region's art facility needs.	19 20 21 22	CRD Arts & Culture Support Service Strategic plan update completed in Q2 2020. Public engagement regarding performing arts facilities work completed in Q4 2020. Implementation ongoing of report recommendations, including establishing a regional service for the purposes of planning, developing and funding of performing arts facilities that have regional impact.
4f Economic Development	Explore how the CRD can best contribute to regional economic development.	19 20 21 22	Contract for the Rural Dividend grant project to establish a shared business services model in SSI awarded to Rural Island Economic Partnership in Q1 2021. CRD allocated $1.4 million to the COVID-19 Safe Restart Grants for Local Government. SGI Community Economic Sustainability Commission coordinating with SSI Community Economic Development Commission for regional economic resiliency. Island Food Security report was presented to the SGI CESC. Island Coastal Economic Trust expanded to include Juan de Fuca, SSI and SGI who are not eligible to apply for funding and services.

PROGRESS UPDATE (2021)
CRD CORPORATE PLAN 2019-2022

Appendix C

No action | Core service adjustments | New initiative or program | Planned | Completed

	19	20	21	22	Next steps
Affordable Housing					
1a-1 Affordable housing per RGS		IBC			
1a-2/1a-3 Housing investment through RHFP/CRHC		IBC	IBC		
1a-4 Housing continuation beyond RHFP		IBC			Deferred due to extension of RHFP
1a-5 Housing affordability measurements		IBC			Implementation of outcomes from 1a-8
1a-6 Housing assets improvements		IBC			Annual budget of $2.2m (capital) for improvements
1a-7 Greater Victoria Coalition to End Homelessness		IBC			Support extension to Aboriginal Coalition to End Homelessness
1a-8 Municipal housing support		IBC			Regional Housing Needs reports completed, planning for additional activities
1a-9 Housing system improvement		IBC			
1a-10* Reaching Home program		IBC	IBC		Expanded CRD role to deliver HIFIS
1a-11* SGI Housing Strategy			IBC		
Transportation					
2a-1 Multi-modal transportation system		IBC			Work underway to identify regional priority transportation initiatives
2a-2 E&N corridor		IBC			
2b-1 Partner collaboration for multi-modal work		IBC			Provide technical expertise to partner-led working groups
2b-2 School transportation planning		IBC			Five school transportation plans rolled out annually
2c-1 Regional transportation data		IBC			Expanding automated bike counter network
2d-1 Traffic safety education		IBC			Providing cycling and pedestrian safety grants & Cst Becket scholarship
2e-1 SSI transit service evaluation		IBC			Transit Future Service Plan working group has been initiated
2e-2 SSI cycling & pedestrian infrastructure investment		IBC			Phase 1 substantially completed; phase 2 contracts have been awarded
2e-3 SGI public transportation service		IBC			SGI Transportation Integration contract has been awarded, work ongoing
2e-4 Assess safety & quality of dock infrastructure					Infrastructure upgrades to be completed by end of 2022
First Nations Relations					
3a-1 First Nations Regional Planning		IBC			Outreach to Nations to determine identified representatives ongoing
3a-2 First Nations Economic Goals		IBC	IBC		Indigenous leadership program & new procurement portal
3a-3 First Nations Collaboration		IBC			Engagement & consultation ongoing on range of subject matters
3a-4 Ecological Asset Managenent Plan					Intention to start in 2021, TBC
3a-5 First Nations Strategic Plan		IBC	IBC		Planning implementation of cultural confidence program for Q3 2021
3a-6 First Nations Service Plan & Budget					
Economic Development					
4a-1 High-speed internet services		IBC			SGIA broadband connectivity plan report phase 2 expected in Q2 2021
4a-2 Regional economic development		IBC			
4b-1 Grants dashboard for EAs		IBC			Work planned for Q3 2021
4b-2 Economic Development Plans for SSI		IBC			Contract awarded to Rural Island Economic Partnership, work ongoing
4b-2 Economic Development Plans for SGI		IBC			Work program ongoing including economic resiliency, affordable housing. Food security and transportation planning
Arts & Culture					
12a-1 Arts facility needs & partnerships		IBC			Work ongoing to establish regional service
12b-1 Community engagement in arts		IBC			
12b-2 Arts & Culture Strategic Plan		IBC			
12c-1 Arts grant program review		IBC			
12c-2* SSI Art Spring/Art Council Operating & Maintenance		IBC			

* NEW – Not in Corporate Plan

PROGRESS UPDATE (2021)
CRD CORPORATE PLAN 2019-2022

No action | Core service adjustments | New initiative or program | Planned | Completed

Climate Action	19	20	21	22	Next steps
5a-1 Climate emergency		IBC	IBC		Update of the CRD Climate Action Strategy underway, expected in Q3 2021
5a-2 Collaborate with local governments		IBC			Work ongoing on inter-municipal working groups & projects
5a-3 Model bylaws		IBC			Providing policy guidance and regional coordination support
5a-4 Facilitate networks		IBC			Administering Climate Action Inter-Municipal Task Force and Working Group
5a-5 Create partnerships		IBC			
5a-6 Climate change impacts & risk to water supply					
5b-1 Reduce corporate emissions		IBC			Developing new corporate green fleet and green buildings policies
5b-2 Landfill gas usage		IBC			RfQ issued for design and construction of new RNG facility at Harland
5b-3 Seed funding for corporate mitigation & adaptation					
5b-4 GHG emissions reduction through alternative fuel		IBC			On hold as Fortis RNG alternative fuel not available in 2021
5b-5 Policy & procedures for life-cycle costing			IBC		Work expected to start Q3 2021
5b-6 Update Corporate Climate Action strategy					
5c-1 Regional sea level rise		IBC			
5c-2 Regional Climate Action Strategy		IBC			Update underway in concurrence with 5a-1
Parks & Natural Resource Mgmt					
6a-1 Regional Parks Strategy update		IBC			Staff to report to committee by end of 2021
6a-8 Dams, bridges and trestles capital reserves		IBC			
6b-1 Invasive species management		IBC			
6b-2 Environmental stewardship program		IBC			
6b-3 Environmental stewardship volunteers		IBC			Within core service delivery, program continues to evolve
6b-4 Park Operations		IBC			Recruitment for 2020 complete, operations ongoing
6b-5* Mountain bike policy					Guidelines expected in spring 2021
6c-1.1 EA Community Parks JdF Planning		IBC			
6c-1.2 EA Community Parks SGIA		IBC			
6c-1.3 EA Community Parks SSIA		IBC			
6d-1 Engage with First Nations		IBC			Vacancy repurposed for First Nations Cultural Interpreter
6e-1 Land Acquisition Fund renewal		IBC			
6f-1 Dog management policy framework		IBC			
Protective Services					
7a-1 Regional coordination of emergency services		IBC			
7a-2 Regional Emergency Mgmt Partnership support		IBC			
7a-3 Public alert notification system registrations for EAs					New contract has been awarded
7a-4 Update Corporate Emergency Plan					
7a-5 Unification of fire dispatch in the region					Deferred by PTPSC, intention to start in 2021
7a-6 First Nations emergency support		IBC			
7a-7 CRD Emergency Mgmt Program accreditation					Deferred
7a-8 EA residents emergency preparedness					Transitioned to web-based outreach due to COVID-19
7a-10* Jordan River dam breach siren		IBC			
7a-12* Community Safety SSIA		IBC			Electoral approval not obtained
7a-13* Emergency exercise		IBC			On hold pending after action review of CRD's response to COVID-19
7b-1 Bylaw enforcement and animal control		IBC			
7c-1 FireSmart program for EAs		IBC			

* NEW – Not in Corporate Plan

PROGRESS UPDATE (2021)
CRD CORPORATE PLAN 2019-2022

No action | Core service adjustments | New initiative or program | Planned | Completed

	19	20	21	22	Next steps
Wastewater					
8a-1 Wastewater management through LWMP		IBC	IBC		Operational handover of most components to CRD complete
8a-1.2* Facilities Management Centralization (CAWTP)			IBC		N/A – staffing adjustment IBC
8a-1.3* Saanich Peninsula Liquid Waste Mgmt Plan – I&I			IBC		Developing of inflow & infiltration modelling underway
8a-2 Stormwater contaminant sources		IBC			
Landfill & Recycling					
9a-1 Resource recovery and waste reduction		IBC	IBC		New opportunities evaluated as they emerge
9a-2 Infoline support		IBC			
9b-0.1-3* Hartland waste resources			IBC		N/A – staffing adjustment IBC
9b-1 Public awareness of Extended Producer Responsibility		IBC			
9b-2 Solid Waste Management Plan update		IBC			Currently in stage 4 of plan preparation, expected completion in Q2 2021
9b-3* Controlled waste permits		IBC			N/A – staffing adjustment IBC
9b-4* Electronic stewardship attendant		IBC			N/A – staffing adjustment IBC
9c-1 Changing recycling markets		IBC			Markets for some materials evolving following pandemic restrictions
9d-1 Hartland landfill longevity		IBC			Part of Solid Waste Management Plan to extend life until 2100
9e-1 Organic waste processing procurement		IBC			Implementation of procurement strategy starting in spring 2021
Water					
10a-0.1 Watershed security position			IBC		N/A – staffing adjustment IBC
10a-1 Post-disaster water supply plan		IBC			Infrastructure improvements & education/coordination ongoing
10a-2 Water infrastructure resilience		IBC	IBC		Infrastructure renewal programs ongoing, staffing adjustment completed
10a-3 Regional Water Supply Strategic Plan update		IBC			Annual progress report on initiatives presented in the fall
10a-4* Cross-connection control inspector		IBC			N/A – staffing adjustment IBC
10a-5* Water billing		IBC			N/A – staffing adjustment IBC
10a-7* SSI & SGI water operations		IBC			
10b-1 Water conservation through demand mgmt		IBC			
10c-1 Agricultural water subsidy		IBC			Agricultural water rate review to be completed in 2021
10d-1 Future water supply & infrastructure		IBC			Consultant retained for Regional Water Master Plan update
10d-2* Leech River water quality operations		IBC			Sampling completed, report expected in Q3 2021
10d-3* Watershed monitoring		IBC	IBC		Manage contract for hydromet station maintenance & upgrade
10d-4* SSI watershed protection		IBC			
Planning & Development					
11a-1 Regional Growth Strategy (RGS) update		IBC			
11a-2 Regional context statements		IBC			
11d-3 RGS indicators reporting		IBC			Report published annually in the fall
11b-1 Affordable farming analysis		IBC			Food lands Trust business case work ongoing, report expected in Q4 2021
11b-2 Fallow deer on SGI		IBC			
11c-1 Review of building inspection on EAs		IBC			Board approved that building inspection service remain as a single shared service with a single budget
11d-1 New development application review JdF Planning					

* NEW – Not in Corporate Plan

PROGRESS UPDATE (2021)
CRD CORPORATE PLAN 2019-2022

No action | Core service adjustments | New initiative or program | Planned | Completed

Recreation	19	20	21	22	Next steps
13a-1.1 Recreational Programming & Rates - Panorama		IBC			Updated annually
13a-1.2 Recreational Programming & Rates – Reg. Parks		IBC			Updated annually
13a-1.3 Recreational Programming & Rates – SEAPARC		IBC	IBC		Updated annually – staffing adjustment IBC in 2021
13a-1.4 Recreational Programming & Rates – SGIA		IBC			Updated annually
13a.1.5 Recreational Programming & Rates – SSIA		IBC			Updated annually
Health Facilities					
14a-1 Health capital projects and funding		IBC	IBC		Capital project based work with Island Health
14a-2* Health capital projects and funding FS support			IBC		N/A – staffing adjustment IBC
14b-1 Public health bylaws		IBC			Public health bylaw enforcement work ongoing
14c-1 Health data & analytics		IBC	IBC		Coordination of Regional Outcome Monitoring data ongoing
Accountability					
15a-1 EA strategy and operations SSIA		IBC			Develop strategy and operational review of governance
15a-1* Commission review			IBC		Review of commissions and standing committees planned for 2021
15b-1 Triple-bottom-line budgeting		IBC	IBC		Developing target reserve level guidelines and capital funding strategies
15b-2 Asset management and risk analysis		IBC			Extension of enhanced data model to CAWTP infrastructure
15b-2* Financial analysis position for local services			IBC		N/A – staffing adjustment IBC
15c-1.2* FMW2 position formalization			IBC		N/A – staffing adjustment IBC
15c-1.3 Diversity, inclusion & organizational development			IBC		Developing CRD corporate D&I framework
15c-2* SGI-CRD liaison program		IBC			N/A – staffing adjustment IBC
15d-1 Service planning & KPIs		IBC			Service plans outputs reviewed by Board annually in the fall
15d-1.2* Graphic Standards update			IBC		Needs and gap analysis underway
15e-1 Partnership directory		IBC			Partnership directory & guidelines in place
15f-1.0 Systems + Policies – Bylaw management system		IBC			
15f-1.1 Systems + Policies – Contracts database		IBC			System testing underway, roll-out started
15f-1.3 Systems + Policies - EDRMS		IBC			Gathering project business requirements and updating RCS
15f-1.4 Systems + Policies – HR & Corporate Safety systems		IBC			
15f-1.4 IT support for Harland scales & Perfectmind			IBC		N/A – staffing adjustment IBC
15f-1.5 Systems + Policies – Rise & report tracking system		IBC			
15f-1.5 IT support for mobile maintenance workorder			IBC		N/A – staffing adjustment IBC
15f-1.6 Systems + Policies - Signage		IBC			Comprehensive signage strategy completed
15f-1.6 E-signature software			IBC		Solution implementation expected in Q3 2021
15f-1.7 Systems + Policies – Toolkits		IBC			
15f-1.7 Microsoft Office 365			IBC		
15f-1.8 Systems + Policies – Website		IBC			Website refresh launch expected in 2022
15f-1.9 Systems + Policies – SAP development		IBC			SAP training and project coordination in place, system renewal plan underway
15f-1.9 IWS infrastructure resilience			IBC		N/A – staffing adjustment IBC
15f-1.11 Information Security Program		IBC			

* NEW – Not in Corporate Plan

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REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **Appointment of Officers**

ISSUE SUMMARY

This report is to update bylaw enforcement appointments to reflect staff changes and to provide auxiliary relief in the Capital Regional District Bylaw and Animal Care Services Division.

BACKGROUND

Pursuant to Section 233 of the *Local Government Act* and Section 28(3) of the *Offence Act* and in accordance with Capital Regional District Bylaw No. 2681, the Electoral Areas Committee must from time to time make resolutions for persons in new positions.

ALTERNATIVES

Alternative 1
The Electoral Areas Committee recommends to the Capital Regional District Board:
That for the purpose of Section 233 of the *Local Government Act* and Section 28(3) of the *Offence Act* and in accordance with Capital Regional District Bylaw No. 2681, Rick Sutherland, Spencer Navarrete, Morgan Shott, Kim Misick, Jeremy Restall and Barry Holland be appointed as Assistant Bylaw Officers.

Alternative 2
That the Appointment of Officers report be referred back to staff for further information based on Electoral Areas Committee direction.

IMPLICATIONS

Service Delivery Implications
These appointments ensure consistent bylaw enforcement in the CRD service areas.

CONCLUSION

The bylaw enforcement appointments reflect staff changes and provides auxiliary relief in the Capital Regional District Bylaw and Animal Care Services Division.

RECOMMENDATION

The Electoral Areas Committee recommends to the Capital Regional District Board:
That for the purpose of Section 233 of the *Local Government Act* and Section 28(3) of the *Offence Act* and in accordance with Capital Regional District Bylaw No. 2681, Rick Sutherland, Spencer Navarrete, Morgan Shott, Kim Misick, Jeremy Restall and Barry Holland be appointed as Assistant Bylaw Officers.

Submitted by:	Shawn Carby, CD, BHSc, MAL, Senior Manager Protective Services
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence:	Bob Lapham, MCIP, RPP, Chief Administrative Officer

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REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **Community Emergency Preparedness Fund: Emergency Operations Centres and Training Grant - Motion of Support**

ISSUE SUMMARY

The Capital Regional District (CRD) is responsible for emergency preparedness in the Electoral Areas (EAs). The CRD is applying to the Union of British Columbia Municipalities (UBCM) for funding to exercise and improve emergency response plans and train EA volunteers. UBCM requires that all grant applications be accompanied by a motion of support from the local government.

BACKGROUND

UBCM provides funding for many community based projects, including projects that support community resiliency and emergency preparedness. A 2021 grant opportunity is available to provide training opportunities for emergency program volunteers in all three EAs. Emergency planning and training exercises will be held with the goal of improving and validating emergency response plans.

In December 2018, the Auditor General for Local Government reviewed CRD's Emergency Program and offered the following recommendation:

> *"The Capital Regional District should consider conducting full-scale and/or larger-scale joint exercises that test the collaboration of all relevant parties involved in responding to a major emergency in the region. Staff should continue completing progressive, smaller, in-house exercises to further increase familiarity with their roles and responsibilities and to validate emergency plans in preparation for the larger scale joint exercise".*

This grant opportunity facilitates meeting this recommendation.

Emergency Operation Centre and Training grant funding would benefit all CRD EA Emergency Programs: Juan de Fuca, Southern Gulf Islands, and Salt Spring Island. The maximum grant amount is $25,000, which permits the CRD to facilitate two full-scale functional emergency exercises in the EAs, including participation from relevant first responder agencies, such as fire departments, police, ambulance, coast guard, search-and-rescue, and BC Ferries. Locations will be finalized upon grant approval.

As part of the application process, UBCM requires a motion of support from the local government to receive and manage grant funding.

ALTERNATIVES

Alternative 1
The Electoral Areas Committee recommends to the Capital Regional District Board:
That the Board support an application to Union of British Columbia Municipalities Community Emergency Preparedness Fund for the Emergency Operations Centres and Training Grant and direct staff to provide overall grant management.

Alternative 2
That staff be directed to rescind the application to UBCM Community Emergency Preparedness Fund for the Emergency Operations Centres and Training Grant.

IMPLICATIONS

Financial Implications
The grant will have no impact on annual Emergency Program budgets, but provides an opportunity for one-time projects that increase community resilience to emergencies.

Operational Implications
Under the *Emergency Program Act*, the CRD is obligated to provide Emergency Management Services to residents. Grants provide opportunity for one-time projects that increase emergency program capacity to support residents impacted by a disaster. Due to the expense and complexity of facilitating successful functional emergency exercises, this grant offers the CRD an important opportunity to provide staff and volunteers with experience.

CONCLUSION

The CRD is responsible for supporting emergency management programs in the EAs. The UBCM Emergency Operation Centres and Training Grant is a key opportunity to improve emergency plans and offer training and development in the EAs.

RECOMMENDATION

The Electoral Areas Committee recommends to the Capital Regional District Board:
That the Board support an application to Union of British Columbia Municipalities Community Emergency Preparedness Fund for the Emergency Operations Centres and Training Grant and direct staff to provide overall grant management.

Submitted by:	Shawn Carby, CD, BHSc, MAL, Senior Manager, Protective Services
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

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REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **Community Resiliency Initiative Grant: FireSmart Economic Recovery Fund**

ISSUE SUMMARY

The Capital Regional District (CRD) provides emergency coordination to member municipalities and electoral areas (EAs). This includes helping communities prepare for wildfire through public education, vegetation management, emergency planning, and cross-agency training. The CRD is applying to the Union of British Columbia Municipalities (UBCM) for funding to increase wildfire resilience in the EAs and to support collaborative FireSmart committee work across the capital region. UBCM requires that all grant applications be accompanied by a motion of support from the local government.

BACKGROUND

UBCM provides funding for a range of community based projects, including wildfire preparedness. A 2021 grant opportunity is available to build local capacity in EAs and support regional coordination amongst municipalities and EAs. The intent of the FireSmart Economic Recovery Fund is to support immediate employment and build local wildfire resiliency. Wildfire preparedness includes all seven FireSmart disciplines: education, vegetation management, legislation and planning, development considerations, interagency cooperation, cross-training, and emergency planning.

This grant opportunity was announced in February 2021. Protective Services staff launched a series of engagements with EA fire departments and the Regional FireSmart Resliency Committee which informed this grant application. The resulting grant application was submitted to UBCM by the March 19 deadline. As part of the application process, UBCM requires a motion of support to receive and manage grant funding.

Fire departments operated by improvement districts and independent societies were eligible to apply for this grant opportunity independently. Protective Services notified all eligible EA departments of the opportunity, encouraged them to apply, and provided guidance during the application process.

The CRD has applied for this grant to improve wildfire resiliency in rural EA communities. Community resiliency will be built through increasing local capacity and collaboration, facilitated by a FireSmart Program Coordinator contract postion. The position would be funded for one year and responsible for coordinating home assessments, establishing FireSmart educational outreach programs, coordinating FireSmart projects, overseeing reporting and information sharing, supporting activities required for FireSmart Canada Neighbourhood Recognition, and related tasks. While the propsed position would report to Protective Services, the work is conducted in and on behalf of EA communities. The ideal candidate would be an experienced resident of the EAs. Further EA employment would be created through FireSmart home assessments and community woody debris disposal events.

The CRD facilitated a Regional FireSmart Resiliency Committee in 2020, as a result of motion 19-146 passed by the Parks and Enviornment committee in February 2019. This group enables regional efficiencies and provides a forum for sharing best practices. The grant project would provide some funding support for future committee meetings and the furthering of action items.

The grant fund requested in the application totals $127,907. Of this, $108,100 is directed to the three EAs: Juan de Fuca, Southern Gulf Islands, and Salt Spring Island. These grant funds would facilitate homeowner risk assessments, public education, first responder collaboration, and increased options for rural woody debris disposal, such as community chipping events. The remaining $19,807 is to provide support for Regional FireSmart Resiliency Committee Coordination.

ALTERNATIVES

Alternative 1
The Electoral Areas Committee recommends to the Capital Regional District Board:
That the Board support an application to the Union of British Columbia Municipalities Community Resiliency Initiative Fund for the FireSmart Economic Recovery Fund and direct staff to provide overall grant management.

Alternative 2
That staff be directed to rescind the grant application to the Union of British Columbia Municipalities Community Resiliency Initiative Fund for the FireSmart Economic Recovery Fund.

IMPLICATIONS

Financial Implications
The grant will have no impact on annual Fire Department or Emergency Program budgets, but provides an opportunity for one-time projects that increase community resilience to wildfire, such as homeowner education and chipping events in addition to an employment opportunity to support the community during COVID.

CONCLUSION

The CRD is responsible for community wildfire preparedness in its EAs and coordinates with member municipalities. The UBCM FireSmart Economic Recovery funding stream is an important opportunity to increase wildfire resilience and provide employment opportunity in the Capital Region. If supported by the Board, UBCM will consider the CRD's grant application.

RECOMMENDATION

The Electoral Areas Committee recommends to the Capital Regional District Board:
That the Board support an application to the Union of British Columbia Municipalities Community Resiliency Initiative Fund for the FireSmart Economic Recovery Fund and direct staff to provide overall grant management.

Submitted by:	Shawn Carby, CD, BHSc, MAL, Senior Manager, Protective Services
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: UBCM FireSmart Economic Recovery Fund Application

Community Resiliency Investment Program

2021 FireSmart Economic Recovery Fund

Application Form

Please complete and return the application form and all required attachments by March 19, 2021.

All questions are required to be answered by typing directly in this form. If you have any questions, contact cri-swpi@ubcm.ca or (250) 356-2947.

SECTION 1: Applicant Information	**CRI-** *(administrative use only)*
Name of Eligible Applicant: Capital Regional District	Complete Mailing Address: PO Box 1000 Victoria, BC V8W 2S6
Contact Person*: Jonathan Reimer	Position: Manager, EA Fire and Emergency Programs
Phone: 250-360-3137	E-mail: jreimer@crd.bc.ca

** Contact person must be an authorized representative of the applicant (i.e. staff member or elected official).*

SECTION 2: Type of Application – Please identify the type of application you are submitting and provide the required information. Refer to Section 4 in the Program & Application Guide for eligibility.

1. **Type of Application** (select one only)**:**
   - ☒ Single applicant
   - ☐ Regional Project. Please list all of the partnering eligible applicants included in this application:

2. **Rationale for Regional Projects** (only)**.** Please provide a rationale for submitting a regional project application and describe how this approach will support cost-efficiencies in the total funding request.

SECTION 3: Project Summary

3. **Name of the Project:**

   Capital Regional FireSmart Economic Recovery

4. Project Summary. Please provide a summary of your project in 150 words or less.

Capital Regional District (CRD) is seeking to provide greater regional FireSmart coordination and improved resources to Electoral Area Residents. The CRD has 13 municipalities with a range of wildfire urban interface and intermix hazards. To increase regional effectiveness, the CRD launched a Regional FireSmart Resliency Committee in late 2020. This project would enable coordination and facilitation of 12 committee meetings and the furthering of action items.

The CRD is developing sustained local resiliency in our rural Electoral Area communities, home to over 20,000 residents who where disporportunately impacted by the COVID-19 Pandemic. Community Resliency will be facilitated through the creation of local capacity and new employment, namely a FireSmart Program Coordinator. The position will be responsible for coordinating home assessments, establishing FireSmart educational outreach programs, coordinating FireSmart projects, overseeing reporting and information sharing, supporting activities required for FireSmart Canada Neighbourhood Recognition, and related tasks.

5. Fire Centre (use check boxes). Indicate which Fire Centre the proposed activities are located in (check all that apply).

☐ Cariboo Fire Centre	☐ Northwest Fire Centre
☒ Coastal Fire Centre	☐ Prince George Fire Centre
☐ Kamloops Fire Centre	☐ Southeast Fire Centre

6. Project Cost & Funding Request:

Total project cost: $127,907

Total project funding request: $127,907

Have you applied for or received funding for this project from other sources? If yes, please provide details below.

No.

7. Engagement Prior to Submitting an Application. If you engaged with a BCWS Wildfire Prevention Officer or FNESS Fuel Management Specialist before submitting this application, please indicate the name(s) and title(s) of the person(s) you engaged with and describe the extent of that engagement.

Yes, this application is the result of engagement with BCWS through multiple phone calls with CFC Wildfire Prevention Officers Tony Botica and Jessica Duncan

SECTION 4: Detailed Project Information

8. Proposed Activities for Job Creation for FireSmart Projects & Fuel Management Demonstration Projects

Please refer to Table 1 in the Program & Application Guide for eligible activities and complete each section only if you are applying for funding in that category. For each, please describe how the proposed activities will support local recovery from the economic impacts of the COVID-19 pandemic.

Note that the purchase of FireSmart supplies and equipment required for FireSmart projects or fuel management demonstration projects is limited to no more than $3,000 of the total grant request.

a) Fire Smart Projects for Residential Areas. Refer to Appendix 2 in the Program & Application Guide for additional information.

Detailed proposed activities and expenditures, limited to labour costs: $27,500

Estimated per person days for this activity, including calculation: Est. 1100 assessments * 0.5 hours = 550 hrs x 7 hrs/day = 78 person days

Other proposed outcomes and performance measures: Proposed measurable: Baseline assessment for communities and neighbours. Future outcome: quantifiable improvement in FireSmart ratings.

b) FireSmart Projects for Farms & Ranches. Refer to Appendix 2 in the Program & Application Guide for addition information.

Detailed proposed activities and expenditures, limited to labour costs:

Estimated per person days for this activity, including calculation:

Other proposed outcomes and performance measures:

FireSmart Projects for Community Assets. The maximum funding request for building materials and labour is $50,000 per eligible structure. Refer to Appendix 3 in the Program & Application Guide for additional information.

Detailed proposed activities and expenditures, including labour and building material costs:

Estimated per person days for this activity, including calculation:

Other proposed outcomes and performance measures:

c) FireSmart Projects for Critical Infrastructure. The maximum funding request for building materials and labour is $50,000 per eligible structure. Refer to Appendix 3 in the Program & Application Guide for additional information.

Detailed proposed activities and expenditures, including labour and building material costs:

Estimated per person days for this activity, including calculation:

Other proposed outcomes and performance measures:

d) Fuel Management Demonstration Projects. All fuel management demonstration projects are required to have a completed prescription and to include educational signage. Refer to Appendix 4 in the Program & Application Guide for more information.

Description of project location, fuel reduction objectvies, treatment type (mechanical vs manual) including proposed hectares, visibility and accessibility, and estimated number of visitors per year:

Detailed proposed activities and expenditures:

- Prescription development:
- Operational treatment:
- Education and media (e.g. signage etc.):

Estimated per person days for this activity, including calculation:

Other proposed outcomes and performance measures:

9. Proposed Activities for Job Creation for Sustained Wildfire Resiliency

Please refer to Table 1 in the Program & Application Guide for eligible activities and complete this section only if you are applying for funding in this category. *Please describe how the proposed activities will support local recovery from the economic impacts of the COVID-19 pandemic.*

Detailed proposed activities and expenditures: FireSmart Program Coordinator position will be responsible for coordinating home assessments, establishing FireSmart educational outreach programs, coordinating FireSmart projects like providing community wood waste disposal events, forming Community Resiliency Committee, overseeing reporting and information sharing, supporting activities required for FireSmart Canada Neighbourhood Recognition, and related tasks.

Community FireSmart Resiliency Committee Coordination will administer CFRC meetings, minutes and agendas, determine topics, set meetings and further action items for the Committee, share information with the BC FireSmart Committee, and related activities.

Estimated per person days for this activity, including calculation: FireSmart Program Coordinator: 52 weeks x 5 days a week = 260 person days. Community FireSmart Resiliency Committee Coordination: 174 hours x 7hrs/day = 25 person days

Other proposed outcomes and performance measures: There are currently little to no FireSmart program in the most of the 12 communities in the Capital Regional Electoral Areas, and volunteer fire departments have limited capacity to launch these initiatives. This funding would enable the Regional District to establish an sustainable Electoral Area FireSmart program, including formation of new community resliency committees and the delivery of public educational campaigns and stakeholder coordination events. Outcome will be increased public awareness and sense of control over their exposure to wildfire emergencies.

10. Proposed Activities for Skills Development that Leads to Employment

Please refer to Table 1 in the Program & Application Guide for eligible activities and complete this section only if you are applying for funding in this category. *Please describe how the proposed activities will support local recovery from the economic impacts of the COVID-19 pandemic.*

Detailed proposed activities and expenditures:

Estimated per person days for this activity, including calculation:

Other proposed outcomes and performance measures:

11. Total per person days per project. Please include the proposed per person days for the overall project.

260 + 25 + 78 = 363 person days

12. Capacity Building. Please describe how the proposed activities will lead to increased capacity in your community. This may include information on increased employability of local populations, improved capacity for future wildfire risk reduction activities, etc.

FireSmart Program Coordinator is new employement oppertunity that will build project management and stakeholder collaboration skills. This position will collaborate closely with the existing Community Wildfire Resiliency Plan update project to identify local populations disporportionately impacted by COVID-19, such as First Nations, who could benefit socially and

economically from an engagement with community FireSmart Programs. These conversations are taking place at community- and regional-level FireSmart Resiliency Committees.

13. Rationale. What rationale or evidence is there for undertaking the proposed project? This may include information on local wildfire risk, economic impact of the COVID-19 pandemic, etc.

Best practices from North American jurisdictions have demonstrated the critical importance of unified messaging and homeowners preparedness and mitigation. The balkanization of the Capital Region has lead to difficulty coordinating wildfire prevention, mitigtation, and response operations. Coordination is critical to the success of these programs.

Remote CRD rural communities are often accessible by ferry only, are closely integrated with neighnouring First Nations, and frequently represent poorer and older demographics than the general population. This means the communities were disproportiately impacted by COVID-19 pandemic and also have limited resources to build robust and sustainable FireSmart programs. Particular struggles including training qualified personnel and capacity to manage coarse woody debris on private lands. Much of the rural Electoral Areas are in areas of extreme fire hazard, such as Jordan River and SaltSpring Island.

14. Increasing Wildfire Resiliency. Please indicate how the proposed project will increase community wildfire resiliency.

This project addresses the two major risks that the Capital Region faces in regards to wildfire. First: the capital region includes 13 municipalities and 3 electoral areas, which has created public confusion, a diversity of regulatory approaches, and a lack of coordination in emergency messaging and response agencies. These issues will be addressed through the Regional FireSmart Resiliency Committee. Secondly, our 12 rural communities are geographically isolated and have limited resources to build community resliency, understand wildfire risk, and manage coarse woody debris. These issues will be addressed through the creation of a FireSmart Program Coordinator role to administrate rural programs.

15. Partnerships & Collaboration. Please identify any other authorities you will collaborate with on the proposed project (e.g. community or resident organizations, First Nation or Indigenous organizations, or other local governments) and outline how you intend to work together.

The Regional FireSmart Resiliency Committee includes representatives from North Saanich, Sidney, Central Saanich, Saanich, Victoria, Oak Bay, Esquimalt, Langford, Colwood, Metchosin, Saanich, and has invited representatives from Beecher Bay FN, T-souke FN, and Pacheedaht FN. The FireSmart Program Coordinator will be meet frequently with land manager representatives such as Parks Canada, Provincial Parks, private timber companies, BC Wildfire, Beecher Bay FN, T-souke FN, and Pacheedaht FN.

16. Additional Information. Please share any other information you think may help support your submission**.**

SECTION 5: Application Check List. Refer to Section 7 of the Program & Application Guide for more information.

☒ Application Form.

☒ Detailed budget for each component identified in the application. This must clearly identify the funding request, applicant contribution, and/or other grant funding.
☒ Resolution or motion indicating support for the current proposed activities and willingness to provide overall grant management.
☐ For FireSmart projects for community assets only: evidence that the building is owned by a legally incorporated society-run fire department, local non-profit group, or community association.
☐ For fuel management demonstration projects only: PDF map and Google Earth compatible KML file, at appropriate scale, outlining the location, proposed treatments units, and if not phased, the signed and sealed prescription.
☐ For regional projects only: Resolutin or motion from each partnering community that clearly states approval for the applicant to apply for, receive and manage the grant funding on their behalf
☐ Legally incorporated society-run fire department applicants only: Current Certificate of Good Standing
Submit the completed Application Form and all required related attachments as e-mail attachments to cri-swpi@ubcm.ca and note "**2021 CRI FERF**" in the subject line. Submit your application as either a Word or PDF file(s). If you submit by e-mail, hardcopies and/or additional copies of the application are not required.

SECTION 6: Signature – Applications are required to be signed by an authorized representative of the applicant. Please note all application materials will be shared with the Province of BC and the BC FireSmart Committee.	
I certify that: (1) to the best of my knowledge, all information is accurate and (2) the area covered by the approved project is within the applicant's jurisdiction (or appropriate approvals are in place).	
Name: Jonathan Reimer	Title: Manager, EA Fire and Emergency Programs
Signature*: *An electronic or original signature is required.*	Date: March 18, 2021

** Signatory must be an authorized representative of the applicant (i.e. staff member or elected official).*

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REPORT TO THE ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **2020 Electoral Areas Grants-in-Aid Annual Report**

ISSUE SUMMARY

This report provides a summary of the Electoral Areas (EA) Grants-in-Aid (GIA) activity for the period of January 1, 2020, to December 31, 2020.

BACKGROUND

Under authority of the Supplementary Letters Patent, the Capital Regional District (CRD) provides one-time grants through tax requisition to community non-profit organizations that deliver projects in the Electoral Areas (EA): Juan de Fuca (JDF), Salt Spring Island (SSI), and Southern Gulf Islands (SGI). Applications are accepted on a rolling basis and are reviewed continually throughout the year. Appendix A details GIA applications that were awarded in 2020.

EA Directors support eligible applications. Projects are selected based upon their demonstrated benefit to the community and alignment with GIA guidelines. The purpose of GIA is to fund special projects and activities that go beyond the scope of CRD services, and are not already funded by requisition.

IMPLICATIONS

Financial Implications
Since GIA is available to fund one-time requests, community organizations were able to access GIA funds to address one-time impacts driven by COVID-19. This provided much needed support to organizations who were impacted by COVID-19. Also in the year, two approved projects (events) were cancelled and funds returned as a result of COVID-19 health guidelines. Out of the 30 projects awarded, 6 projects were COVID-19 related.

GIA Activity Overview

The following table provides a summary of grants awarded to EAs in 2020, with a comparison to projects funded in 2019.

Table 1: GIA Awarded for 2020

EA	2020			2019		
	Budget	# of Applications	Amount Awarded	Budget	# of Applications	Amount Awarded
JDF	$40,000	2	$3,500	$40,000	8	$9,000
SSI	$43,000	10	$36,350	$45,000	13	$45,000
SGI	$60,000	16	$59,905	$85,000	23	$84,895
Total	**$143,000**	**28[1]**	**$99,755**	**$170,000**	**44**	**$138,895**

[1]This number does not include the two projects that were cancelled and GIA funds returned in 2020.

CONCLUSION

Grants-in-Aid are available to non-profit agencies and societies who put forth projects in the Electoral Areas. Throughout the year, community organizations submit requests for funding for one-time projects and special events. EA Directors review support GIA requests and staff assess applications using GIA guidelines to ensure they meet eligibility criteria.

RECOMMENDATION

The Electoral Areas Committee recommends to the Capital Regional District Board:
That the 2020 Electoral Areas Grants-in-Aid Annual Report be received for information.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2020 Electoral Areas Grants-In-Aid Awarded

Appendix A 2020 Electoral Areas Grants-In-Aid Awarded

Grants Awarded: Total Grants-In-Aid ($99,755)

JUAN DE FUCA

No.	Applicant	Project	Amount Awarded ($)
1	Willis Point Community Association	Community Hall Floor Replacement	3,000
2	Port Renfrew Chamber of Commerce	Canada Day Fireworks	500
		Total	**3,500**

SALT SPRING ISLAND

No.	Applicant	Project	Amount Awarded ($)
1	Salt Spring and Southern Gulf Islands Community Services Society	Expansion of Day Service Program*	5,000
2	Salt Spring Island Foundation	SSI COVID-19 Emergency Preparedness and Relief Fund*	5,000
3	Transition Salt Spring Society	Climate Action Plan Implementation (Start-Up Phase)	5,000
4	Wagon Wheel Housing Society	The Laundromat & SSI Soap Exchange	3,850
5	Copper Kettle Community Partnership	COVID-19 Self-Isolation Equipment*	3,500
6	Salt Spring Island Chamber of Commerce	Computer Replacements and Touch Screen Computer	3,000
7	Salt Spring Island Agricultural Alliance	Implementation of the Response and Recovery Plan to COVID-19*	3,000
8	Stqeeye' Learning Society	Tree Protection and Awareness Program	3,000
9	Islanders Working Against Violence	Mental Health Initiative	3,000
10	Salt Spring Community Health Society	Mental Health First Aid Training	2,000
		Total	**36,350**

***COVID-19-related projects**

SOUTHERN GULF ISLANDS

No.	Applicant	Project	Amount Awarded ($)
1	Pender Island Health Care Society	Phone System Replacement	7,500
2	The Galiano Club	Galiano Food Bank and for Trees for Tomorrow*	5,500
3	Gulf Islands Food Co-op	Pender SquashFest & Local Growers Development	5,000
4	South Pender Historical Society	Tree Removal and Stream Remediation Project	5,000
5	Pender Island Recreational and Agricultural Hall Association	Youth Leadership Training Series	5,000
6	Coast Salish Peoples of Galiano Society	Non-Affiliated Indigenous Peoples of the Gulf Islands	5,000
7	Southern Gulf Islands Community Resource Centre	TETÁCES Climate Action Project-Evaluation and Workshop	4,360
8	Moving Around Pender	Magic Lake Estates Survey Trail Costs	4,000
9	Salish Sea Marine Rescue Society	Replacement of Multi-Function Display for Vessel	3,000
10	Ptarmigan Arts Society	2020 Mosaic Festival	3,000
11	Pender Island Junior Sailing Association	Junior Sailing Equipment	2,977
12	Saturna Club	Expansion of Cooked Meals Program for Seniors and Vulnerable Residents due to COVID-19*	2,500
13	Access to Media Education Society	Dust 'n Bones Film Screening and Media Promotion	2,442
14	Moving Around Pender	Surveying of the Trail from Medicine Beach to Pender School	2,000
15	Piers Island Association	Piers Island Workshops Series: Going Green	1,625
16	Mayne Island Health Centre Association	Medical Equipment at Mayne Island Health Centre	1,000
		Total	**59,905**

***COVID-19-related projects**

PROJECTS CANCELLED

No.	Applicant	Project Title	Amount Returned ($)
1	SGI: Active Pass Arts in Nature Regional Festival Society	Festival Active Pass 2020	(4,500)
2	JDF: Sooke Lions Club	Sookarama Business and Trade Show Event	(500)
		Total	**(5,000)**

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REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **2020 Community Works Fund Annual Report**

ISSUE SUMMARY

This report provides a summary of the Community Works Fund (CWF) activity for the period of January 1, 2020 to December 31, 2020.

BACKGROUND

Community Works Funds are provided under the Administrative Agreement of the Federal Gas Tax Fund in BC (Gas Tax Agreement) with funding distributed to local governments based on population. The Union of BC Municipalities (UBCM) is the program administrator. The CRD has been recipients of CWF under two agreements from 2006–2013 and 2014–2024. Appendix A provides a current summary of funds and balances.

CWF received by the District is re-allocated to the three Electoral Areas (EA): Juan de Fuca (JDF), Salt Spring Island (SSI), and Southern Gulf Islands (SGI) on a per capita basis. To distribute CWF funding, the CRD reviews applications from third parties and CRD services in their respective EA throughout the year. Applications are subject to meeting the program's eligibility criteria, availability of funds, and must receive EA Director support. CWF funds are not required to be spent in the year they are received.

IMPLICATIONS

Financial Implications

To help communities recover from COVID-19, in 2020 the federal government accelerated payment and provided funds in a single payment rather than the customary two payments.

Grants Activity Overview
Tables 1 and 2 provide an overview of CWF allocations and activity to EAs in 2020 comparative to 2019. Appendix B details CWF applications that were awarded in 2020. Appendix C provides a further breakdown of CWF awarded by eligible project category and recipient type.

Table 1: Distribution of CWF Funds to EAs

EA	Population	%	2020 Allocation	2019 Allocation
JDF	4,860	24%	$271,227	$548,026
SSI	10,557	52%	$589,165	$1,190,436
SGI	4,732	24%	$244,083	$533,593
Total	**20,149[1]**	**100%**	**$1,104,475**	**$2,272,055[2]**

[1] These numbers are derived using 2016 population statistics.
[2] 2019 CWF funding included two installments and a bonus payment.

Table 2: CWF Funding Awarded to Projects

EA	2020		2019	
	# of Applications	Amount Awarded	# of Applications	Amount Awarded
JDF	11	$722,555	6	$156,500
SSI	8	$436,400	11	$559,734
SGI	8	$244,449	15	$420,889
Total	**27**	**$1,403,404**	**32**	**$1,137,123**

CONCLUSION

The 2020 Community Works Fund Annual Report provides a summary of funding activity in 2020. CRD services and eligible third parties can access CWF funding through an application process. Funds are used within the framework that sets out project categories, eligibility, and requirements.

RECOMMENDATION

The Electoral Areas Committee recommends to the Capital Regional District Board:
That the 2020 Community Works Fund Annual Report be received for information.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: CWF Funding Assigned to Projects and Balance Remaining by Electoral Area, April 1, 2006 – December 31, 2020
Appendix B: 2020 Community Works Fund Grants Awarded
Appendix C: 2020 Community Works Fund Detailed Breakdown by Electoral Area

Appendix A CWF Funding Assigned to Projects and Balance Remaining by Electoral Area
April 1, 2006 – December 31, 2020

CWF Overview	Juan de Fuca ($)	Salt Spring Island ($)	Southern Gulf Islands ($)
CWF Allocation by Electoral Area	3,144,172	6,936,140	3,281,109
LESS: Funding Assigned to Projects	(2,234,555)	(4,418,209)	(3,234,558)
PLUS: Project Surpluses	51,800	169,698	153,368
PLUS: Interest Earnings	194,556	288,277	84,119
CWF Balance Remaining	**1,155,974**	**2,975,905**	**284,038**

Appendix B 2020 Community Works Fund Grants Awarded

Grants Awarded: Total Community Works Fund ($1,403,404)*

Juan de Fuca ($722,555)

No.	CRD Service	Project	Eligible Category	Amount Awarded ($)
1	JDF Community Parks	Port Renfrew Tennis Court Resurfacing Project	Recreation Infrastructure	120,000
2	Port Renfrew Sewer Service	Port Renfrew Sewer Upgrades	Wastewater	30,000
3	Wilderness Mountain Water Service	Source Water Vulnerability Study	Drinking Water	25,000
4	Wilderness Mountain Water Service	2020 Water Service Projects	Drinking Water	20,000
5	JDF Community Parks	Earthen Dam Risk Assessment	Capacity Building	20,000
6	JDF Water Distribution	Current State of Assets Assessment Seagirt Waterworks	Capacity Building	4,300
7	Wilderness Mountain Water Service	Geotechnical Assessment of William Brook Dam	Capacity Building	3,255
			Total	**222,555**

No.	Third Party	Project	Eligible Category	Amount Awarded ($)
1	Sheringham Water Works Ltd.	Water Storage Expansion	Drinking Water	260,000
2	Kemp Lake Waterworks District	Kemp Lake Waterworks CRD Connection Pumping Station	Drinking Water	200,000
3	Willis Point Community Association	Picnic Shelter and Covered Space for Playground and Ball Field	Recreation Infrastructure	30,000
4	Fred Milne Park Society	Washroom Upgrades at Fred Milne Park	Recreation Infrastructure	10,000
			Total	**500,000**

Salt Spring Island ($436,400)

No.	CRD Service	Project	Eligible Category	Amount Awarded ($)
1	SSI Island Pool and Park Land	Pool Electrical Upgrades	Recreation Infrastructure	176,500
2	Maliview Estates Sewer	Maliview Outfall Emergency Enhancements	Wastewater	51,000
3	SSI Public Library	Library Renovation	Cultural Infrastructure	50,000
4	SSI Community Parks	Centennial Parks Playground Replacement	Recreation Infrastructure	45,000
5	SSI Septage/Composting	Septage/Composting - Salt Spring	Capacity Building	7,700
			Total	**330,200**

No.	Third Party	Project	Eligible Category	Amount Awarded ($)
1	SSI Farmland Trust Society	The Root	Recreation Infrastructure	46,200
2	Island Arts Centre Society (ArtSpring)	ArtSpring Theatre LED Retrofit	Cultural Infrastructure	30,000
3	Salt Spring and Southern Gulf Islands Community Services Society	Core Inn Building Accessibility Renovation Energy Efficiency Measures	Recreation Infrastructure	30,000
			Total	**106,200**

Southern Gulf Islands ($244,449)

No.	CRD Service	Project	Eligible Category	Amount Awarded ($)
1	SGI Administration	SGI Transportation Service Planning	Capacity Building	60,000
2	Mayne Island Parks and Recreation	Dinner Bay Playground and Sports Fields Upgrade	Recreation Infrastructure	30,000
			Total	**90,000**

No.	Third Party	Project	Eligible Category	Amount Awarded ($)
1	Galiano Association for Internet Access	Galiano Community Broadband Initiative - Phase I	Broadband Connectivity	46,000
2	Galiano Lions Park Society	Galiano Lions Park Hall and Parking Enhancement	Recreation Infrastructure	40,220
3	Mayne Island Agricultural Society and Fall Fair	Mayne Island Heritage Revitalization Initiative - Phase One	Cultural Infrastructure	30,000
4	Galiano Estates Improvement District	GEID Waterworks Upgrades & Enhancements - Phase Two	Drinking Water	15,000
5	The Galiano Club	Maximizing Energy Efficiency	Recreation Infrastructure	13,529
6	North Galiano Community Association	North Galiano Community Hall Repairs and Improvements	Recreation Infrastructure	9,700
			Total	**154,449**

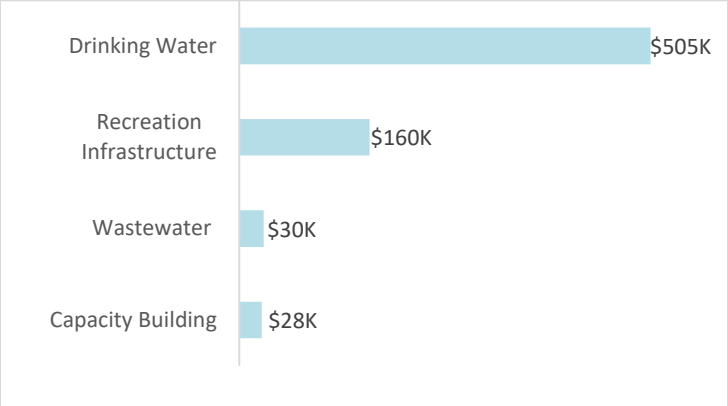
*These projects have been approved by the CRD and remain subject to provincial / federal approval through completion of the Annual Expenditures Report.

Appendix C 2020 Community Works Fund Detailed Breakdown by Electoral Area

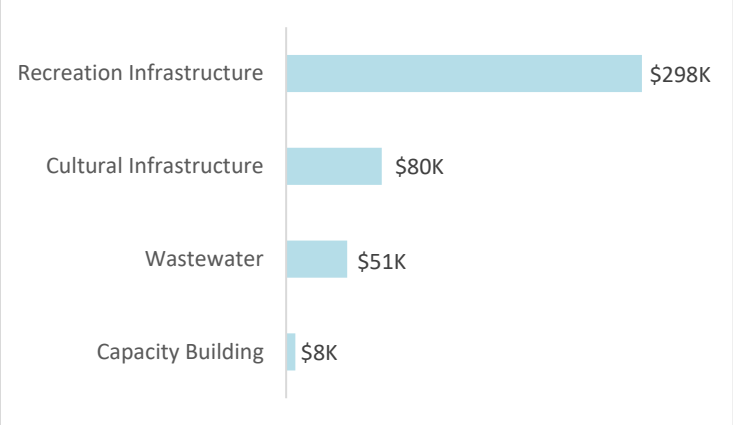
Electoral Area by Project Category

To be eligible under CWF, as per the Agreement, a proposed project must meet the "Ultimate Recipient" and "Infrastructure" definitions, and reflect one of the Eligible Project Categories.

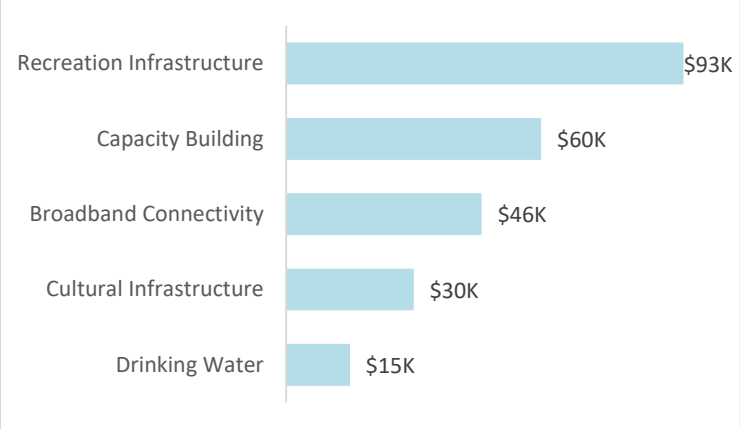
JDF



SSI



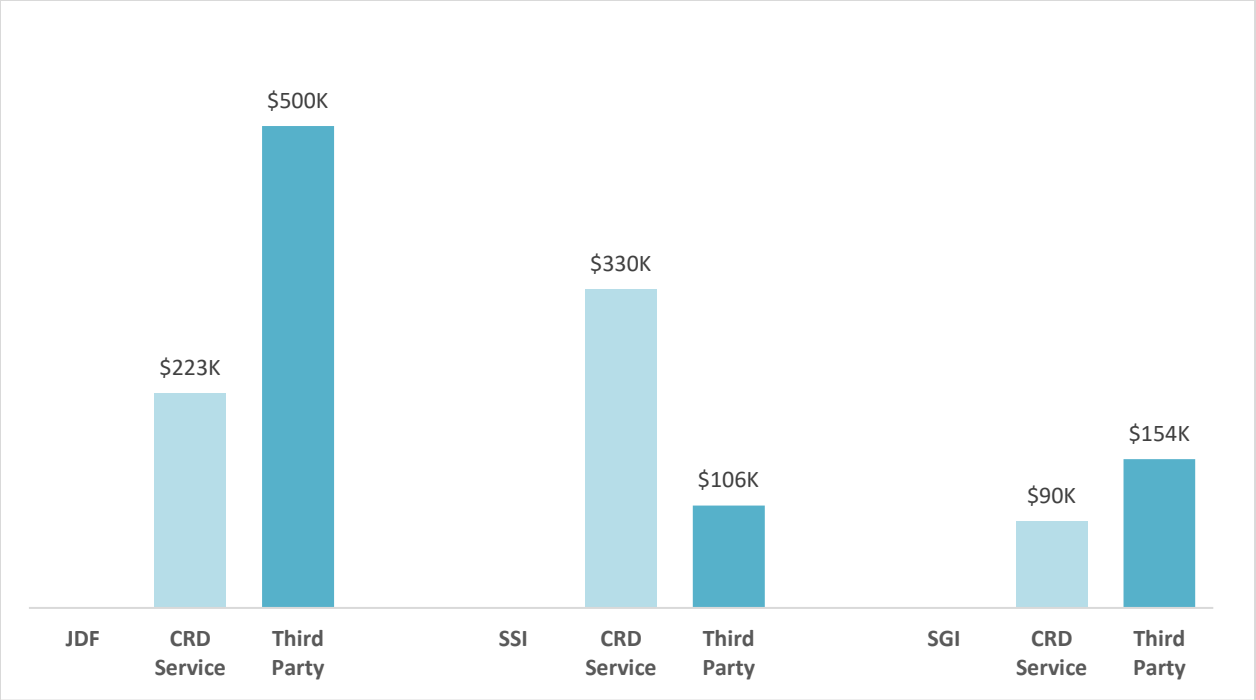
SGI



Eligible Project Categories
Local roads, bridges
Short-sea shipping
Short-line rail
Regional and local airports
Broadband connectivity
Public transit
Drinking water
Wastewater
Solid waste
Community energy systems
Brownfield redevelopment
Sport infrastructure
Recreational infrastructure
Cultural infrastructure
Tourism infrastructure
Disaster mitigation
Capacity building

Electoral Area by Recipient Type

The following graph provides a summary of grants provided to CRD Services and Third Parties in each EA for 2020.



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REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **AAP for Bylaw 4408 – SGI Harbours Service Loan Authorization**

ISSUE SUMMARY

To conduct an Alternate Approval Process for Bylaw No. 4408 by confirming the deadline to receive elector responses, establish the total number of electors, and approve the Notice of Alternative Approval Process and the Electoral Response Form.

BACKGROUND

At its meeting held March 24, 2021, the CRD Board gave three readings to the following bylaw attached as Appendix A:

- Bylaw No. 4408, "Southern Gulf Islands Harbours Service Loan Authorization Bylaw No. 1, 2021" to authorize the borrowing of one million one hundred eighty thousand dollars ($1,180,000) for Southern Gulf Islands harbours improvements.

The bylaw obtained Inspector of Municipalities approval on April 15, 2021. The next step prior to adopting the bylaw is to obtain elector assent. The CRD Board directed elector assent be obtained via alternate approval process (AAP) for the electors of Southern Gulf Islands Electoral Area.

In order to conduct the AAP, the attached Notice (Appendix B) and Elector Response Form (Appendix C) have been prepared in accordance with the applicable sections of the *Local Government Act* and the *Community Charter*. With an AAP, the Board may proceed with adopting the bylaw unless more than 10% of electors indicate that the Board must obtain the assent of the electors by way of assent voting (referendum). The proposed deadline to receive elector responses is July 5, 2021.

The total number of registered resident electors and registered non-resident property electors is determined to be 5224, of which 10% is 523 electors.

ALTERNATIVES

Alternative 1

1) That in accordance with section 86(3) of the *Community Charter*, the date of July 5, 2021 be confirmed as the deadline by which electoral response, under the Alternate Approval process for CRD Bylaw No. 4408, must be submitted to the Capital Regional District by the qualified electors of Southern Gulf Islands Electoral Area;
2) That the attached Notice of Alternative Approval Process (Appendix B) and the Elector Response Form (Appendix C) be approved; and
3) That the total number of registered electors within the service area is 5224 and that 10% of that number is 523 electors.

Alternative 2
That this report be referred back to staff for additional information.

CONCLUSION

The CRD Board has previously approved obtaining elector approval for an Alternative Approval Process for Bylaw No. 4408 to borrow one million one hundred eighty thousand dollars ($1,180,000) for Southern Gulf Islands harbours improvements. To conduct the Alternative Approval Process, the Board has to confirm the deadline to receive elector responses, establish the number of electors, and approve the Notice of Alternative Approval Process and the Elector Response Form.

RECOMMENDATION

1) That in accordance with section 86(3) of the Community Charter, the date of July 5, 2021 be confirmed as the deadline by which electoral response, under the Alternate Approval process for CRD Bylaw No. 4408, must be submitted to the Capital Regional District by the qualified electors of Southern Gulf Islands Electoral Area;
2) That the attached Notice of Alternative Approval Process (Appendix B) and the Elector Response Form (Appendix C) be approved; and
3) That the total number of registered electors within the service area is 5224 and that 10% of that number is 523 electors.

Submitted by:	Marlene Lagoa, MPA, Manager, Legislative Services & Deputy Corporate Officer
Concurrence:	Steve Carey, Manager, Legal Services, Corporate Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., General Manager, Integrated Water Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Bylaw No. 4408 at Third Reading
Appendix B: Notice of Alternative Approval Process
Appendix C: Elector Response Form

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4408

****

A BYLAW TO AUTHORIZE THE BORROWING OF ONE MILLION ONE HUNDRED EIGHTY THOUSAND DOLLARS ($1,180,000) FOR SOUTHERN GULF ISLANDS HARBOURS IMPROVEMENTS

****

WHEREAS:

A. Under Bylaw No. 2614, "Small Craft Harbour Facilities Local Service Establishment Bylaw No. 1, 1998", the Capital Regional District established a local service for the acquisition and operation of small craft harbor facilities to serve the Southern Gulf Islands Electoral Area;

B. It is deemed desirable to fund works relating to the designing and constructing of harbour improvements, and the work shall include capital renewal and upgrade of the Retreat Cove, Horton Bay, Miners Bay Upgrades, Port Washington, Swartz Bay dock facilities, as well as supply and construction of an additional float for the Piers Island dock facility, and construction of the Anson Road dock facility as well as other related works, facilities and equipment purchases;

C. The estimated cost of the Projects, including expenses incidental thereto to be funded from debt servicing, is the sum of One Million One Hundred Eighty Thousand Dollars ($1,180,000);

D. Pursuant to section 407 of the *Local Government Act,* participating area approval is required and shall be obtained by alternative approval process under section 345 of the *Local Government Act*;

E. The approval of the Inspector of Municipalities is required under section 403 of the *Local Government Act*; and

F. The financing is to be undertaken by the Municipal Finance Authority of British Columbia

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. The Board is hereby empowered and authorized to undertake and carry out or cause to be carried out the planning, study, design, equipment purchase and construction of works related to the provision of small craft harbor facilities, including, among other related works, capital renewal and upgrade of the Retreat Cove, Horton Bay, Miners Bay Upgrades, Port Washington, and Swartz Bay dock facilities, as well as supply and construction of an additional float for the Piers Island dock facility, and construction of the Anson Road dock facility and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

   (a) to borrow upon the credit of the Capital Regional District a sum not exceeding One Million One Hundred Eighty Thousand Dollars ($1,180,000); and

   (b) to acquire and dispose of all such real property, easements, rights-of-way, leases,

licenses, rights or authorities as may be requisite or desirable for or in connection with the planning, study, design and construction of harbour systems and all related ancillary works, studies and equipment deemed necessary in connection with the Southern Gulf Islands Harbours Improvements.

2. The maximum term for which debentures may be issued to secure the debt intended to be created by this bylaw is twenty years.

3. This Bylaw may be cited as the "Southern Gulf Islands Harbours Loan Authorization Bylaw No. 1, 2021".

READ A FIRST TIME THIS	24th	day of	March	2021
READ A SECOND TIME THIS	24th	day of	March	2021
READ A THIRD TIME THIS	24th	day of	March	2021
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	15th	day of	April	2021
RECEIVED PARTICIPATING AREA APPROVAL UNDER SECTION 342(2) OF THE *LOCAL GOVERNMENT ACT* THIS		day of		
ADOPTED THIS	th	day of		202_

CHAIR CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS th day of 202_

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NOTICE TO ELECTORS
WITHIN THE SOUTHERN GULF ISLANDS ELECTORAL AREA

Alternative Approval Process for Bylaw No. 4408
Borrowing for Improvements to Southern Gulf Islands Small Craft Harbour Facilities

Notice is hereby given that the Board of Directors of the Capital Regional District ("CRD") proposes to adopt:

- Bylaw No. 4408, “Southern Gulf Islands Harbours Service Loan Authorization Bylaw No. 1, 2021” to authorize the borrowing of one million one hundred eighty thousand dollars ($1,180,000) for improvements to the Southern Gulf Islands small craft harbour facilities.

The intent of Bylaw No. 4408 is to authorize the borrowing of $1,180,000 over 20 years to fund improvements within the Small Craft Harbour Facilities Local Service Area in the Southern Gulf Islands Electoral Area in the Capital Regional District.

Take further notice that the CRD may proceed with Bylaw No. 4408 unless at least 523 electors within the Southern Gulf Islands Electoral Area indicate, by signing the elector response form, that the Board must obtain the assent of the electors by way of an assent vote (referendum) before proceeding to adopt Bylaw No. 4408.

The elector response must be in the form as established by the CRD and is available from the CRD on request or from the CRD website. The only persons entitled to sign elector response forms are electors of the area to which the alternative approval process opportunity applies. The Alternative Approval Process opportunity applies to electors within the Small Craft Harbour Facilities Local Service Area which is comprised of all the Southern Gulf Islands Electoral Area in the Capital Regional District.

The deadline for delivering the original signed elector response forms, in relation to Bylaw No. 4408, to the CRD is **4:00 pm on Monday, July 5, 2021**. Forms must be received by the deadline to be counted.

The CRD has determined that the total number of electors within the service area is 5224 and that 10% of that number or 523 electors must submit elector response forms to prevent the CRD from enacting Bylaw No. 4408 without the assent of the electors by referendum.

Questions regarding the proposed Southern Gulf Islands harbours improvement may be directed to Dale Puskas, Manager, Capital Projects, 479 Island Hwy, Victoria, BC, 250.474.9648, dpuskas@crd.bc.ca, from 8:30 am to 4:30 pm, Monday to Friday (excluding statutory holidays) from the date of this notice until July 5, 2021.

Qualifications for Resident and Non-Resident Property Electors

Resident Elector*:* You are entitled to submit an elector response form as a Resident Elector if you are 18 years or older on the date of submission of the elector response form, are a Canadian citizen, have resided in British Columbia for 6 months and in the Southern Gulf Islands Electoral Area for at least 30 days prior to signing the elector response form.

Non-Resident Property Elector*:* You may submit an elector response form as a Non-Resident Property Elector if you are 18 years or older on the date of submission of the elector response form, are

a Canadian citizen, have resided in British Columbia for 6 months, have owned and held registered title to property in the Southern Gulf Islands Electoral Area for 30 days and do NOT qualify as a Resident Elector. If there is more than one registered owner of the property (either as joint tenants or tenants in common) only one individual may, with the written consent of the majority, submit an elector response form.

To obtain an elector response form, or for questions about the alternative approval process, contact CRD Legislative Services, PO Box 1000, 625 Fisgard Street, 5th Floor, Victoria, BC V8W 2S6, email legserv@crd.bc.ca, telephone 250.360.3127 or toll free 1.800.663.4425 local 3127 from 8:30 am to 4:30 pm, Monday to Friday (excluding statutory holidays).

A copy of the elector response form may be downloaded from: www.crd.bc.ca/SGIHarboursAAP

Elector response forms, a copy of Bylaw No. 4408, and a copy of this Notice may be inspected during regular office hours, 8:30 am to 4:30 pm, Monday to Friday (excluding statutory holidays) from the date of this notice until July 5, 2021 at the following CRD locations:

- CRD headquarters, 625 Fisgard Street, Victoria
- on the CRD website: www.crd.bc.ca/SGIHarboursAAP

Given under my hand at Victoria, BC this th day of May, 2021

Kristen Morley
Corporate Officer

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ELECTOR RESPONSE FORM

Appendix C

Alternative Approval Process for Bylaw No. 4408 – to authorize the borrowing of one million one hundred eighty thousand dollars ($1,180,000) to fund improvements to Southern Gulf Islands Small Craft Harbour Facilities.

By completing this elector response form I, the undersigned elector, residing or owning real property within the Southern Gulf Islands Electoral Area, as defined below, of the Capital Regional District ("CRD"), do hereby present my name on this elector response form for purposes of **OPPOSING** the CRD adopting Bylaw No. 4408, to authorize the borrowing of $1,180,000 over 20 years to fund harbour improvements in the Southern Gulf Islands Small Craft Harbour Facilities Service, unless a vote is held.

I acknowledge that I am a person who would otherwise be entitled to register and vote in respect of this matter, had the assent of the electors by voting been required. I hereby certify that:

1. I am 18 years of age or older;
2. I am a Canadian citizen;
3. I have lived in British Columbia for at least 6 months immediately before signing this elector response form;
4. I have lived in the Southern Gulf Islands Electoral Area of the CRD as defined below for at least 30 days before signing this elector response form;
5. In the case of a Non-Resident Property Elector:
   a) I am not entitled to vote as a Resident Elector in the CRD for purposes of this matter;
   b) I have been a registered owner of real property in the Southern Gulf Islands Electoral Area of the CRD as defined below for at least 30 days before signing this elector response form;
   c) I acknowledge that I may sign this elector response form on behalf of only one property that I own in the Regional District;
   d) If there is more than one individual who is the registered owner of the property, only one of those individuals may sign this elector response form in relation to the property, assuming the Non-Resident Property Elector has the written consent of the number of individuals who, together with the person signing this elector response form constitutes a majority of the registered owners.
   e) The only persons who are registered owners of the real property are individuals who do not hold the property in trust for a corporation or another trust.
6. I am not disqualified from voting under the *Local Government Act* or any other enactment or otherwise disqualified by law from voting.

The Southern Gulf Islands Small Craft Harbour Facilities Local Service area is comprised of all the **Southern Gulf Islands Electoral Area** in the Capital Regional District.

I understand and acknowledge that I may not sign an elector response form against Bylaw No. 4408 more than once and may not withdraw my name from an elector response form after **July 5, 2021.** I understand and acknowledge that this elector response form must be received by the CRD no later than **4:00 pm on July 5, 2021.** In an effort to obtain signatures with respect to this matter, I declare that I have not knowingly made any false or misleading statements to another person with respect to this elector response form, action or other matter to which this elector response form relates.

Signed original elector response forms must be returned to the CRD, from 8:30 am to 4:30 pm, Monday to Friday (excluding statutory holidays), on or before 4:00 pm on Monday, July 5, 2021 at the following CRD office location: Legislative Services, 625 Fisgard Street, 5th Floor, PO Box 1000, Victoria, BC, V8W 2S6.

FULL NAME OF ELECTOR (please print):	
FULL RESIDENTIAL ADDRESS OF ELECTOR Street Address including Town/City **(please print):**	
FOR NON-RESDIENT PROPERTY ELECTOR Address of Property in CRD service area **(please print):**	
SIGNATURE OF ELECTOR:	

Section 86(7) of the Community Charter requires the elector's full name and residential address or the address of the property in relation to which the person is entitled to register as a Non-Resident Property Elector in order for this response form to be counted.

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REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT Southern Gulf Islands Community Economic Sustainability Commission Bylaw Amendment

ISSUE SUMMARY

To consider a request by the Southern Gulf Islands Community Economic Sustainability Commission (CESC) to amend Bylaw 3803 to add up to four (4) commissioners and increase the number of commissioners from five (5) to a maximum of nine (9).

BACKGROUND

At the April 20, 2021 meeting of the CESC, the following motion was carried:

> **MOVED** by Commissioner Hoebel, Commissioner Brent **SECONDED** that the CESC requests the Electoral Area Director request the CRD board amend the bylaw to allow for the appointment of four additional commissioners, who would be commissioners at large.

The SGI CESC was established in 2011 through Bylaw No. 3803 as an advisory committee of the CRD (Appendix A). The CESC is comprised of the Electoral Area Director or Alternate and a member representing Galiano Island, Mayne Island, Pender Islands and Saturna Island. Administration support is provided by the Assistant to Electoral Area Director, the CRD Manager for Service Delivery in the Southern Gulf Islands and the General Manager, Corporate Services.

According to the commission bylaw (Bylaw No. 3803), the CESC is an advisory commission that should work towards achieving a resilient and sustainable local economy that improves and maintains the SGI's economic prosperity, social equity, and environmental quality. The Commission is to assist in preserving and strengthening existing business, attracting new business, and coordinating local economic development initiatives that contribute to economic prosperity, social equity, and environmental quality.

The Commission has indicated an interest in broadening the diversity of its membership to bring a greater range of perspectives to its work. It was discussed that having more voices around the table would deepen the understanding of the region's economic sustainability and increase the accountability of the Commissions' deliberations.

The Commission has requested the membership be increased from five (5) to a maximum of nine (9) commissioners, with up to four (4) additional members to be considered "commissioners at large." The commissioners at large would represent a regional perspective in addition to the Regional Director and the existing four members that are appointed as representatives of each of Mayne, Galiano, Saturna, and Pender Islands.

The Commission has also indicated it would be beneficial to have flexibility in the term of the appointments, so these additional commissioners could be appointed for one or two year terms. This would enable those with specific expertise to be appointed to support a special project for a shorter term.

ALTERNATIVES

Alternative 1:

The Electoral Areas Committee recommends to the Capital Regional District Board:

1. That staff be directed to report back with amendments to Bylaw 3038, the "Southern Gulf Islands Community Economic Sustainability Commission Bylaw No. 1, 2012" to increase the number of commissioners from five (5) to nine (9), with the additional members considered commissioners at large to represent the Southern Gulf Islands Electoral Area as a whole, and to enable the commissioners at large to be appointed for one (1) or two (2) year terms.

Alternative 2:

That the Electoral Areas Committee request staff report back with additional information.

IMPLICATIONS

This request supports CRD Board priorities and the corporate plan priorities for Advocacy, Governance & Accountability.

The addition of commissioners at large will broaden the diversity of voices and allow different perspectives to inform the work of the CESC. Flexibility in the term of appointments will allow individuals with specific expertise to be appointment for shorter terms to serve special projects.

Administratively, this request will increase the number of appointments that require advertising and tracking, but does not represent a significant increase in work load.

CONCLUSION

The request by the Southern Gulf Islands Community Economic Sustainability Commission (CESC) to amend establishing Bylaw 3803 to increase the number of commissioners from five (5) to nine (9), will improve governance in the SGI EA. An increase in the number of commissioners to represent SGI's economic interests will bring a greater range of perspectives and broaden the diversity of deliberations of the CESC.

RECOMMENDATIONS

The Electoral Areas Committee recommends to the Capital Regional District Board:

That staff be directed to report back with amendments to Bylaw 3038, the "Southern Gulf Islands Community Economic Sustainability Commission Bylaw No. 1, 2012" to increase the number of commissioners from five (5) to nine (9), with the additional members considered commissioners at large to represent the Southern Gulf Islands Electoral Area as a whole, and to enable the commissioners at large to be appointed for one (1) or two (2) year terms.

Submitted by:	Justine Starke, MCIP, RPP, Manager, SGI Service Delivery, Corporate Services

Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Bylaw 3038, Southern Gulf Islands Community Economic Sustainability Commission Bylaw No. 1, 2012.

CAPITAL REGIONAL DISTRICT

BYLAW NO. 3803

****

A BYLAW TO ESTABLISH A COMMUNITY ECONOMIC DEVELOPMENT COMMISSION FOR THE SOUTHERN GULF ISLANDS ELECTORAL AREA

****

CONSOLIDATED FOR PUBLIC CONVENIENCE

With Bylaw No. 4072

WHEREAS:

A. Supplementary Letters Patent dated the 7th day of June 1979 and Bylaw No. 1824 cited as the "Economic Development Commission Establishing Bylaw No. 1, 1990" provides that the Regional Board, may, by bylaw, establish an economic development commission;

B. The Southern Gulf Islands Electoral Area Director wishes to establish a Community Economic Development Commission for the Southern Gulf Islands;

C. The Commission may wish to work cooperatively with adjacent local governments on economic development projects;

D. Section 774.2 of the *Local Government Act* provides the Capital Regional District with the authority to continue to offer an economic development service.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. COMMISSION OBJECTIVES

(a) The Commission will work toward achieving a resilient and sustainable local economy that improves and maintains the Southern Gulf Islands' economic prosperity, social equity, and environmental quality;

(b) The Commission will assist in preserving and strengthening existing business, attracting new business, and coordinating local economic development initiatives that contribute to economic prosperity, social equity, and environmental quality.

(c) The name of the commission shall be "Southern Gulf Islands Community Economic Sustainability Commission.

Bylaw No. 4072

2. DUTIES

(a) The preparation of an economic development strategy to achieve a triple bottom line sustainable local economy; this includes tasks such as:

i. Analyzing the current economic base by profiling the commercial, industrial and other business activity on the Southern Gulf Islands;

ii. Assessing the Southern Gulf Islands' advantages and opportunities for current and prospective residents to establish viable businesses;

iii. Identifying resilient and year-round business opportunities that diversify the range of locally available products and services;

iv. Supporting training and technical assistance to existing and potential local businesses, including but not necessarily limited to: apprenticeship, mentoring and entrepreneurial programs;

v. Exploring and explaining the potential for Social Enterprise approaches for existing business and potential for establishment of new Social Enterprises that provide meaningful employment while meeting social and environmental needs of the islands.

(b) Coordinating economic development activities within the service area including consideration of an active marketing program to encourage support for local businesses and attract new businesses to the islands;

(c) Collaborating with the CRD on liaison with other levels of government, community leaders, and other stakeholders in respect of economic development within the service area.

3. COMPOSITION

(a) The Commission shall consist of five (5) members, including:

i. The Director representing the Southern Gulf Islands Electoral Area;

ii. Four (4) other individuals: one each representing Galiano Island, Mayne Island, Saturna Island, and the Pender Islands.

(b) Advisory groups may be established for each of Galiano Island, Mayne Island, Saturna Island, and the Pender Islands. These groups will work in collaboration with their respective Commission member to help deliver the Commission's mandate.

4. ELIGIBILITY FOR APPOINTMENT

(a) All persons appointed to the Commission must represent the interests of the Southern Gulf Islands.

5. TERM OF OFFICE

Bylaw No. 4072

(a) The terms of office of Commission members other than the Southern Gulf Islands Electoral Area Director shall be for a two-year period as follows:

(b) Appointments shall expire on the 31st day of December of the second year of appointment;

(c) No appointee may serve more than three (3) consecutive terms.

6. NEW APPOINTMENTS

(a) Commission vacancies will be advertised by the 1st day of October. Applications must be submitted to the CRD Corporate Officer by the 1st day of November. Applications will be reviewed by the Southern Gulf Islands Electoral Area Director.

(b) On the recommendation of the Southern Gulf Islands Electoral Area Director, the Capital Regional Board may appoint individuals to fill

Commission vacancies, and shall re-appoint members, on or before the 31st day of December, whose term is to expire.

7. DEATH, RESIGNATION, DISQUALIFICATION AND TERMINATION

(a) In the event of the death, resignation, termination or disqualification of a member of the Commission, the Capital Regional Board will appoint a successor for the remainder of the term as outlined in Section 5 of this bylaw;

(b) The Capital Regional Board may, upon the recommendation of the Southern Gulf Islands Electoral Area Director, terminate the appointment of any member of the Commission;

(c) Without limiting the intent of Section 7 of this bylaw, except for the Electoral area Director, if any member of the Commission is absent from three (3) consecutive meetings of the Commission without the Commission's approval, the Capital Regional Board may, upon the recommendation of the Southern Gulf Islands Electoral Area Director, terminate the appointment of such member thereby creating a vacancy on the Commission.

Bylaw No. 4072

8. QUORUM

(a) A majority of members of the Commission constitutes a quorum.

9. MEETINGS SCHEDULE AND PROCEDURES

(a) The Commission must hold at least four meetings per year to conduct their business, which must be open to the public;

(b) The Commission Chair, or in their absence the Vice Chair, must follow the CRD Procedural Bylaw when conducting a Commission meeting;

(c) For the conduct of business each member of a Commission shall have one vote.

(d) All meetings of the Commission must be held in a public facility and must be open to all members of the public. No in-camera meetings are allowed.

Bylaw No. 4072

10. BUDGET

(a) The Commission budget must be submitted to the Southern Gulf Islands Electoral Area Director and to the Capital Regional District's Financial Officer by September 1st of each year;

(b) This budget may be amended, modified or adopted as the Capital Regional Board requires, based upon input received from the Southern Gulf Islands Electoral Area Director.

11. ELECTION OF CHAIR OR VICE CHAIR

(a) The Chair and Vice Chair must be elected for a one-year term. The election for these positions must take place during the first meeting of the year.

12. CITATION

(a) This Bylaw may be cited for all purposes as the "Southern Gulf Islands Community Economic Sustainability Commission Bylaw No. 1, 2012".

Bylaw No. 4072

READ A FIRST TIME THIS	11th	day of	April	2012
READ A SECOND TIME THIS	11th	day of	April	2012
READ A THIRD TIME THIS	11th	day of	April	2012
ADOPTED THIS	11th	day of	April	2012

Original signed by Geoff Young
CHAIR

Original signed by Sonia Santarossa
CORPORATE OFFICER

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ERM 21-14

REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, APRIL 21, 2021

SUBJECT Organics Processing Next Steps

ISSUE SUMMARY

To provide a recommendation on next steps regarding an in-region organics processing facility.

BACKGROUND

At its meeting of March 13, 2019, the Capital Regional District (CRD) Board directed staff to proceed with the next steps in establishing an organics processing facility (either composting or anaerobic digestion (AD)) at Hartland Landfill. In response to this direction, staff have undertaken stakeholder consultation with municipalities and private haulers to better understand feedstock availability, have conducted a market sounding with respondents to the 2018 Request for Expressions of Interest (RFEOI) on in-region organics processing alternatives and completed a financial and environmental screening on RFEOI results.

ALTERNATIVES

Alternative 1

The Environmental Services Committee recommends to the Capital Regional District Board:

That the Capital Regional District continue with the status quo of hauling and processing organics to private sector facilities on lower/mid-island, and signal to the market, through this resolution, that should the private sector establish an in-region facility, the Capital Regional District would consider working with municipalities to commit feedstock, pending pricing, greenhouse gas reductions, odour, location, and other environmental considerations.

Alternative 2

That staff continue working towards developing a Capital Regional District led small scale organics processing facility located at Hartland Landfill, and return to the Environmental Services Committee for a decision on technology selection (composting vs anaerobic digestion) and municipal funding before initiating next steps on procurement.

IMPLICATIONS

Intergovernmental Implications

Consultation was undertaken with staff in the six municipalities that currently provide curbside collection services, along with private haulers currently using the Hartland transfer station, to determine feedstock availability and interest in participating in a CRD-led in-region organics processing facility. Key findings of this consultation include:

- Esquimalt, Oak Bay, Sidney, View Royal, Saanich and Victoria have organics collection programs. The majority of municipal controlled feedstock (approximately 88%) comes from the District of Saanich and City of Victoria.
- Of the municipal feedstock available for an in-region organics facility, the majority (approximately 65%) is yard and garden waste. The remaining is kitchen scraps.
- The District of Saanich currently co-collects kitchen scraps with yard and garden waste, and the City of Victoria is actively exploring the co-collection option. It would be challenging and costly to shift operations to separated streams, and doing so could result in potentially higher greenhouse gas (GHG) emissions and decreased service levels for residents. Therefore, it would be advantageous for any CRD-led processing option to be able to process mixed feedstock.
- Private haulers currently haul approximately 13,000 tonnes of organic material to the Hartland transfer station annually. Private haulers confirmed that they are not in a position to make long-term feedstock commitments to a Hartland project, and will haul feedstock to whatever transfer station provides the most cost effective option. The current tipping fee at Hartland is $120/tonne. The Board has approved raising this to $140/tonne beginning January 2022, which staff anticipate will reduce the volume of private sector material being received at Hartland.

Table 1: Approximate Feedstock Collection in 2019

Feedstock Source	Tonnes per year
Municipal Kitchen Scraps	4,000
Municipal Yard and Garden Waste	10,800
Municipal Mixed Organic Waste (50/50 Kitchen scraps and Yard Waste)	9,000

Through the consultation, municipal staff indicated they would be interested in learning the results of a non-binding procurement, including understanding the cost per tonne of processing organics material, before municipalities make commitments on tonnages of kitchen scraps, yard and garden waste, or both substrates. Municipal staff also indicated that potential reduction in GHG emissions should be considered when evaluating technology alternatives and procurement outcomes.

Financial Implications

The CRD retained Deloitte to conduct a market sounding with RFEOI respondents to better understand market conditions for constructing a facility at the Hartland Landfill and clarify results of the RFEOI submissions. Results of the market sounding, coupled with RFEOI results, were then used by Reshape Strategies to evaluate potential costs and environmental benefits of an organics processing facility located at Hartland (either composting or AD), against the status quo alternative of operating a transfer station at Hartland and processing materials out of region. Results of Reshape's analysis are included in this report as Appendix A.

The Reshape analysis considered two feedstock scenarios intended to 'bookend' the range of feedstock availability, both assumed feedstock ratio of 70% kitchen scraps, 30% yard and garden waste:

- Scenario 1: A Small Plant with capacity for a flat volume of 10,000 tonnes per year (i.e. no change over time).
- Scenario 2: A Large Plant with starting capacity volume of 24,700 tonnes per year in 2024, increasing at 1% per year.

The CRD's 2018 RFEOI provided Scenario 1 as a guaranteed, baseline volume, and Scenario 2 as a potential volume. The CRD's consultation identified that municipalities currently collect much higher volumes of yard waste to kitchen scraps and currently control approximately 8,500 tonnes of kitchen scraps, making the Small Plant scenario most closely aligned with currently available feedstock blend. Both composting and AD facilities can conceivably take different blends of feedstock, and further analysis would be required to understand how feedstock blends would impact the overall business case.

The Reshape analysis then evaluated the RFEOI results to identify a levelized net processing cost ($/tonne) for three processing alternatives:

- **Status Quo:** organic material received at Hartland is trucked to third party composting facilities out of region under a contract to the CRD. The analysis assumes that current per tonne processing costs (including transportation) continue into the future, with an annual escalation.
- **Composting:** organic material received at Hartland is processed in a new dedicated in-vessel composting facility located at Hartland. Expected revenues from compost sales are included in the calculation of net processing cost to the CRD.
- **Anaerobic Digestion:** organic material is processed in a new AD facility located at Hartland. The AD facility does not include a biogas upgrader. Instead, biogas from the AD facility is sent to the landfill gas upgrader and renewable natural gas (RNG) is sold to FortisBC under the same terms and prices as RNG from landfill gas.

All alternatives consider a 20-year project life. Results of Reshape's Analysis are summarized in the table below.

Table 2: Levelized Net Processing Costs ($/tonne)

Annual Volume	**Small Plant** (10,000 tonnes fixed)	**Large Plant** (24,000 tonnes increasing 1%/year)
Processing Capacity	10,000 tonnes	30,000 tonnes
Levelized Net Processing Costs ($/tonne)		
Status Quo (composting out of region)	$168	$168
Composting (at Hartland)	$240	$150
Anaerobic Digestion (at Hartland)	$276	$148

This analysis found that a smaller-sized composting facility located at Hartland, utilizing only the feedstock currently available from municipalities, would not be cost competitive against the status quo option of hauling kitchen scraps to a large out of region facility for composting ($240/tonne vs $168/tonne). However, a small Hartland AD plant with a $108/tonne cost premium ($276/tonne vs $168/tonne or $1.08million/year) could be economic if enough value was placed on the GHG benefits associated with an AD facility.

At larger scales, either composting or AD at Hartland could be cost competitive, or even result in cost savings when compared to the status quo option. As there isn't sufficient municipal tonnage to fully supply a larger facility (assuming a 70% kitchen scraps, 30% yard and garden waste ratio), a CRD/Hartland facility would require feedstock from other sources.

Environmental & Climate Implications

The Reshape analysis also considered the GHG implications of each of the three processing scenarios. Results of this evaluation are included in Table 2, below.

Table 3: Operating GHG Emissions (kg/Co2-e/tonne feedstock/year)

	Status Quo	**Composting** (at Hartland)	**Anaerobic Digestion** (at Hartland)
Transport emissions	10.7	-	-
Composting	90.0	90.0	9.0
Shipping Compost	9.7	9.7	1.0
Other Operations	45.8	45.8	48.0
RNG- pipeline fugitive	-	-	0.2
Net Avoided Natural Gas	-	-	(49.5)
Total	156.1	145.5	8.7

This analysis found that building a new dedicated composting facility at Hartland would result in a very small decrease in cumulative emissions compared to status quo, however building a new dedicated AD facility at Hartland would result in significantly higher GHG emission reductions. This is because biogas produced by the AD facility would result in net avoidance of natural gas. As organics are already kept out of the landfill, the Reshape analysis excludes emissions reductions from avoiding landfilling in all scenarios. There are substantial differences in GHG (CO2-e) emissions among the alternatives. In particular, AD alternatives result in net reductions of 40,000 – 100,000 tonnes of GHG (CO2-e) over 20 years compared to composting.

Based on the Reshape analysis, reducing GHG emissions by building a small scale AD facility at Hartland results in a cost premium of $1,080,000/year or a $515 per tonne of CO2-e value of carbon. For comparison, the current BC carbon tax is $45/tonne and Metro Vancouver recently adopted an internal price of carbon policy of $150/tonne.

Social Implications

Staff also evaluated the current and future planned processing capacity for organic materials on Southern/Mid Vancouver Island. There is currently excess private sector compost processing capacity on Southern/Mid Vancouver Island with three on-island facilities that have the ability to receive and process CRD combined kitchen scraps and yard waste, with an approved annual capacity of 71,500 tonnes, and an additional 44,000 tonnes of capacity currently under construction at the Circular Waste BC facility in Nanaimo, bringing the total annual capacity up to 115,500 when complete. Additionally, there are well-established alternatives for processing yard and garden waste within the capital region. There are no AD facilities on Vancouver Island with

capacity for the CRD organic material. If the CRD were to construct a Hartland facility, this facility would compete for feedstock with out of region composting facilities, and in-region yard waste processing facilities.

Solid Waste Management Plan Implications

The Solid Waste Management Plan Phase two consultation identified both support and opposition for siting an organics processing facility at Hartland Landfill. In their formal response, District of Saanich requested that the draft Solid Waste Management Plan reference the additional benefits a regional organics processing facility would have associated with the GHG emissions savings from the reduced transportation of organics outside of the region. City of Victoria identified organics diversion as a priority strategy to support the City's Zero Waste strategy.

The final draft Solid Waste Management Plan indicates that the CRD intends to continue to provide the community with receiving and transport services for kitchen scraps through the transfer facility at Hartland while monitoring in-region and on island organics processing capacity. In response to a need to secure additional processing capacity for the community, the plan also indicates that a facility at Hartland may also be pursued in an effort to reduce the GHG emissions associated with the current transportation and processing model.

CONCLUSION

Staff have undertaken stakeholder consultation with municipalities and private haulers to better understand feedstock availability, have conducted a market sounding with respondents to the 2018 RFEOI on in-region organics processing alternatives and completed a financial and environmental screening on RFEOI results. This evaluation found that there are economies of scale when considering organics processing alternatives against the status quo, that municipalities control limited feedstock, and that an organics processing facility would need to compete for feedstock with the Private Sector, however that building an AD facility at Hartland would result in GHG emissions reductions.

RECOMMENDATION

The Environmental Services Committee recommends to the Capital Regional District Board:

That the Capital Regional District continue with the status quo of hauling and processing organics to private sector facilities on lower/mid-island, and signal to the market, through this resolution, that should the private sector establish an in-region facility, the Capital Regional District would consider working with municipalities to commit feedstock, pending pricing, greenhouse gas reductions, odour, location, and other environmental considerations.

Submitted by:	Russ Smith, Senior Manager, Environmental Resource Management
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Organics Processing Options: Screening Report (Reshape)

Organics Processing Options: Screening Report

Prepared for:
The Capital Regional District

FINAL
March 25, 2021

RNG Pricing Redacted



RESHAPE STRATEGIES

EXECUTIVE SUMMARY

This report presents a screening-level analysis of a dedicated composting or anaerobic digestion (AD) facility for CRD organics located at Hartland Landfill. Alternatives are compared to the CRD's status quo costs for organics disposal.

Alternatives and scenarios are compared based on levelized net processing cost. This is calculated as the present value of expected project costs less any revenues from byproducts of the process (e.g., biogas and/or compost) divided by the present value of processed volumes.

The net processing cost reflects expected capital and operating costs. These are derived from information provided to CRD by technology providers in response to CRD's 2018 RFEOI. We note the indicative capital costs from the 2018 RFEOI are higher than others we have seen in recent literature and other processes, particularly for AD. The results of this study are very sensitive to capital cost assumptions.

Capital costs are amortized based on an indicative private sector model. There is very little information on hurdle rates for private proponents, which can vary with technology, market conditions, and specific contract terms. Actual capital and financing costs can have a large impact on net processing costs and also the ranking among different options. These will need to be confirmed through a competitive bidding process and detailed negotiations.

There is some evidence that AD projects tend to require higher hurdle rates, reflecting the higher capital intensity and technical complexity of AD, as well as the added risks and uncertainties surrounding the value of raw biogas or upgraded renewable natural gas (RNG). However, these risks can also be mitigated by contract terms and conditions. For example, B.C. is one of the few jurisdictions that currently offers long-term fixed price contracts for biogas / RNG sales.

The report includes sensitivity and scenario analyses on these and other key assumptions.

This study also includes a comparison of GHG (CO2-e) emissions for various options. These are derived from a recent lifecycle GHG (CO2-e) analysis prepared by Stantec (adjusted for alternate volumes and sizing scenarios in this study).

This screening study is to support strategic decisions and procurement design for organics processing, including technology specification and sizing targets. Some important findings of this screening analysis include the following:

- There are economies of scale for both composting and AD.
- The estimated net processing cost for a dedicated composting or AD facility is higher than status quo at small facility scales. However, at larger scales both composting and AD at Hartland could result in cost savings relative to the status quo, even if the facility is initially oversized to accommodate further growth of organics volumes. Filling spare capacity in early years with volumes from third parties could provide additional cost savings for both options.
- Composting appears to be much cheaper than a stand-alone AD plant at small scales. However, the cost difference is reduced at larger scales (and any differences at larger scales are within the range of uncertainty around inputs to the analysis).
- The proposed LFG upgrader and FortisBC Energy Inc. (FEI) interconnection have sufficient capacity to handle extra biogas volumes from organics, even under high LFG volume scenarios. Co-processing biogas from AD would not affect the expected returns on the LFG upgrader (which are based on LFG volumes only), but could reduce the risks posed by low LFG volumes as well as lower costs for processing organics.

- There may be additional savings from AD if spare digester capacity in the Residuals Treatment Facility can also be used on an interim basis for processing organics to defer some of the capital for new food waste digesters. This would not necessarily require any co-digestion of food waste and biosolids.
- Results are not very sensitive to the value of compost. However, the results are very sensitive to the price of RNG.
- There are substantial differences in GHG (CO2-e) emissions among the alternatives. In particular, AD results in net reductions of 40,000 – 100,000 tonnes of GHG (CO2-e) over 20 years compared to composting.
- The Small Plant AD scenario has a levelized net processing cost that is $108 per tonne higher than the Status Quo. However, The Small Plant AD scenario also results in significant additional GHG emissions reductions. A shadow value of carbon set at $515 per tonne GHG (CO2-e) would make the AD project equivalent in cost to the Status Quo operation. For the Large Plant scenario, because the AD project is already lower cost than the Status Quo, it has a negative shadow value of carbon, meaning a Large Plant AD project achieves GHG reductions and cost savings.

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STATEMENT OF LIMITATIONS

This report has been prepared by Reshape Infrastructure Strategies ("Reshape") for the exclusive use and benefit of the Capital Regional District ("Client"). This report represents the best professional judgment of Reshape, based on the information available at the time of its completion and as appropriate for the scope of work. Services were performed according to normal professional standards in a similar context and for a similar scope of work.

ABBREVIATIONS

AD	Anaerobic Digestion
CRD	Capital Regional District
DR	Discount Rate
FEI	FortisBC Energy Inc (gas utility)
GHG (CO2-e)	Greenhouse Gas (CO2 Equivalent)
GJ	Gigajoules
IRR	Internal Rate of Return (Unlevered)
kWh/MWh	Kilowatt-hour/Megawatt-hour
LFG	Landfill Gas
MFA	Municipal Finance Authority
PV	Present Value
RFEOI	Request for Expressions of Interest
RNG	Renewable Natural Gas

1. INTRODUCTION

Capital Regional District (CRD) receives organics from member municipalities at Hartland Landfill ("Hartland"). These organics are currently transported to 3rd-party composting facilities for processing. CRD is exploring the development of a dedicated facility to process organics at Hartland.

In 2018, CRD issued a request for expressions of interest (RFEOI) to suppliers of organic processing technologies, asking them to provide information on possible technical solutions. The RFEOI process included suppliers of both composting and anaerobic digestion (AD) facilities.

This study estimates the potential costs and environmental benefits of a dedicated composting or AD facility located at Hartland. These are compared to status quo disposal. The analysis relies largely on information obtained from the RFEOI, with some adjustments to the AD option to reflect the opportunity to use spare capacity in the proposed landfill gas (LFG) to renewable natural gas (RNG) upgrader.

The intent of this study is to inform strategic decisions on organics processing and the design of any procurement of a dedicated facility. The analysis is based on indicative costs and financing assumptions, which will need to be confirmed through procurement and negotiation. The analysis is based on volumes not controlled by CRD so the project is also contingent on volume commitments from member municipalities or the private sector.

2. METHODOLOGY

This is a screening-level study to compare status quo disposal costs for CRD organics with a dedicated composting or AD facility. The key metric used for all comparisons is the net processing cost, which takes into account expected capital costs, operating costs, financing costs, and any revenues from the sale of compost, biogas, and/or RNG. Financing costs are based on a private sector financing model, with different financing benchmarks applied to composting and AD. The analysis is intended to approximate the expected outcome of a competitive procurement process and contract negotiation. Actual costs will depend on the final procurement model and detailed contract design.

A levelized net processing cost is calculated for each option. This is calculated as the present value of annual costs less revenues divided by the present value of processed volumes over 20 years (beginning in 2024). The cashflows reflect a private sector financing model. Present values are calculated using the CRD discount rate (assumed to be equivalent to CRD's long-term borrowing rate).

For capital and operating costs we have relied on information from the RFEOI process, as summarized by Morrison Hershfield.[1] We have made some adjustments to capital and operating costs to reflect alternate sizing and project configurations as discussed later in this report. We note the costs derived from the RFEOI appear relatively high, particularly for AD.

[1] "Kitchen Scraps, Yard and Garden Waste Processing – RFP Scoping Document". Morrison Hershfield, June 1, 2018.

The greenhouse gas (GHG) emissions for different options are derived from a lifecycle GHG (CO2-e) analysis prepared for CRD by Stantec.[2] Stantec's estimates have been adjusted to reflect different volumes scenarios in this study.

This report also includes additional sensitivity and scenario analyses for net processing costs under alternate input assumptions.

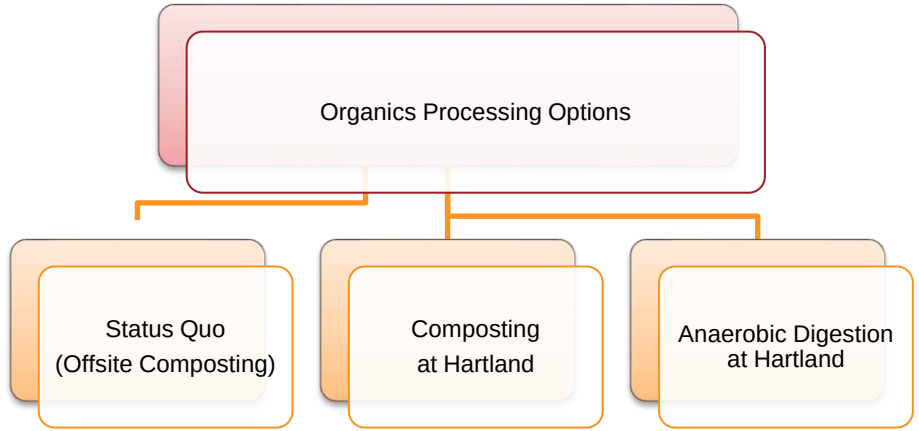
3. PROCESSING OPTIONS

We consider three options for organics processing (Figure 1):

1. **Status Quo (Offsite Composting)**. Organic material received at Hartland is trucked to 3rd-party composting facilities under a contract to CRD. We assume current per-tonne processing costs (including transportation) continue into the future, with annual escalation.
2. **Composting at Hartland**. Organic material received at Hartland is processed in a new dedicated in-vessel composting facility located at Hartland. Expected revenues from compost sales are included in the calculation of net processing cost to the CRD.
3. **Anaerobic Digestion (AD) at Hartland**. Organic material is processed in a new AD facility located at Hartland. The AD facility does not include an upgrader. Instead, biogas from the AD facility is sent to the LFG upgrader at Hartland. RNG is then sold to FortisBC Energy Inc. (FEI) under the same terms and prices as RNG from LFG. Revenues from the sale of compost and RNG are included in the calculation of net processing costs to the CRD.

There is also the potential to integrate an AD facility with the spare digester capacity associated with the new Residuals Treatment Facility at Hartland. We have not assessed the technical or economic viability of this option but the costs and benefits of this approach may be considered as part of the procurement process.

Figure 1: Organics Processing Options



[2] "Life Cycle Greenhouse Gas Analysis of Organic Waste Processing Scenarios at the Hartland Landfill". Stantec Consulting Ltd, August 12, 2020.

4. KEY ASSUMPTIONS

4.1 Organic Volumes and Processing Capacity

Our analysis uses two bookends for organics volumes:

1. A flat volume of 10,000 tonnes per year (i.e. no change over time).
2. A starting volume of 24,700 tonnes per year in 2024, increasing at 1% per year.

The CRD's 2018 RFEOI provided Scenario 1 as a guaranteed, baseline volume, and Scenario 2 as a potential volume. The CRD does not control significant volumes directly, but available volumes from member municipalities are likely closer to Scenario 2.

Based on discussions with CRD, we assume an average composition of 30% yard and garden waste, and 70% kitchen scraps. The share of yard and garden waste vs kitchen scraps affects the expected biogas production from AD, as kitchen scraps have a greater potential for energy production. A greater share of yard and garden waste and correspondingly lower share of kitchen scraps will result in less biogas production from AD. In sensitivity analysis we test the impact of reduced biogas production.

Because of the wide range in volumes, each volume scenario is paired with a different processing capacity as shown in Table 1. Under the Large Plant scenario, the facility has sufficient capacity to process all organics throughout the analysis period. By year 20, annual volumes will have grown to 29,840 tonnes, or just below the facility's capacity.

While there is a wide range of uncertainty around organics volumes, CRD could potentially play a strong role in securing organics volumes for this project.

Table 1: Volume and Processing Capacity Scenarios

	Small Plant at Hartland	Large Plant at Hartland
Annual Volume	10,000 tonnes, fixed	24,700 tonnes, Increasing 1%/year.
Processing Capacity	10,000 tonnes	30,000 tonnes

4.2 Capital Costs

Table 2 summarizes capital cost assumptions for composting and AD. The assumptions are based on the RFEOI responses (escalated to 2024). Respondents to the RFEOI did not provide disaggregated cost information. For AD, we made an assumption of the cost savings from not constructing a separate upgrader, based on estimates of upgrader costs from previous studies for CRD's LFG upgrader project with conservative adjustments for losses in economies of scale for a much smaller upgrader.

We note that the capital costs received by CRD through the RFEOI are higher than we have seen from other projects. For example, from a 2017 RFI on AD, the City of London Ontario reported costs of $680 to $990 per tonne for a 25,000 tonne per year AD facility, including a biogas upgrader and land acquisition. It is possible that pricing declined significantly after the CRD's RFEOI.

It should be noted that capital costs sourced from RFEOI responses apply to commercial scale operations that must comply with strict operational specifications,

including stringent odor control, leachate management, and other regulatory requirements.

This analysis has not considered the availability of grant funding to offset capital costs. There may be grant funding available - particularly for the AD facility which would reduce GHG (CO2-e) emissions relative to the Status Quo option – however we have not incorporated this into our capital cost estimates.

Table 2: Capital Cost (Unit Capital Costs), 2024$

	Small Plant at Hartland	Large Plant at Hartland
Processing Capacity	10,000 tonnes	30,000 tonnes
Composting	$11.3 M ($1,130 / tonne of capacity)	$20.3 M ($680 / tonne of capacity)
Anaerobic Digestion	$26.0 M ($2,600 / tonne of capacity)	$34.8 M ($1,160 / tonne of capacity)

4.3 Financing Costs

The financial analysis assumes that all capital costs are amortized over the expected life of the asset. A new composting facility is assumed to have a 15-year asset life. A new AD facility is assumed to have a 20-year asset life. Because we have used a 20-year analysis period, the composting option includes annualized costs for a replacement facility in years 16-20 to allow an apples-to-apples comparison of net processing costs. In reality, a contract for composting would likely be shorter than for AD, or alternatively include some buy-out for unamortized capital at the end of 20 years (assuming the proponent is required to reinvest in the project).

Capital costs are amortized using an indicative private sector financing model. It is different to obtain credible information on hurdle rates for private sector proponents. Hurdle rates require assumptions about leverage (portion of debt financing), private borrowing costs (prevailing interest rates and credit spreads), corporate taxes, and levered return on equity. These variables can vary with technology, market conditions, and the specific contract terms (length, risk transfer, etc.).

A brief review of the literature suggests higher hurdle rates for AD than composting. This likely reflects higher complexity and also higher perceived risk. The difference in perceived risk is likely a function of the capital intensity and pricing model for each technology. The bulk of revenues for a composting facility are derived from tipping fees, which tend to be fixed for a specified term. AD facilities are more capital intensive, and a larger portion of their revenues would be derived from the sale of biogas or RNG. We note in many markets these revenues are riskier because of term-limited contracts and/or pricing that is tied to natural gas or other volatile benchmarks such as renewable energy credits. The risk profile of AD is probably lower in B.C. given the availability of longer, fixed-price contracts for RNG from FEI. To be conservative we have assumed a higher hurdle rate for AD options.

Our base case assumes a hurdle rate for AD of 7.5%. This is roughly equivalent to a financing model with 70% leverage, a long-term debt rate of 4.6%, a pre-tax levered return on equity of 18% and a corporate tax rate of 26%. We assume a lower hurdle rate for composting of 6%. For comparison, FEI's regulated after-tax weighted average cost of capital (WACC) is currently ~5.6% after tax, equivalent to ~6.5% on a before tax basis.

These are indicative rates to estimate possible prices under a competitive procurement. The level and differences in hurdle rates are uncertain, and would also be affected by specific contract terms.

Table 3: Indicative Asset Life and Financing Cost

	Asset Life	Financing Cost
Composting	15 years	6.00%
Anaerobic Digestion	20 years	7.50%

4.4 Operating Costs

Key operating cost assumptions are as follows:

- **Status Quo disposal costs** were provided by CRD staff. Pricing of $138/tonne was received in 2020. We assume continued escalation at 1.5%/year, which results in a cost of $194/tonne by 2043. We note that this pricing is for a short-term contract and may not be indicative of long-term pricing. It is unclear if this reflects existing spare capacity or if it includes costs for incremental expansion.

- **Land rent** assumes a facility sited at Hartland. Rent is based on the relative space requirements of different options from the RFEOI responses. Leases rates are derived from land value obtained from a recent 3rd party project at Hartland.

- CRD has fixed costs to operate the transfer station at Hartland where organics materials are received. Because these costs are the same for all options, including the Status Quo, they have been excluded from our analysis.

- **Processing costs** were derived from the RFEOI responses, with additional adjustments as described below, and are shown in Table 4.

The RFEOI responses provided AD processing costs for a complete facility, including an upgrader. The upgrader share of these costs can be deducted. However, there would be incremental operating expenses incurred at the LFG upgrader. In this analysis, we assigned incremental LFG upgrading costs to the AD project. We have not included any contribution to the fixed costs of the LFG upgrader. The LFG upgrader is already oversized so this capacity is available regardless. This methodology means that the IRRs for the LFG project (presented in a previous business case to the Board) will not be affected by the addition of biogas from AD.

The AD processing costs identified as part of the RFEOI (and which include the cost of an upgrader) are $59 per tonne, which is in line with the results received by London ON from their 2017 RFI.

Our analysis assumes that this AD project would incur processing costs of $39 per tonne in 2024, plus pay a fee to the LFG upgrader of $6.50 per GJ of biogas processed.

Under these assumptions, total operating expenses for the AD option (including direct processing costs as well as the upgrading fee paid to the LFG upgrader) are equivalent to the processing cost information received through the RFEOI process, for a new AD facility with its own upgrader. This analysis is likely conservative (i.e. it

has likely under-estimated the cost advantage of AD Integrated with LFG due to economies of scale in upgrading costs).

We assume these costs escalate at 2%/year.

Table 4: Operating Costs per Tonne Feedstock, 2024$

	Small Plant at Hartland	Large Plant at Hartland
Composting	$91 / tonne	$51 / tonne
Anaerobic Digestion	$39 per tonne plus $6.50 per GJ of biogas	$39 per tonne plus $6.50 per GJ of biogas

Figure 2: Available Capacity in LFG Upgrader

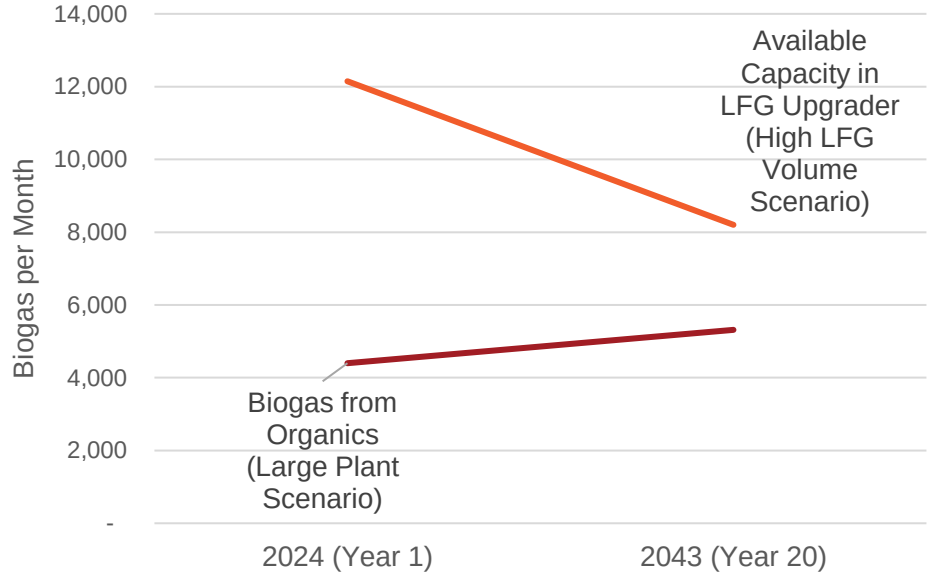


Figure 2 shows the available capacity in the LFG upgrader. Even under high LFG volumes, there is still significant available capacity in 2043 relative to the expected biogas from a large AD facility.

4.5 Revenues

There are two potential revenue streams to reduce the net cost of processing organics: the sale of compost and the sale of RNG.

Both composting and AD produce compost. However, composting produces higher volumes of compost than AD. For this analysis, we assume compost volumes equivalent to 60% and 28% of processed organics volumes for composting and AD, respectively. Our base case assumption for the value of compost is $3 / tonne (net of costs to bag, market and distribute compost). We test this assumption in sensitivity analysis.

An AD facility will also produce biogas which can be upgraded to RNG for sale to FEI. RNG production is dependent on the mix of feedstocks to the facility (yard and garden vs kitchen scraps) and recovery rates in production and upgrading. Table 5 shows the biogas production potential per tonne of feedstock under the base case assumption of 30% yard and garden waste, and 70% kitchen scraps[3].

Table 6 shows net RNG production after losses in the upgrade process, which occur during the upgrading process to produce RNG. Losses reflect expected upgrader downtime, internal energy use, and methane slip. Losses are predominantly in the form of methane converted to CO2 through combustion. We assume losses in upgrading of 10%, in line with the assumption used in the LFG upgrader analysis.

Under all AD options, RNG is assumed to have a value of [redacted] per GJ of RNG with no escalation, in line with CRD's contract for RNG from LFG. We test the effect of different biogas production factors and RNG prices in sensitivity analysis.

Table 5: Gross Biogas Production Factors

	Yard / Garden (30%)	Kitchen (70%)	Blended Average
Biogas Potential	1.5 GJ / tonne	2.75 GJ / tonne	2.38 GJ / tonne

Table 6: Net RNG Production, 2025

	Small Plant	Large Plant
Annual Volume	10,000 tonnes	24,700 tonnes, 1% growth p.a.
2025 Net RNG Production (AD only)	21,400 GJ	53,300 GJ

[3] Biogas factors were taken from Environment Canada, "Technical Document on Municipal Solid Waste Organics Processing", PWGSC 2013.

4.6 GHG Emissions

GHG emissions have been calculated for each scenario based on a lifecycle GHG (CO2-e) analysis conducted by Stantec. Sources of emissions include:

- Construction: one-time emissions related to the construction of the organics processing facility.
- Operations: emissions from the operation of the facility, including emissions from composting, from on-site fuel consumption, and from shipping compost off-site.
- Avoided Natural Gas: avoided emissions due to the production of RNG and injection into the natural gas grid.

GHG emissions factors (CO_2-equivalents) for construction are shown in Table 7. Emissions factors from ongoing operations (including direct operations and avoided natural gas) are shown in Table 8.

The Stantec analysis also included the impact of avoided landfilling. Organics are already kept out of the landfill and our analysis compares dedicated processing options to the status quo option. We have therefore excluded emissions from landfilling in all scenarios.

Table 7: Construction GHG Emissions (kg GHG CO2-e / tonne capacity)

	Status Quo	Composting	AD Standalone	AD Integrated w LFG
Construction	-	70.6	68.9	48.2

Table 8: Operating GHG Emissions (kg GHG CO2-e / tonne feedstock / year)

	Status Quo	Composting	AD Integrated w LFG
Feedstock Transport	10.7	-	-
Composting	90.0	90.0	9.0
Shipping Compost	9.7	9.7	1.0
Other Operations	45.8	45.8	48.0
RNG – Pipeline Fugitive	-	-	0.2
Net Avoided Natural Gas	-	-	(49.5)
Total	156.1	145.5	8.7

5. RESULTS

5.1 Net Processing Costs

Table 9 summarizes results for large and small project scales. Present values and levelized net processing costs are calculated using a discount rate of 2.6%, which is intended to represent the CRD's approximate cost of borrowing. Recently, indicative long-term borrowing rates published by the Municipal Financing Authority of B.C. have dropped much lower than usual, with 20-year rates at roughly 2.25% as of the date of this report. To be conservative, we have assumed that this decline in borrowing rates is temporary and 20-year rates will increase before the project

proceeds. The sensitivity analysis section of this report includes the impact of different discount rates.

At small scales, a dedicated facility is more costly than Status Quo disposal costs under our base assumptions. This also assumes current disposal costs continue to escalate at only 1.5% per year. At larger scales, a dedicated facility appears to be cheaper than Status Quo disposal costs, and AD becomes the lowest-cost option (though the cost difference between AD and composting is relatively small and within the margin of error for this analysis).

Table 9: Key Results

	Small Plant at Hartland	Large Plant at Hartland
Annual Volume	10,000 tonnes, fixed	24,700 tonnes Increasing 1%/year
Processing Capacity	10,000 tonnes	30,000 tonnes
Levelized Net Processing Costs ($ / tonne)		
Status Quo	$168	$168
Composting at Hartland	$240	$150
Anaerobic Digestion at Hartland	$276	$148
Present Value Costs ($ millions)		
Status Quo	$24.5 M	$66.5 M
Composting at Hartland	$35.1 M	$59.5 M
Anaerobic Digestion at Hartland	$40.4 M	$58.5 M

5.2 GHG Emissions

Table 10 shows the increase or decrease in cumulative GHG (CO2-e) emissions from a change from the status quo (offsite composting) to composting or AD at the Hartland Landfill Facility. Building a new dedicated composting facility at Hartland would result in a very small decrease in cumulative emissions. There would be additional emissions from constructing the facility, but these would be mitigated by a reductoin in transportation emissions. There are substantial differences in cumulative GHG (CO2-e) emissions between composting and AD.

Table 10: Cumulative Change in GHG (CO2-e) Emissions Relative to Status Quo (20 Year Analysis)

	Small Plant	Large Plant
Composting at Hartland	(1,400 tonnes)	(3,700 tonnes)
Anaerobic Digestion at Hartland	(40,100 tonnes)	(109,000 tonnes)

There are some minor GHG (CO2-e) savings compared to status quo for a dedicated compositing facility at Hartland. However, a dedicated AD facility would deliver significant GHG (CO2-e) benefits relative to status quo or a dedicated composting facility. For the AD option, we have also calculated a shadow value per tonne of GHG (CO2-e) reductions that would need to be assigned to the project to make AD cost-competitive with composting (Table 11).

Table 11: Required Shadow Value of GHG (CO2-e) Reductions from AD ($ per tonne) compared against Status Quo

	Anaerobic Digestion
Small Plant at Hartland	$515 per tonne GHG (CO2-e)
Large Plant at Hartland	($100) per tonne GHG (CO2-e)

For the Small Plant scenario, the AD at Hartland project would result in a cost premium of roughly $15.9 M relative to the Status Quo, as shown in Table 9. However, the Small Plant AD project would deliver significant GHG reductions relative to the Status Quo. Based on the cost premium and GHG reductions, the Small Plant AD project would require a shadow value of GHG reductions of $515 per tonne GHG (CO2-e). Stated differently, the Small Plant AD scenario can achieve GHG reductions at an abatement cost of $515 per tonne of GHG (CO2-e).

For the Large Plant AD scenario, because the AD project is already lower cost than the Status Quo, it has a negative shadow value of carbon, meaning that the project achieves GHG (CO2-e) reductions at negative cost (i.e. savings).

For comparison, Metro Vancouver (MV) recently adopted an internal carbon price policy of $150 / tonne GHG (CO2-e). This means that for potential projects with GHG (CO2-e) implications, MV will include a total price of $150 / tonne on all emissions. The City of Vancouver adopted a similar policy with a comparable total carbon price in late 2018.

5.3 Sensitivity & Scenario Analyses

We conducted sensitivity and scenario analyses on key inputs. Some of these are summarized in Table 13. We selected the Large Plant scenario for all sensitivity and scenario analyses because of the narrow range around net processing costs of different options at this scale. For reference, the levelized cost of Status Quo disposal is $168 per tonne.

We note the following:

- We conducted two sensitivity analyses on organics volumes. The first assumes a 20% reduction in volumes in all years, with no change in the facility size. The second scenario assumes full utilization of the facility from Year 1. This would require supplemental volumes to fill the facility as municipal volumes grow.
- Higher Compost Revenue illustrates the impact of assuming that net revenue from compost sales is $10 per tonne of compost, as opposed to the base case assumption of $3 per tonne of compost.
- There is uncertainty regarding both the mix of organics feedstocks (kitchen vs yard and garden), and the actual biogas production rates from each type of feedstock. The biogas production sensitivity analyses are intended to capture the overall uncertainty around biogas production volumes. This sensitivity does not impact the Composting option.

Table 12: Sensitivity Analysis, Large Plant Scenario (Levelized Net Processing Cost per Tonne)

	Composting	Anaerobic Digestion
Base (Large Plant at Hartland)	$150	$148
Organics Volume -20%	$171	$180
Flat 30k Volume	$141	$134
Higher Compost Revenue	$145	$145
Biogas Production +10%	$150	$144
Biogas Production -10%	$150	$151
Biogas Production -20%	$150	$155

The “Biogas Production -10%” scenario shown above corresponds to the expected biogas production rates from a feedstock mix of 50% kitchen scraps, and 50% yard and garden waste, based on the assumptions detailed in Table 5. The “Biogas Production -20%” scenario corresponds to the expected biogas production rates from a feedstock mix of 35% kitchen scraps, and 65% yard and garden waste.

In addition to the sensitivity analyses above, we conducted more detailed analysis on several other inputs. These results are summarized below.

Status Quo Costs

Status Quo disposal costs are built up from the 2020 per-tonne cost, and a future escalation rate. As of 2020, processing costs for the Status Quo option are $138 per tonne. Assuming escalation at 1.5% per year, this would increase to $194 per tonne by 2043. Under these assumptions – which are used for the base case Status Quo costs - the levelized processing cost is $168 per tonne over the 2024-2043 analysis period.

Table 13 shows status quo levelized net processing costs per tonne based on a range of starting per-tonne costs and escalation rates. The escalation rate would have to be as low as 0.5% for the duration of the analysis period for status quo costs to be lower than the cost of both composting and AD.

Table 13: Status Quo Cost Sensitivity (Levelized Net Processing Cost per Tonne)

	Status Quo
Base ($138/tonne, 1.5% p.a.)	$168
$138/tonne, 1% p.a.	$157
$138/tonne, 0.5% p.a.	$147
$138/tonne, 2% p.a.	$180
$148/tonne, 1.5% p.a.	$180

Discount Rates

The discount rate is used to calculate levelized net processing costs and the PV of net processing costs of each alternative from the perspective of the CRD. The effect of alternate discount rates on the PV of net processing costs of each alternative is shown in Table 14. The selection of discount rate affects absolute results but does not fundamentally alter the relative ranking of different alternatives.

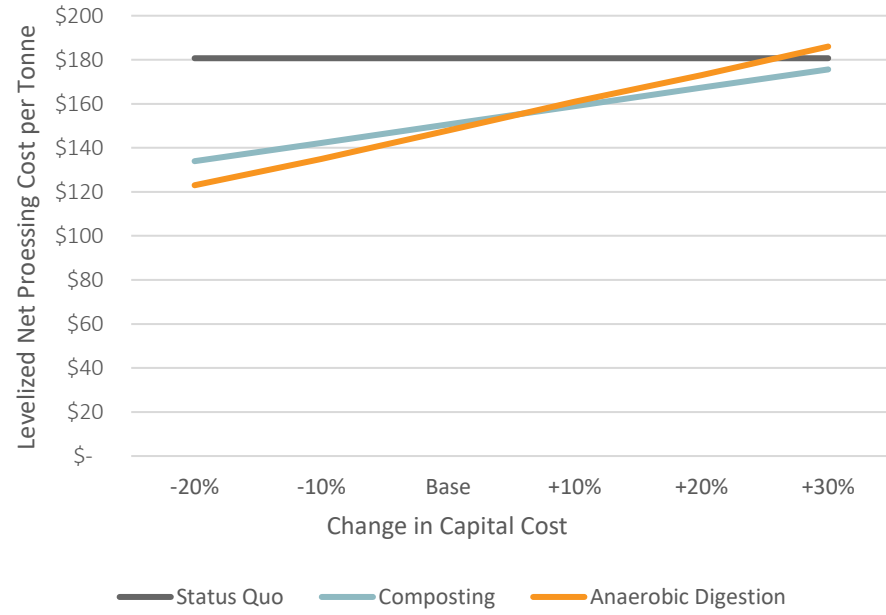
Table 14: Discount Rate Sensitivity ($ millions, PV of net processing costs), Large Plant at Hartland

	Status Quo	Composting	Anaerobic Digestion
Base (2.6%)	$66.5	$59.5	$58.5
1%	$81.2	$72.6	$71.0
4%	$56.3	$50.4	$49.9
6%	$45.0	$40.4	$40.2

Capital Costs

As noted, there is considerable uncertainty in the capital costs of alternatives. These will need to be confirmed through the procurement process. See Figure 3.

Figure 3: Capital Cost Sensitivity, Large Plant at Hartland



Upgrader transfer price

There is uncertainty in the incremental operating costs for the LFG upgrader. These will be confirmed in the procurement and detailed design phase. The base case assumption is $6.50 per GJ of biogas processed. Figure 4 shows the effect of a +/- 30% difference in incremental upgrading costs.

Figure 4: Sensitivity to Varying Upgrader Transfer Price, Large Plant at Hartland

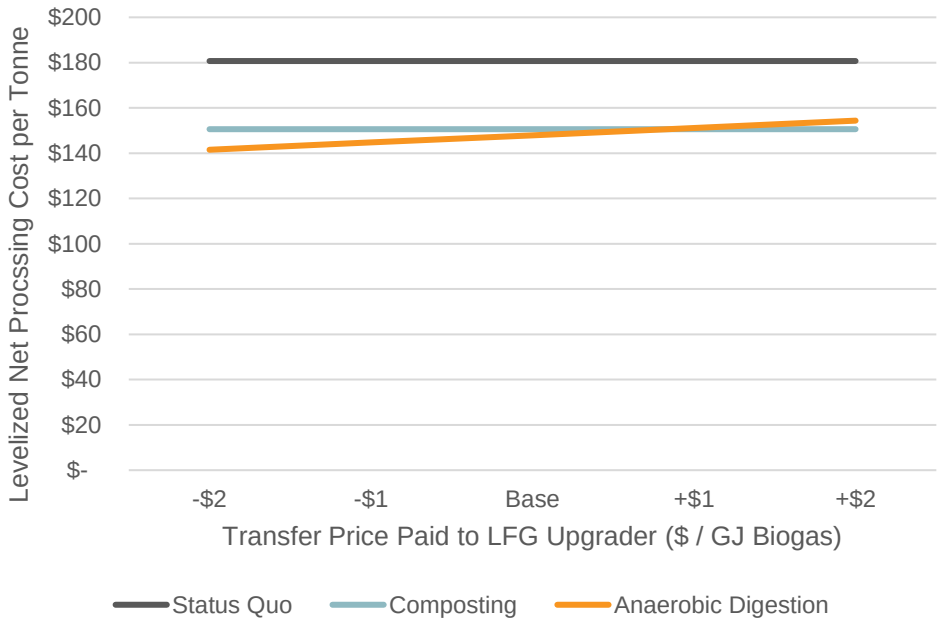
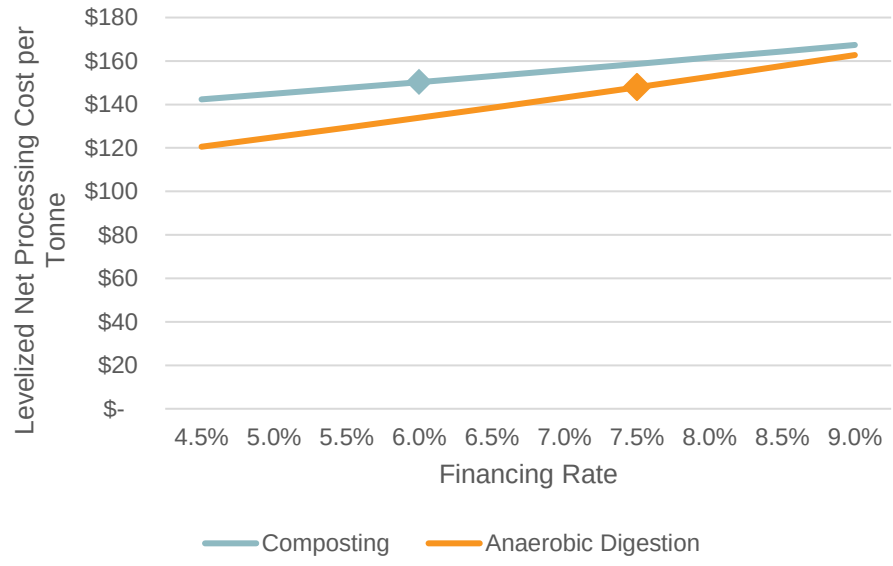


Figure 5: Sensitivity to Financing Rate, Large Plant at Hartland



The net processing cost of both options declines with lower hurdle rates. However, AD is more capital intensive and therefore more sensitive to assumptions about hurdle rates.

Financing Rates

Hurdle rates for private sector proponents are unknown. Our base case also assumes a higher hurdle rate for AD. Figure 5 shows the sensitivity of each technical solution to varying financing rates, under the Large Plant configuration. For each option, the base case assumption is marked with a diamond.

RNG Price

The base case results assume all RNG from AD is sold at the same price obtained by CRD in recent negotiations with FEI for upgraded LFG. CRD would be able to sell incremental RNG under its existing contract. However, CRD is not obligated to sell incremental RNG from other sources of biogas (beyond LFG) under the same terms and conditions as the existing purchase contract. There are no incremental costs to FEI from additional volumes of RNG (the proposed interconnection appears to have sufficient capacity). As a result, FEI may be able to pay a higher price for incremental volumes, if that is required to incent AD. Results are shown below.

Table 15: Sensitivity to RNG Prices, Large Plant at Hartland

	Anaerobic Digestion
Base (Large Plant at Hartland) RNG @ [redacted] / GJ	$148
RNG @ [redacted] / GJ	$143
RNG @ [redacted] / GJ	$137

Volumes of Organics Received at Hartland

Depending on how CRD is able to contract for organics volumes, there may be volume-related risks associated with building the Large Plant AD option. Figure 6 and Figure 7 show the impacts on present value costs and on levelized net processing costs, respectively, for this option as compared against the Status Quo. With an AD project, reductions in organics volumes only lead to modest reductions in total costs, so unit processing costs will increase if volumes decline.

Figure 6: Anaerobic Digestion, Large Plant at Hartland, Sensitivity to Reduced Organics Volumes (Present Value Cost)

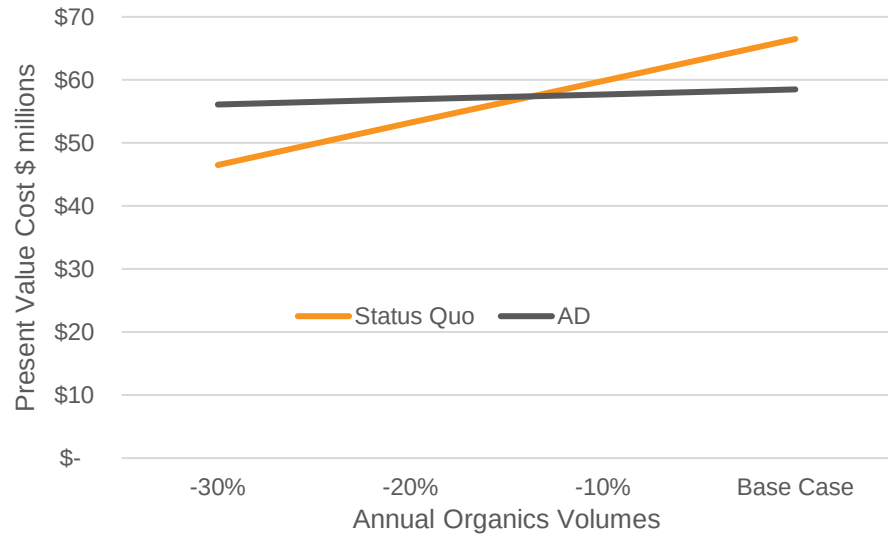
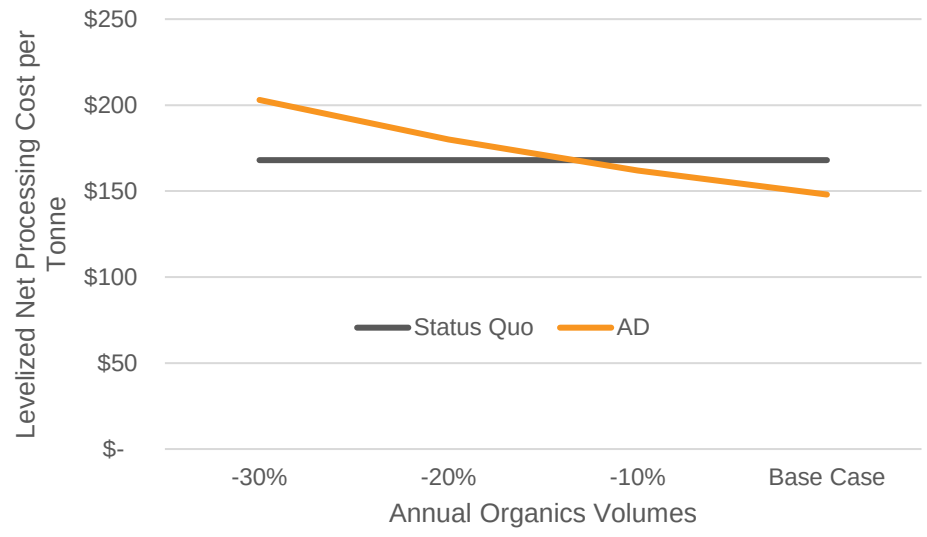


Figure 7: Anaerobic Digestion, Large Plant at Hartland, Sensitivity to Reduced Organics Volumes (Processing Cost per Tonne)



6. NEXT STEPS

Based on our analysis, the large scale AD at Hartland option has the potential to offer both financial and GHG benefits. CRD could lead its own further due diligence of the technical and economic viability of AD at Hartland, or could pursue an alternate approach where CRD focuses on securing feedstock commitments, and seeks private sector partners to conduct further due diligence and potentially develop a project at Hartland.

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ERM 21-16

REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, APRIL 21, 2021

SUBJECT **Landfill Gas Emissions Quantification at Hartland Landfill**

ISSUE SUMMARY

To provide the results of a recent study on landfill gas generation, collection and emissions at Hartland Landfill (Hartland) and how the results will support additional landfill gas mitigation projects across the site.

BACKGROUND

In a solid waste landfill, the decomposition of refuse produces landfill gas, consisting primarily of methane and carbon dioxide. Even with an extensive landfill gas collection network, a portion of emissions will escape to the atmosphere. These fugitive emissions contribute to climate change, as methane is a powerful greenhouse gas (GHG).

In 2020, to better understand and mitigate fugitive emissions at Hartland, staff commissioned a study to: quantify fugitive landfill gas emissions across the landfill, assess the current landfill gas collection efficiency against modelled landfill gas generation and identify mitigation strategies.

Under the BC Landfill Gas Management Regulation, the Ministry of Environment and Climate Change Strategy (ENV) requires all BC landfills to use the same theoretical model and ENV Annual Reporting Tool (ENV AR tool) to predict gas generation and collection efficiency on an annual basis. Under the regulation, landfills are expected to meet a performance objective of 75% collection efficiency (i.e. of the total gas generation estimated by the model, 75% must be collected for destruction/beneficial reuse).

In order to better understand model accuracy and actual collection efficiency, fugitive emissions at Hartland were empirically measured during two field events in 2020 (Appendix A). The data was used to complete a comprehensive landfill gas mass balance for the site using three different landfill gas generation models. Report findings confirm that the ENV AR tool overestimates landfill gas generation and fugitive emissions at Hartland, while the more advanced landfill gas generation model (UBCiModel©) more accurately estimates these parameters due to its capacity for tailor model parameters to reflect Hartland's site specific conditions. Consequently, Hartland is collecting a higher proportion of total landfill gas than previously reported; approximately 76%-81% over the last three years compared to 64%-67% for the same period using the required ENV AR tool. According to the report, the Hartland gas collection efficiency may be the highest the consultant has observed in BC, and it exceeds the target of 75% under the Landfill Gas Management Regulation.

The analysis also found that current landfill cover systems are estimated to biologically oxidize 29% of the total fugitive emissions. Biological oxidation converts methane into carbon dioxide (CO_2) making the gas much more inert from a climate change perspective (methane is 25 times more potent as a GHG than CO_2).

Between landfill gas collection and biological oxidation of methane, it is estimated that approximately 86% of the total methane from Hartland is being beneficially utilized or destroyed. The report also identified additional strategies to increase methane collection efficiency and biological oxidization, including enhancements to the existing landfill gas collection system and targeted application of an engineered biocover system on both closed portions and operational phases of the landfill. The report concludes that implementing the recommendations could result in Hartland fugitive methane emissions approaching zero.

IMPLICATIONS

Regulatory Implications

Results of the study indicate that measured fugitive emissions for Hartland are significantly lower than those calculated using the ENV AR tool, and that Hartland currently meets the 75% collection efficiency target. These findings will provide a basis for the CRD to discuss using the UBCiModel© in annual reporting with the regulator.

Environmental & Climate Implications

Implementing recommendations from the study has environmental and climate benefits across multiple programs/initiatives:

- Areas identified as having high fugitive emissions can be targeted for additional landfill gas mitigation, either through additional infrastructure installation, or application of biocover.
    - Design/installation of a specialized gas collector is already underway to address an area contributing approximately 15% of the overall fugitive emissions.
    - In areas where gas collection is not feasible, the data will provide a baseline to support short-term biosolids planning and biocover application. Effective engineered biocover systems typically include a combination of biosolids, wood chips and sand. Emissions can be quantified before and after biocover application to quantify the GHG emissions reductions benefits as a result of biocover placement.
    - Beginning in 2023, landfill gas will be upgraded to Renewable Natural Gas (RNG) and used to displace conventional natural gas, replacing an estimated 264,000 tonnes CO_2e (Carbon dioxide equivalent) over a 25-year period. Optimizing landfill gas management through enhancing collection systems could increase landfill gas collection efficiency, which would increase the benefit of the RNG initiative.
- Any emission reductions beyond the 75% collection efficiency may be used to offset corporate GHG emissions, or could be sold as offset units to the Province (contingent on ENV approval). Follow-up emissions quantification studies are planned to support this effort.

CONCLUSION

In 2020, to better understand the performance of the landfill gas collection system and fugitive GHG emissions at Hartland, staff commissioned a field-level study to quantify fugitive landfill gas emissions across the site. The results of this study confirm a higher landfill gas capture rate (76%-81%), and lower fugitive GHG emissions than previously modelled. Including biological oxidation in cover soils, it is estimated that approximately 86% of the total methane from Hartland is beneficially being utilized or destroyed. The information will enable staff to implement focused landfill gas infrastructure improvements/mitigations to further increase landfill gas collection and reduce GHG emissions.

RECOMMENDATION

The Environmental Services Committee recommends to the Capital Regional District Board:

That this report be received for information.

Submitted by:	Glenn Harris, Ph.D., R.P.Bio., Senior Manager, Environmental Protection
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: January 2021 Hartland Landfill Greenhouse Gas Emissions Quantification (Final Report)

Hartland Landfill
Greenhouse Gas Emissions Quantification
(Final Report)





PREPARED FOR: CAPITAL REGIONAL DISTRICT

PREPARED BY: SPERLING HANSEN ASSOCIATES

PRJ20007

January 2021

SPERLING HANSEN ASSOCIATES

Making a difference...together

- Landfill Services
- Landfill Gas Management
- Land Reclamation
- Corporate Management
- Groundwater Hydrogeology

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SPERLING HANSEN ASSOCIATES

- Landfill Engineering
- Solid Waste Planning
- Environmental Monitoring
- Landfill Fire Control

January 30th, 2021 PRJ20007

Kelly Tradewell, BSc
Environmental Contaminants Officer
Parks & Environmental Services
Capital Regional District

RE: Hartland Landfill Greenhouse Gas Emissions Quantification – Final Report

Dear Mrs. Tradewell,

Sperling Hansen Associates (SHA) is pleased to provide you with the final report of the Hartland Landfill Greenhouse Gas (GHG) Emissions Quantification. advanced Landfill Gas (LFG) Generation assessment for the.

SHA conducted comprehensive field investigations and data analysis to quantify fugitive methane emissions from the landfill. Our field investigations and data analyses showed that Hartland Landfill is currently emitting 925 tonnes of CH_4 per year, equivalent to 184 scfm of LFG at 50% CH_4 content. Therefore, the maximum rate of GHG emissions from Hartland Landfill is estimated to be approximately 23,000 tonnes of CO2-e per year, which accounts for 14% of the generated gas from the landfill in 2020.

Results of this GHG emission quantification study showed that CH_4 emission rates at this facility are lower than what is known as industry best engineering practices, indicating a high collection efficiency of the active gas collection system at this site. To our knowledge, this is the highest gas collection efficiency currently achieved in BC. Furthermore, completing a methane mass balance during the two field measurement events showed that UBCiModel©, as a site-specific model, better represents CH_4 generation at Hartland Landfill.

If you have any questions about our submission or require any further information, please do not hesitate to contact me.

Yours truly,
SPERLING HANSEN ASSOCIATES



Ali R. Abedini, Ph.D.
Senior Environmental Consultant
Landfill Gas Specialist

HARTLAND LANDFILL

GREENHOUSE GAS EMISSIONS QUANTIFICATION

Prepared For:

CAPITAL REGIONAL DISTRICT

Prepared By:

SPERLING HANSEN ASSOCIATES

January, 2021

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1 INTRODUCTION

1.1 Background

Hartland Landfill (Landfill) is owned and operated by the Capital Regional District (CRD), located 14 km northwest of Victoria, British Columbia (BC) in the District of Saanich at 1 Hartland Avenue. The landfill occupies a footprint of 33 ha on a property that encompasses 293 Ha. To date, approximately 7,300,000 tonnes of municipal solid waste (MSW) have been landfilled. Hartland Landfill has been developed in two distinct phases. Phase 1 was developed between 1950 and 1996, with a final capping system completed in 1997. Phase 2 has been operational since 1997, with development planned out in six distinct cells. Cells 1 and 2 have been completed to-date and landfilling is currently occurring in Cell 3.



Photo 1.1 - Hartland Landfill Aerial Photo

Hartland Landfill is one of the largest landfills in BC and is required to collect and thermally combust generated methane as per the BC Ministry of Environment (ENV) landfill gas regulation (LFG Regulation). This provincial regulation stipulates that landfills generating more than 1,000 tonnes of methane per year are to install and operate an active LFG management system with a minimum gas collection efficiency of 75%. Since 2012, the CRD has been continuously improving and expanding the Hartland Landfill's LFG collection system. As of 2015, the active LFG system has maintained excellent performance with an increasing capture efficiency of the gas throughout the past 5 years.

1.2 Landfill Gas Generation and Collection Efficiency at Hartland Landfill

In a recent study, Sperling Hansen Associates (SHA), 2019 conducted a comprehensive LFG generation assessment study for the landfill using three different models: (i) an advanced LFG generation model (UBCiModel©), (ii) ENV's LFG Generation Model (ENV Model), and (iii) ENV Annual Reporting Tool (ENV Annual Tool). This study determined an annual gas capture efficiency of 66% to 80% at this site between 2014 and 2019 based on the UBCiModel©. However, the ENV model and ENV AR Tool showed lower collection efficiencies ranging as low as 59% in 2014 and up to 71% in 2017 (SHA, 2019). More details from results of this study are provided in Section 4.4.

1.3 Scope of the Current Study

The CRD retained SHA to complete a full-scale measurement of methane emissions at the Hartland Landfill and to further assess effectiveness of the existing gas collection system. The purpose of the study was to execute the following key tasks.

- Conduct field measurement and quantify fugitive methane emissions from different areas of the landfill.
- Assess LFG management system collection efficiency.
- Identify major emission hot spots and assess potential additional greenhouse gas (GHG) emission reduction that can be achieved through other alternative methodologies such as application of a Biocover system.

2 LANDFILL METHANE MASS BALANCE INVESTIGATION

In order to complete a full methane mass balance for a landfill, not only the fugitive methane emissions to the atmosphere need to be quantified, but also methane oxidation by methanotrophic bacteria (naturally existing in landfill cover soil) and methane capture and combustion via active LFG collection and treatment systems must be taken into account. On this basis, Abedini (2014) developed the "METRO equation" which provides a comprehensive mass balance of landfill methane. Detailes of the equation are provided below:

$$G = M + E + T + R + O \qquad \textbf{Equation 1}$$

Where:

G = Generated Methane (theoretical model)
M = Migrated Methane (i.e. offsite lateral migration)
E = Emitted Methane (i.e. atmospheric emissions)
T = Trapped Methane (insignificant in well compacted and active landfills)
R = Recovered Methane (active gas collection system)

O = Oxidized Methane (soil cover or biocover)

The METRO equation considers all possible pathways for the methane generated within a landfill. When offsite lateral migration of methane is not reported and for landfills actively generating methane at high rates, M and T can be removed and the simplified METRO equation can be used as follows (Abedini, 2014):

$$G = E + R + O \qquad \textbf{Equation 2}$$

As mentioned in Section 1.3, the main scope of the current project is to quantify fugitive methane emissions (E) from Hartland Landfill. Section 3 discusses our approach and methodology to fulfill this scope while results of our study are presented and discussed in Section 4. Section 3 also includes information regarding methane recovery data and methane oxidation estimations for the landfill.

3 METHANE EMISSIONS MEASUREMENT

There are several methods that can be used to measure fugitive CH_4 or LFG emission rate from a variety of landfill covers. The most widely attempted method, and seemingly the more favorable for the purpose of regulatory compliance assessment, is the use of a flux chamber which directly measures CH_4 emission flux from the surface of landfills.

In addition to the flux chamber method, other methods such as eddy covariance and co-advected proxy tracer plume measurements and methods relying on remote sensing and plume mapping have been used (Gardiner et al., 2017; Delre et al., 2018; Kormi et al., 2017; Goldsmith et al., 2012; Gollapalli et al., 2018; Monster et al., 2014; Innocenti et al., 2017; Delkash et al., 2016; Allen et al., 2018; Abedini et al., 2019). Many of these methods suffer considerable drawbacks in terms of associated costs, reliability, logistics and compatibility with the typically heterogeneity of landfills and fugitive CH_4 emissions.

3.1 Technique for Quantification of Fugitive Methane Emissions at Hartland

The technique adopted to quantify the fugitive CH_4 emissions in this study is a patented methodology developed through the PhD research of Dr. Ali Abedini at the University of British Columbia (UBC) (Abedini, 2014; Abedini et al., 2019). Abedini's methodology was developed based on comprehensive field investigations completed at the Vancouver Landfill and involves measurement of near-ground surface methane concentrations (SMC) from the area of interest using a flame ionization detector (FID) device.

This method overcomes the major drawbacks of the conventionally acceptable stand alone flux chamber method in terms of detection limit, cost and extensive time required to characterize

fugitive emission at a given landfill. Measurement of CH_4 concentration at the surface of a landfill is less demanding compared to the flux chamber method and is presumed to lead to more reliable results when the concentration of CH_4 at the surface of a landfill is low, as usually happens in cases where there is an active landfill gas collection system or biocover system in place. A reliable correlation between surface concentration of CH_4, which can easily be measured, and CH_4 emission measured using flux chamber provides a practical method to facilitate CH_4 emission rate characterization at a lower cost.
The techniques and procedures used for measuring SMC using a hand-held FID is an approved methodology used across the US, where it is required by the U.S. Environmental Protection Agency's (EPA) new source performance standard (NSPS) regulation. The NSPS requires that all regulated landfills in the US must measure and report CH_4 concentrations at the landfill's surface on a quarterly basis. Values registered above the NSPS threshold during the FID scan imply a malfunctioning LFG control system and the landfill owner is then required to implement control measures within a given period of time.

Abedini (2014) developed a correlation between qualitative SMC data and quantitative surface CH_4 emission rates (MER). This technique is especially useful when MER levels are very low (e.g. where a geomembrane cap and an active gas collection system are in place) and other measurement techniques such as flux chamber cannot be applied. In June 2020 an SMC scan was completed over the entire landfill footprint where historically waste has been placed. In October of the same year, a second round of SMC measurements were completed over selected areas including areas without permanent closure system in place and where relatively higher emission rates were identified in June. The two rounds of field measurements were intentionally scheduled to be completed in two different climatic conditions (cold and warm seasons) to account for the impact of cold temperature on biological methane oxidation within the landfill's soil cover.

A *Thermo Scientific TVA 2020* FID instrument was used to measure and log CH_4 concentrations at the landfill surface. Hartland landfill was divided into 32 scan areas (zones) as shown in Figure 3.1. The areas located on side slopes are tagged as S.x and flat (crest) areas are tagged as C.x. The scanned area also included the exposed top surface of a coarse leachate collection blanket (approximately 2 m x 250 m) located on the west side of C1 area known as Rock Wall, labeled R.W. The surface scan areas had an approximate total footprint of 30 ha. Some minor changes in zones took place between the two rounds of the field work primarily due to the landfill's ongoing waste disposal operations and scheduled development.

Each zone was scanned on approximately 10 m spaced pathways while logging CH_4 concentration every 3 seconds. The FID instrument was calibrated using calibration gas tanks before conducting each set of measurements and tested using the same tanks after completion of each survey to detect any calibration drift during the field work.



Figure 3.1 - Surface Scan Areas at Hartland Landfill (June 2020)

Photos 3.1a & 3.1b show a TVA 2020 and calibration gases (left) and Dr. Abedini conducting FID measurements on a similar project (right).



Photo 3.1a & 3.1b - Surface Methane Concentration Scan Using a Portable FID Instrument

Results of both rounds of field investigations at Hartland Landfill are presented in Section 4.

3.1.1 Effect of Barometric Pressure on LFG Emission

A very important aspect of measurement of fugitive methane emissions from landfills is the effect of barometric pressure (BP) on the gas flux intensity. Fluctuation in BP is known to greatly impact LFG atmospheric emissions (Abedini, 2014; Abedini et al., 2019). When the BP is increasing, the increased atmospheric pressure is applied on the ground, restricting natural LFG venting through the landfill surface, or migrating through the soil. Dropping BP reduces the pressure exerted on the ground, enabling LFG to move more freely from the landfill and increasing the potential for gas to escape through the landfill cover or via offsite lateral migration. Abedini's surface scan technique for quantification of methane emissions includes adjustments of methane emission rates (MERs) based on the magnitude and sign of the rate of change in atmospheric pressure (i.e. ΔP/t) at the time of field measurements according to Equation 3 below (Abedini, 2014):

$$MER_a = MER \times (1 + 1.9731 \times |\Delta P/t|)^{\wedge (\Delta P/t \,/|\Delta P/t|)} \qquad \textbf{Equation 3}$$

where; MER_a = adjusted methane emission rate (g CH_4 m^2 d^{-1})
MER = measured methane emission rate (g CH_4 m^2 d^{-1})
$\Delta P/t$ = rate of change in barometric pressure at the time of field measurement (mbar/hr)

In this equation, ($\Delta P/t$ /$|\Delta P/t|$) would be equal to (-1) or (+1), represent the sign of the $\Delta P/t$.

Using Equation 3 and based on the BP variations that were recorded during the scans at Hartland Landfill, the field emission measurement results were adjusted for the rate of change in BP values. The BP data for the three field investigation days were acquired from the closest weather station to the landfill. Additionally, ambient pressure changes were monitored using a portable weather monitor instrument.

The data presented in Figures 3.2 through 3.6 were acquired from the Saanich Airport Weather Station during the days of field investigation on June 17th to 19th, 2020 and October 20th and 21st, 2020. Figures 3.3, 3.5 & 3.6 illustrate BP data from Saanich Airport weather station as well as onsite data measured by a portable weather station during the course of the field work. Comparing the two sets of data showed that even though the BP values measured onsite and at Saanich weather station were slightly different, the rate of change measured at two locations followed the same trend. This comparison confirmed applicability of the BP data that have been historically recorded at Saanich weather station to the emission rate calculations for Hartland Landfill (with a note that Sannich weather station has hourly records for BP).

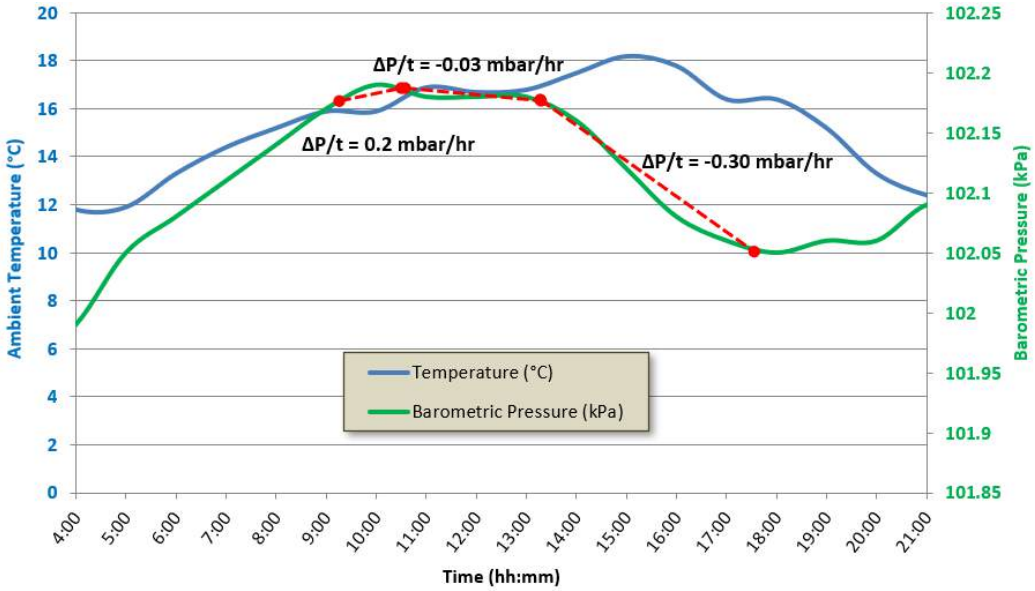


Figure 3.2 - Atmospheric Pressure & Temperature (Saanich A Weather Station – June 17, 2020)

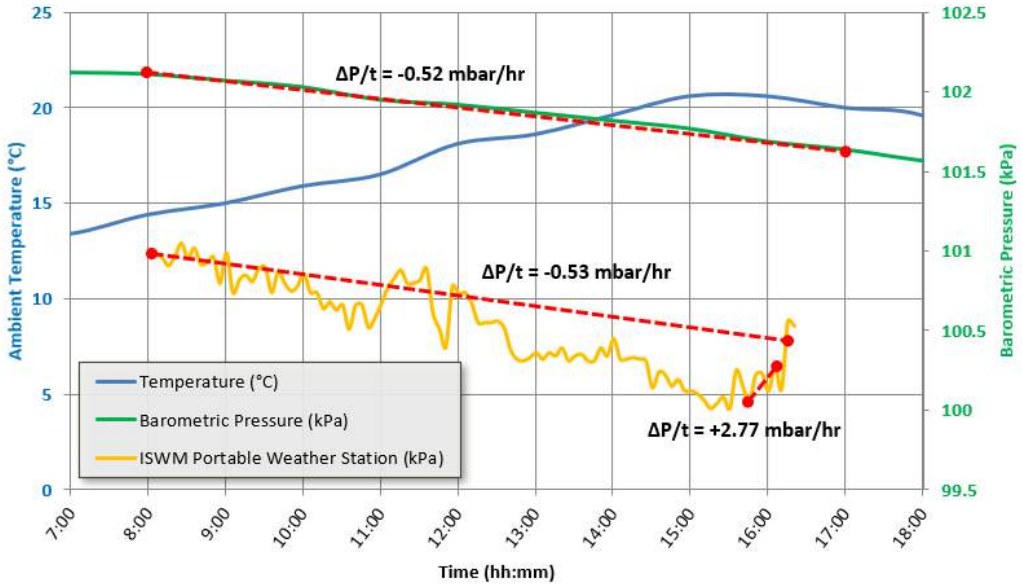


Figure 3.3 - Atmospheric Pressure & Temp. (Saanich A & Portable Weather Station – June 18, 2020)

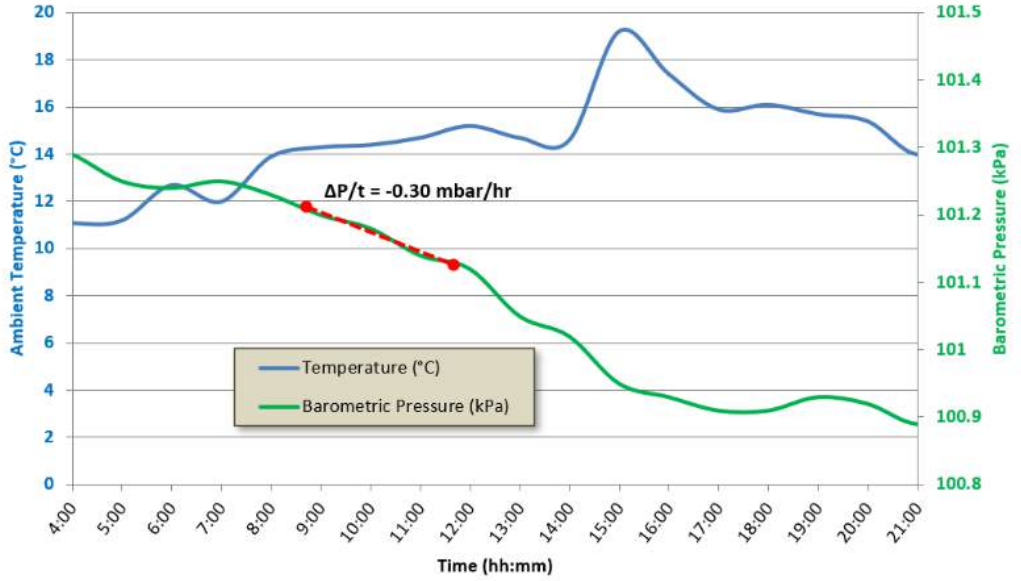


Figure 3.4 - Atmospheric Pressure & Temperature (Saanich Weather Station – June 19, 2020)

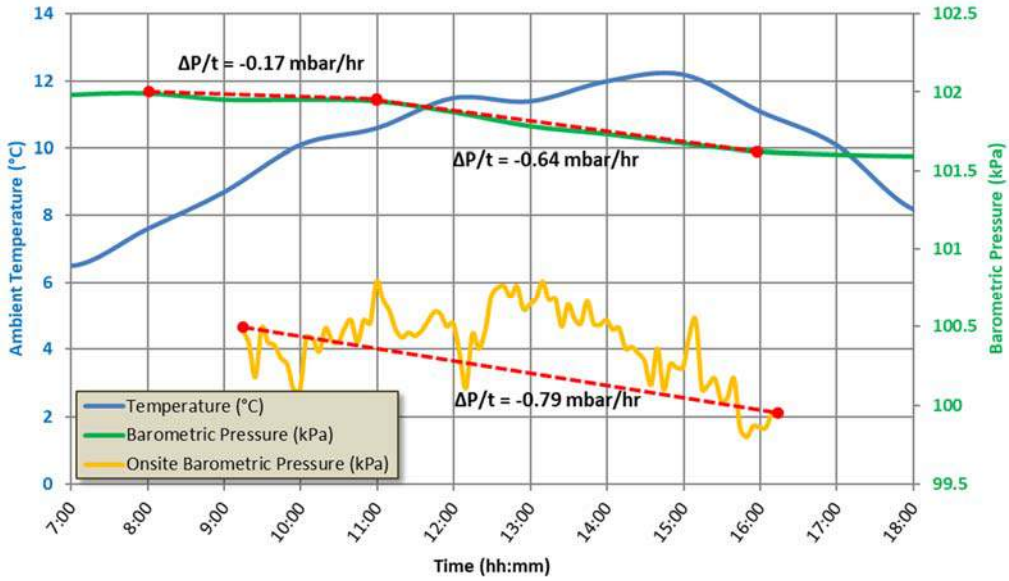


Figure 3.5 - Atmospheric Pressure & Temperature (Saanich Weather Station – October 20, 2020)

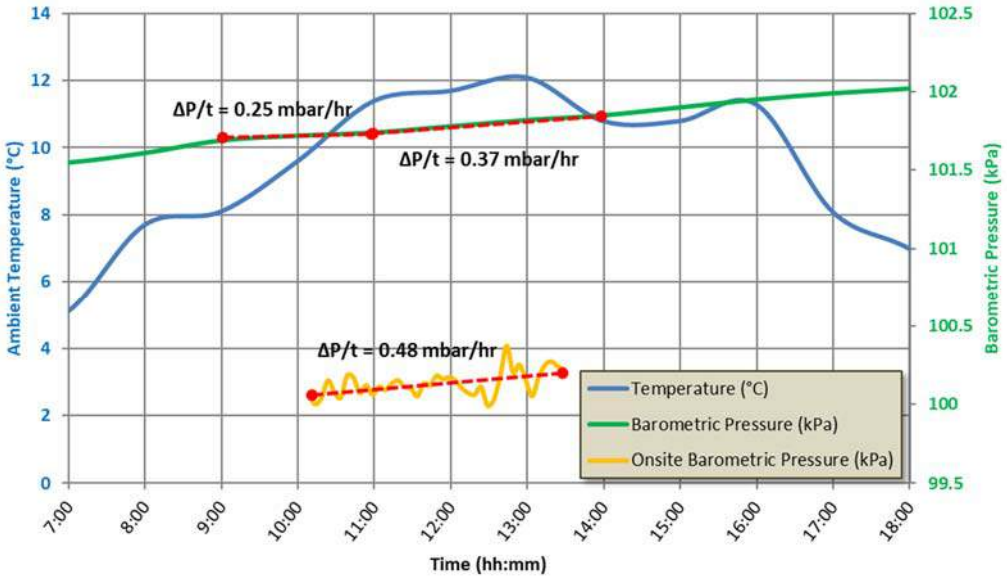


Figure 3.6 -Atmospheric Pressure & Temperature (Saanich Weather Station – October 21, 2020)

3.2 Gas Collection Rates during June and October 2020 Field Investigations

In order to conduct a system performance review and compare the level of gas emissions with gas capture at Hartland Landfill, SHA collected updated information from the landfill's active gas collection system during the days of field monitoring. Table 3.1 present data regarding the landfill's collected gas quantity and quality during the course of the field investigations for GHG emissions quantification.

Table 3.1 - Hartland Landfill Active Gas Collection System Data (June & October , 2020)

	Daily LFG Flow (scf/day)	LFG Flow Rate (scfm)	CH_4 Content (%)	Normalized Flow Rate at 50% [CH_4] (scfm)
June 17, 2020	1,518,828	1,054.7	50.1	1,057.3
June 18, 2020	1,559,397	1,082.9	51.1	1,105.7
June 19, 2020	1,565,847	1,087.4	52.5	1,141.7
Oct. 19, 2020	1,512,416	1,050.29	52.2	1,095.7
Oct. 20, 2020	1,548,480	1,075.33	52.4	1,127.6
Oct. 21, 2020	1,535,787	1,066.52	52.1	1,110.7
Oct. 22, 2020	1,528,443	1,061.42	51.1	1,084.8
June Average	**1,548,024**	**1,075.0**	**51.2**	**1,101.6**
Oct. Average	**1,548,024**	**1,063.4**	**51.9**	**1,104.7**

scf = standard cubic feet, scfm = standard cubic feet per minute, [CH_4] = Methane Concentration

4 RESULTS

Results of the surface scan field investigations are presented below in four different sections. One big advantage of the surface scan technique for quantification of methane emissions is identification of methane emission hotspots at the same time. This information allows the landfill owner/ operator to more effectively develop and implement geo-targeted mitigation strategies for reduction of fugitive CH_4 emissions (GHG emissions) from the landfill. This information is presented in Section 4.1 below. Section 4.2 presents results of Flux Chamber investigations for development of a site-specific correlation factor between surface methane concentration (SMC) and methane emission rates (MER) and Section 4.3 presents the achieved results for quantification of MER values. Lastly, Section 4.4 reports GHG and LFG emissions rates for the Hartland Landfill in 2020.

4.1 Methane Emission Hotspots

There are several types of closure/cover systems that have been applied on various surfaces of Hartland Landfill throughout its lifespan to date. These cover systems include: (i) interim soil cover, (ii) temporary geomembrane cover, (iii) permanent geomembrane cover, and (iv) multi-layer full final closure system including geomembrane liner, drainage layer, sub soil and topsoil cover etc.



Photo 4.1 - Interim Soil Cover (Area S14)



Photo 4.2 - Temporary Woven Liner (Area S10, S11)



Photo 4.3 - Textured Geomembrane (Area S1)



Photo 4.4 - Final Multilayer Cover (Area S9)

In general, lower methane emission rates are expected to occur where an impermeable liner is in place and negative pressure is applied to the area through an active gas collection system. However, closure system faults may result in localized (point source) CH_4 leaks, known as emission "hotspots". Typical CH_4 emission hotspot locations at landfills include leaking gas pipes, manholes and underground infrastructure connected to the leachate collection system, exposed leachate drainage layer, exposed geomembrane punctures, settlement cracks in compacted clay liner systems and edges of geomembrane closure system if not tied into the bottom liner or no impermeable (clay) plug is used around the edges. Hotspots on the landfill surface are normally predominant on landfill side slopes; however, high emission rates can be observed in crest areas in the case of liner punctures/cracks and in active areas of the landfill where no impermeable liner is in place. Several emission hotspots were identified during the surface scan field works. Major emission hotspots identified during the field works (Rounds 1&2) are shown on Figure 4.1.

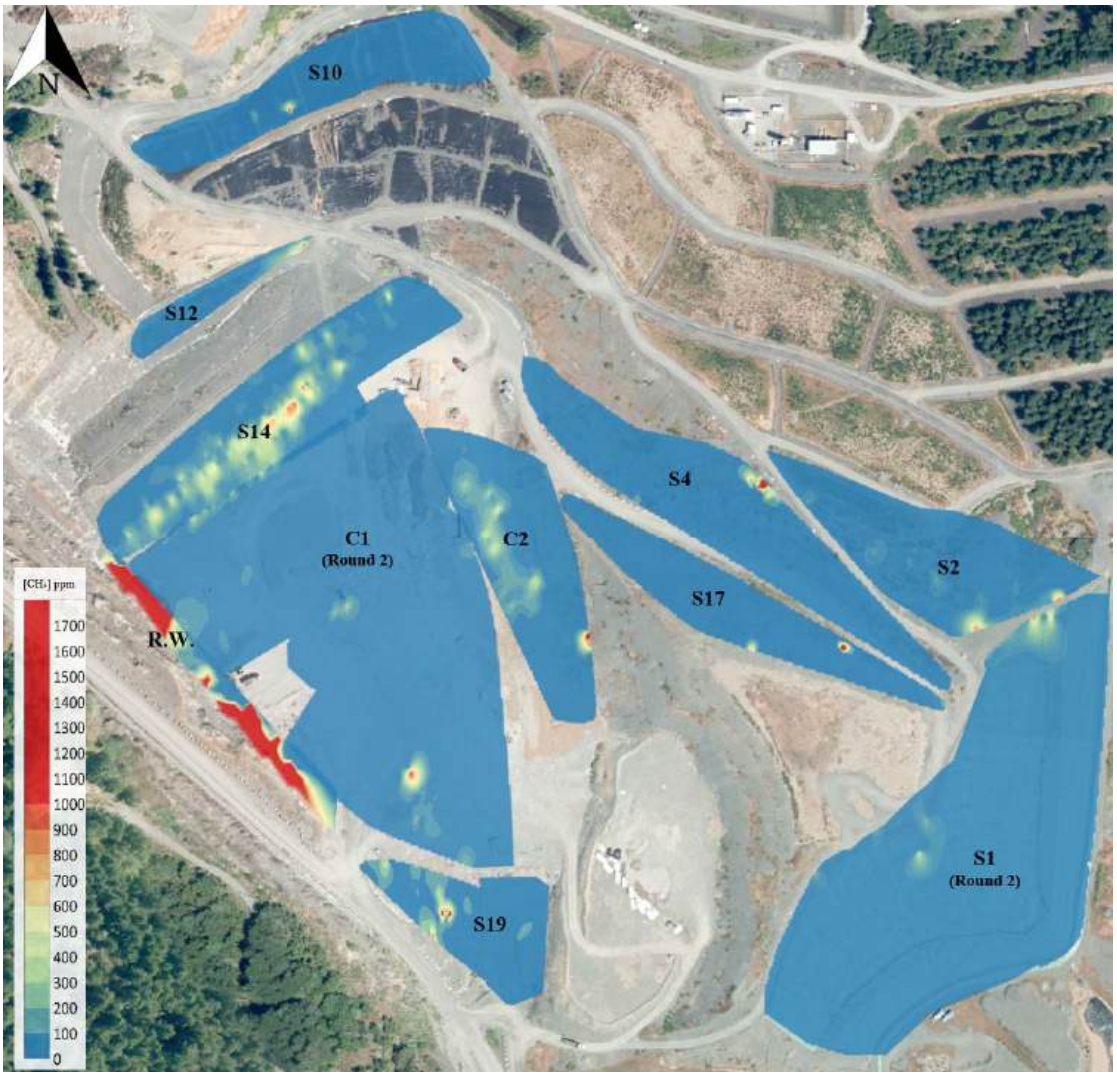


Figure 4.1 - Major Methane Emission Hotspots at Hartland Landfill (June & October 2020)

Phase 2, Cell 3 a major emission hotspot was exposed drainage blanket on the west side of the crest (C1) area. This area, known as the "Rock Wall", is the interface between the western filling extent of Cell 3 and refuse and creates challenges with respect to gas collection. Soon after round 1 of the surface scan was completed, the Hartland Landfill operations team applied a clay plug over this area and the next lift of waste continued to be placed over top of the clay plug. The second round of the surface scan showed a significant reduction in fugitive methane emissions from the Rock Wall area, however, not having a gas collection system in place at this location, the generated gas started migrating through the drainage blanket towards the north, resulting in a significant increase in CH_4 emission from west side of the north slope (marked as S14).

The second round of surface scanning identified this location as a major emission hotspot as illustrated in Figure 4.2. SHA is currently working with CRD to develop a gas collection system for the Rock Wall area. Photos 4.5 and 4.6 below show the clay plug and waste disposal operation at the Rock Wall area during the second round of field works (October 2020).



Photo 4.5 - Rock Wall Drainage Blanket Clay Plug, October 2020



Photo 4.6 - Waste Disposal at West of C1 area Over the Rock Wall Area, October 2020

North and south slopes (S14 and S19) of this cell (Phase 2, Cell 3) showed relatively high methane emission rates during both sampling rounds. Notably, the horizontal gas collectors that had been installed in the new lifts within this cell were not yet online at the time of the field works (See Photo 4.7).

In addition to S14, the second round of sampling showed higher emission rates from the crest area (C1). Two primary factors causing higher level of emissions from these areas in the second round are (i) blocking the easy pathway for gas emission from the rock wall drainage blanket, and (ii) decomposition of readily degradable organics that had been disposed in this area for the past couple years.

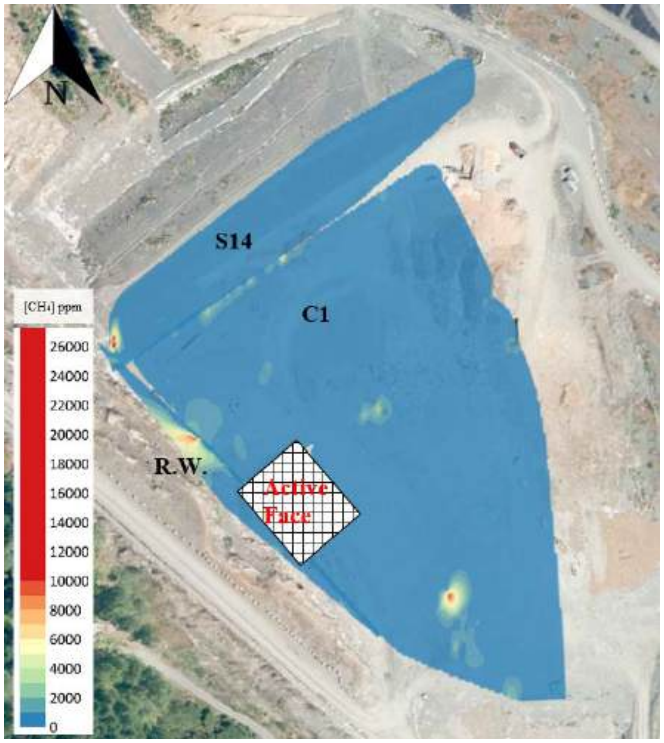


Figure 4.2 – Cell 3 Methane Emission Hotspots for Round 2 of the Surface Scan (October 2020)



Photo 4.7 - New Horizontal Collectors (Area S14)

Phase 2, Cell 2 major emission hotspots were detected at the edges of the geomembrane liner. These hotspots were identified during both rounds of field measurements with higher emission rates observed in the second round. Additional hotspots were identified in locations where the geomembrane was damaged. Photos 4.8a to 4.8d show some examples of S1 area emission hotspots.







Photos 4.8a & 4.8d - Emission Hotspots, Edge of Geomembrane Liner and Damaged Liner (Area S1)

Phase 2, Cell 1 temporary liner punctures (Photos 4.9a & 4.9b below) showed relatively high methane leaks during both sampling rounds.




Photos 4.9a & 4.9b - Temporary Liner Puncture (Area S10)

4.2 Site-Specific Correlation Factor for Hartland Landfill

During the course of the field investigations at Hartland Landfill, thirty five (35) flux chamber measurements were conducted in three (3) zones (Areas S4, S13, and S14) in order to generate a site-specific correlation factor similar to what Dr. Abedini developed for the Vancouver Landfill which were later used as default values in his methodology. Application of flux chambers at landfills to measure fugitive methane emissions from the soil surface through isolating and monitoring the emitting gas from soil is a well-established method. The flux chamber technique includes placing a closed chamber (box) on the landfill's surface and monitoring the change of methane concentration in the box over time. Based on the rate of change in methane concentration in the chamber over time, chamber volume, and area beneath the chamber, the methane flux emitted from landfill's surface can be calculated. The US-EPA guideline, "measurement of gaseous emission rates from land surfaces using an emission isolation flux chamber" (EPA/600/8-86/008), was used to determine the required number of flux chamber tests based on the footprint area of selected zones.

During these tests at the landfill, methane concentrations inside the chamber were continuously monitored using a Landtec GEM 2000+ gas analyzer. With a maximum flux chamber test duration of approximately 5 to 10 minutes, and the chamber volume of V = 0.007 m^3, as well as the gas analyzer sensitivity of ± 0.1% CH_4, the method overall detection limit was determined to be in the order of 10 to 20 g CH_4 m^{-2} d^{-1}. In five (5) locations out of fifteen (15) tested in Area S4, values higher than the instrument detection limit were recorded. However, due to the low methane emission rates in Areas S13 and S14, flux chamber measurements in these two areas did not produce meaningful results. Photos 4.10a and 4.10b below show the flux chamber test setup at Hartland Landfill.



Photo 4.10a & 4.8b - Flux Chamber Measurement at Hartland Landfill

The flux chamber test results were graphed and translated to methane emission rates (MER) based on the chamber volume and footprint area. Figures 4.3a and 4.3b show two examples of the graphical illustration of the flux chamber test results.

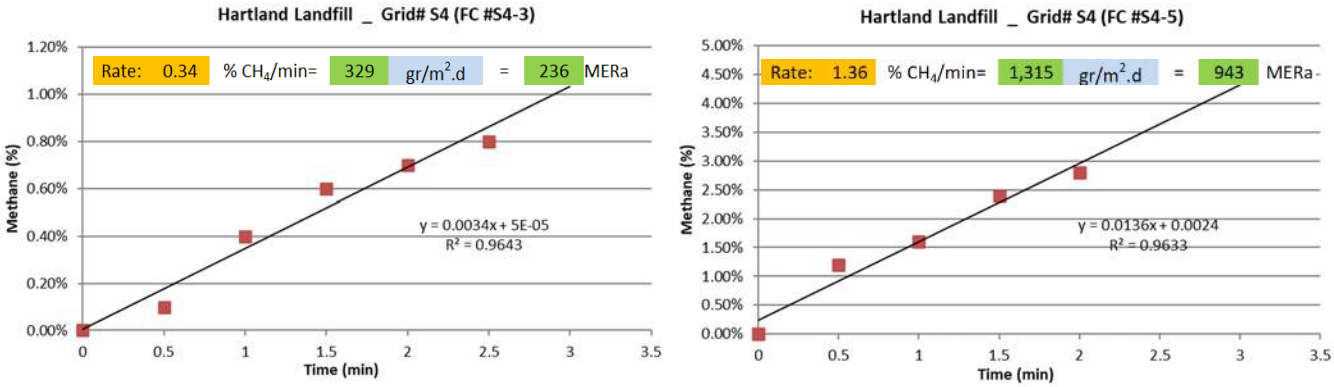


Figure 4.3a & 4.3b - Flux Chamber Results Graphical illustration (FC# S4-3/15 & FC# S4-5/15)

The resulting MER from flux chamber tests in Area S4 ranged between zero (non-detectable) to 1,315 g/m^2/day (before adjustment for barometric pressure was applied). The averaged result for this area was 14.46 g CH_4/m^2/day based on the flux chamber measurements.

4.3 Methane Emission Rates

The recorded SMC data derived from the first round of surface scan at Hartland Landfill ranged between 0 and 2,167 volumetric parts per million (ppmv) with the majority of high hits (methane emissions hotspots) in areas previously shown on Figure 4.1. The rock wall area showed significantly higher emission rates than all other areas scanned, with SMC values as high as approximately 167,000 ppmv. Further analysis of the results showed significant variation in the level of emission rates from different areas of the Landfill, with the rock wall area being responsible for approximately 18% of the overall GHG emissions from the site during the first round of sampling. Application of a clay plug in this area reduced the maximum SMC value to less than 10,000 ppmv during the follow up measurements in October, however, significant increase in SMC values were observed in western sections of S14 area in this round.

Other areas with relatively high total emissions (i.e. emission rate multiplied by area) identified during the first sampling round were S2, S4, S7, C2, and S19. After completing this round of measurements, the scanned areas were grouped into five (5) categories based on the MER associated with each area. Group 1 (coloured green) with MER less than 2.5 g/m^2/day, Group 2 (blue) with MER between 2.5 and 5.0 g/m^2/day, Group 3 (yellow) with MER between 5.0 and 10

g/m^2/day, Group 4 (orang), with MER between 10 and 15 g/m^2/day, and Group 5 (red) with MER higher than 15 g/m^2/day.

Detailed assessment of the results indicated that majority the overall emissions were sourced from small portions of the scanned areas, mainly located at the unclosed (active) cell of the landfill (Cell 3). While higher gas emissions from active phases of the landfill are inevitable, identification of major emission hotspots and application of geo-targeted mitigation measures can have a significant impact on further reduction of the overall GHG emissions from the landfill. Figure 4.4 illustrates average CH_4 emission rates from each zone. Figure 4.5 shows different scanned areas colour coded based on the associated average MER from each area in first round of surface scan.

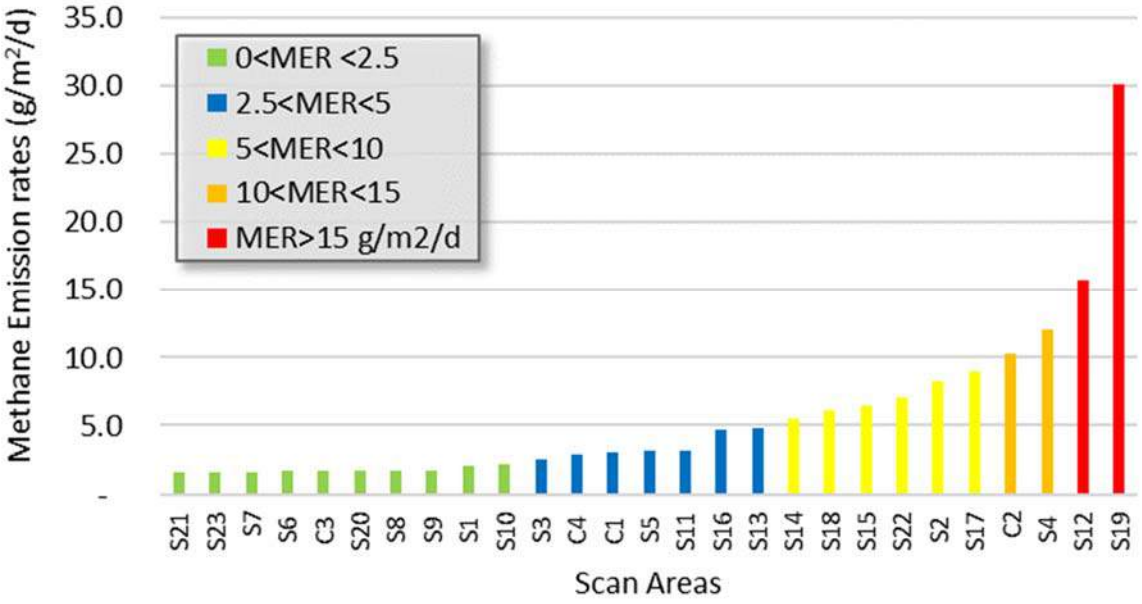


Figure 4.4 - Average Methane Emission Rates (MER), Hartland Landfill June 2020

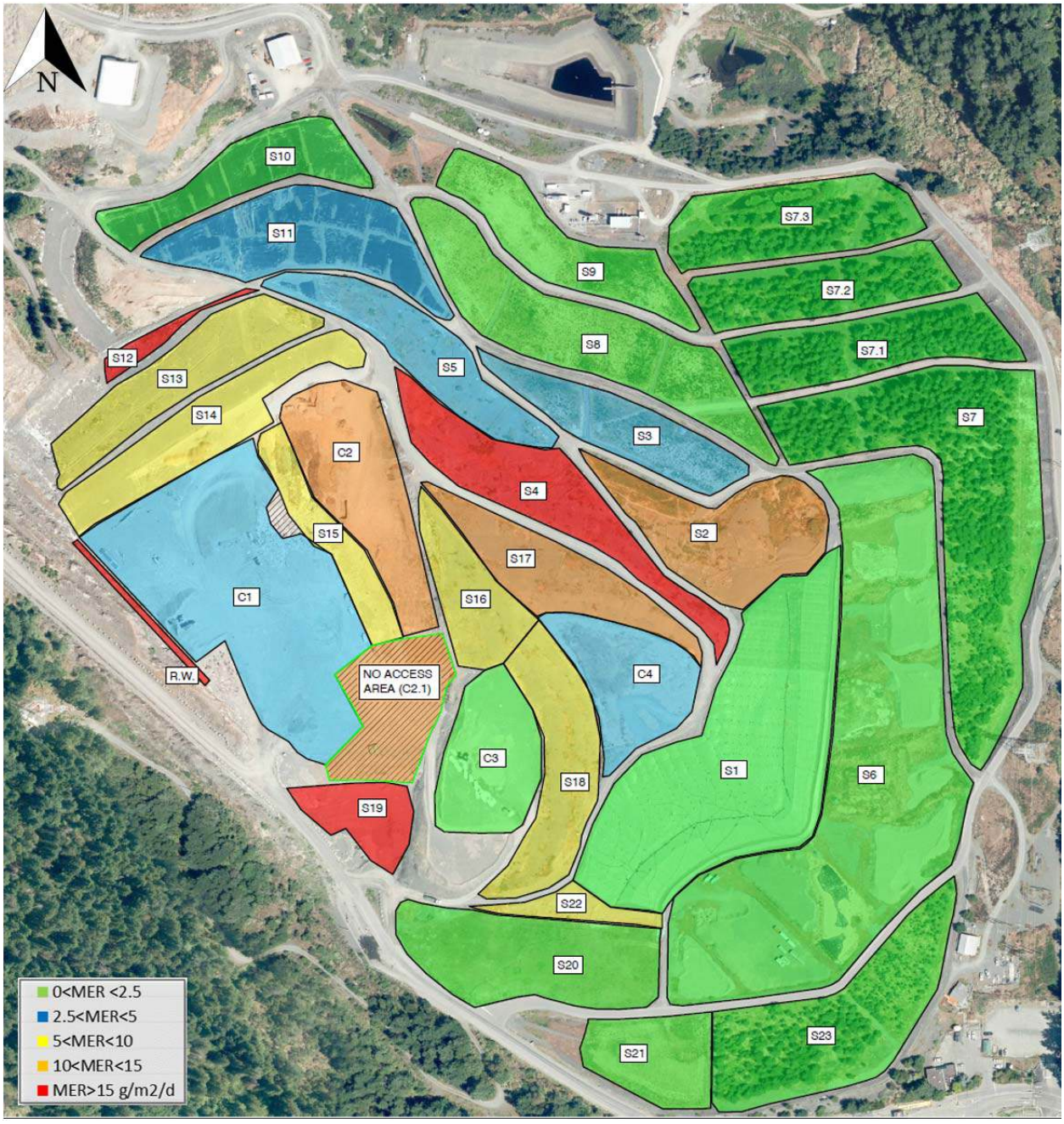


Figure 4.5 - Grouping the Scan Areas Based on Average Methane Emission Rates

Based on the default correlation factor, the SMC data was translated to average MER values ranging between 1.6 g $CH_4/m^2/d$ (Area S.21) and 30.1 g $CH_4/m^2/d$ (Area S.19) in the first round. These values in the second round ranged between 1.6 g $CH_4/m^2/d$ (Area S.8) and 34.6 g $CH_4/m^2/d$ (Area S.14). Average MER from the Rock Wall area for Rounds 1 and 2 were 480.6 g $CH_4/m^2/d$ and 190.7 g $CH_4/m^2/d$, respectively. The overall MER for the Hartland landfill for 2020 was calculated to be 17.6 g $CH_4/m^2/d$.

Table 4.1 below presents the results for SMC and MER values for both rounds as well as the site's overall average MER for 2020.

Table 4.1 - Results of Surface Scan and Methane Emission Quantification for Hartland Landfill

Grid Number	Surface Area		Surface Methane Concentration (SMC, ppm)						Methane Emission Rate (MER, $gCH_4/m^2/day$)				
	Round 1	Round 2	Round 1			Round 2			Round 1		Round 2		2020
	(m^2)	(m^2)	MIN	MAX	AVG.	MIN	MAX	AVG.	AVG.	$\pm\delta_{MER}$	AVG.	$\pm\delta_{MER}$	Average
S1	22,600	22,600	0.7	129.4	2.3	-	1,536.7	7.2	2.13	0.8	3.70	1.0	2.9
S2	9,400	9,400	1.4	644.7	21.6	0.4	240.7	9.6	8.29	1.5	4.46	1.1	6.4
S3	6,700	6,700	1.5	23.9	3.8	1.3	3.4	1.5	2.62	0.9	1.87	0.8	2.2
S4	8,500	5,000	1.5	2,167.0	33.2	0.3	3,017.1	43.8	12.01	1.9	15.39	2.2	13.7
S4.1	--	5,000	--	--	--	0.3	17.2	2.0	--	--	2.03	0.8	2.0
S5	6,700	6,600	1.4	82.6	5.4	0.3	117.2	3.4	3.13	0.9	2.49	0.9	2.8
S6	36,000	36,000	0.6	2.1	0.7	0.6	2.1	0.7	1.63	0.8	1.63	0.8	1.6
S7	45,000	45,000	0.6	1.7	0.6	0.6	1.7	0.6	1.60	0.8	1.60	0.8	1.6
S8	13,000	13,000	0.6	2.8	0.8	0.4	5.6	0.5	1.66	0.8	1.54	0.8	1.6
S9	7,000	7,000	0.6	6.2	1.0	0.5	8.6	0.9	1.71	0.8	1.69	0.8	1.7
S10	6,700	6,700	0.5	513.8	2.7	0.5	341.2	2.9	2.25	0.8	2.31	0.9	2.3
S11	9,600	9,600	0.4	1,398.3	5.5	0.5	807.4	4.6	3.16	0.9	2.86	0.9	3.0
S12	1,400	1,400	0.5	691.5	44.7	0.6	379.5	40.0	15.70	2.3	14.19	2.1	14.9
S13	7,500	7,500	0.5	160.9	10.8	0.6	336.5	14.6	4.86	1.1	6.06	1.3	5.5
S14	6,300	7,700	0.7	133.8	12.5	-	10,903.8	103.6	5.41	1.2	34.56	4.3	20.0
S14R	1,400	--	0.8	135.5	13.3	--	--	--	5.64	1.2	--	--	5.6
S15	3,700	--	0.5	211.3	16.0	--	--	--	6.51	1.3	--	--	6.5
S16	4,600	4,600	0.8	105.6	10.4	6.4	311.4	55.0	4.71	1.1	19.00	2.6	11.9
S17	6,300	6,300	0.5	1,048.4	23.5	3.1	307.9	27.3	8.92	1.6	10.14	1.7	9.5
S18	7,500	7,500	0.5	712.7	14.8	1.5	232.9	11.9	6.14	1.3	5.20	1.2	5.7
S19	3,200	3,200	0.9	1,386.4	89.7	2.9	595.2	55.3	30.10	3.8	19.09	2.6	24.6
S20	10,000	10,000	0.1	21.2	0.9	2.6	57.6	17.1	1.68	0.8	6.87	1.3	4.3
S21	5,000	5,000	0.4	5.0	0.7	0.4	5.0	0.7	1.60	0.8	1.60	0.8	1.6
S22	1,700	1,700	0.9	264.5	17.7	7.6	745.7	42.2	7.05	1.4	14.88	2.2	11.0
S23	12,000	12,000	0.6	1.6	0.7	0.6	1.6	0.7	1.62	0.8	1.62	0.8	1.6
C1	22,000	24,000	0.5	122.9	5.2	-	1,230.5	49.5	3.05	0.9	17.23	2.4	10.1
C2	15,000	16,000	0.5	1,392.4	27.7	2.6	638.4	42.3	10.24	1.7	14.91	2.2	12.6
C3	6,700	6,500	0.5	8.5	0.9	0.5	8.5	0.9	1.68	0.8	1.68	0.8	1.7
C4	6,500	6,700	0.5	45.6	4.7	0.9	50.4	7.0	2.90	0.9	3.62	1.0	3.3
Rock Wall	500	500	-	167,456.1	1,497.4	-	9,980.6	591.5	480.57	51.7	190.66	20.9	335.6
Average					**64.5**			**40.6**	**22.0**	**± 2.9**	**14.4**	**± 2.1**	**17.6**

S4.1 includes a newly developed slope in north east of C2 area (developed in Aug.- Sep. 2020) and partially overlapping with S4 area
S14R includes a smal portion of S14 area that was scanned separatly during round 1 due to instrument reaching memory capacity
$\pm\delta_{MER}$ values represent range of error of the linear regression developed by Abedini, 2014 determined for 95% confidence limit
x.x Data acquired from 1st round of the field work

Excluding the fugitive CH_4 emissions from the rock wall area, Hartland Landfill's average methane emission rate is as low as 6.6 g $CH_4/m^2/d$.

The methane emission rate from the rock wall area was significantly reduced during the second round of field measurement. This reduction was primarily caused by blocking of the methane escape pathway using clay plug and a lift of waste placed over the area between August and October 2020. However, the second round of surface scanning showed higher methane emission rates from slopes just north of the rock wall area (S14). SHA in close collaboration with the CRD engineering team designed a gas emission mitigation system (horizontal gas collector) that will be constructed in the near future.

Round 1 of field measurements, completed in June 2020, showed a total annual CH_4 emission rate of 757 ± 179 tonnes of CH_4 per year with approximately 50% of the emissions occurring in the unclosed portion of the landfill (Cell #3). The second round that was completed in October of the same year showed an annual CH_4 emission rate of 1,069 ± 212 tonnes of CH_4 per year with Cell #3 being responsible for 59% of the site's overall emissions. As shown in Table 4.2, these values are equivalent to an average LFG emission rates of 150 scfm and 212 scfm for the first and second round of sampling, respectively.

The site's overall average annual methane emission rate was determined to be 925 tonnes of CH_4 per year, equivalent to an LFG emission rate of 183 scfm at 50% methane content. The overall methane emission rate quantified in October was higher than the first round measured in June. Possible reasons for this increase may include (i) seasonal variation in methane emission, (ii) lower oxidation rate of the fugitive methane through the cover soil during colder seasonal temperatures, and (iii) increased gas generation from the active fill area (Cell #3) while no new horizontal gas collectors were brought online between June and October 2020.

Table 4.2 summarizes the annual methane and LFG emission rates for different areas of the landfill and the site's overall average based on the two rounds of GHG measurements completed in June and October of 2020.

Table 4.2 - Methane and LFG Emission Rates from Different Areas of Hartland Landfill

Grid Number	Surface Area		Annual Methane Emissions (tonnes CH_4/year)					LFG Emission Rates (scfm)				
	Round 1	Round 2	Round 1		Round 2		2020	Round 1		Round 2		2020
	(m^2)	(m^2)	AVG.	$\pm\delta_E$	AVG.	$\pm\delta_E$	Average	AVG.	$\pm\delta_{LFG}$	AVG.	$\pm\delta_{LFG}$	Average
S1	22,600	22,600	26.62	10.4	46.25	12.5	36.4	5.28	2.1	9.17	2.5	7.2
S2	9,400	9,400	43.08	7.7	23.17	5.6	33.1	8.55	1.5	4.59	1.1	6.6
S3	6,700	6,700	9.70	3.3	6.92	3.0	8.3	1.92	0.7	1.37	0.6	1.6
S4	8,500	5,000	56.47	8.9	42.57	6.2	49.5	11.20	1.8	8.44	1.2	9.8
S4.1	--	5,000	-	-	5.61	2.3	5.6	-	-	1.11	0.5	1.1
S5	6,700	6,600	11.60	3.5	9.10	3.2	10.3	2.30	0.7	1.80	0.6	2.1
S6	36,000	36,000	32.37	15.5	32.37	15.5	32.4	6.42	3.1	6.42	3.1	6.4
S7	45,000	45,000	39.76	19.3	39.76	19.3	39.8	7.89	3.8	7.89	3.8	7.9
S8	13,000	13,000	11.92	5.6	11.11	5.5	11.5	2.36	1.1	2.20	1.1	2.3
S9	7,000	7,000	6.62	3.1	6.53	3.0	6.6	1.31	0.6	1.29	0.6	1.3
S10	6,700	6,700	8.32	3.1	8.55	3.2	8.4	1.65	0.6	1.70	0.6	1.7
S11	9,600	9,600	16.75	5.0	15.20	4.8	16.0	3.32	1.0	3.02	1.0	3.2
S12	1,400	1,400	12.15	1.8	10.98	1.6	11.6	2.41	0.3	2.18	0.3	2.3
S13	7,500	7,500	20.15	4.7	25.12	5.2	22.6	4.00	0.9	4.98	1.0	4.5
S14	6,300	7,700	18.83	4.1	147.15	18.2	83.0	3.74	0.8	29.19	3.6	16.5
S14R	1,400	--	4.36	0.9	-	-	4.4	0.87	0.2	-	-	0.9
S15	3,700	--	13.33	2.7	-	-	13.3	2.64	0.5	-	-	2.6
S16	4,600	4,600	11.99	2.8	48.34	6.7	30.2	2.38	0.6	9.59	1.3	6.0
S17	6,300	6,300	31.08	5.4	35.31	5.9	33.2	6.16	1.1	7.00	1.2	6.6
S18	7,500	7,500	25.47	5.2	21.55	4.8	23.5	5.05	1.0	4.27	1.0	4.7
S19	3,200	3,200	53.27	6.7	33.79	4.7	43.5	10.57	1.3	6.70	0.9	8.6
S20	10,000	10,000	9.31	4.3	38.01	7.4	23.7	1.85	0.9	7.54	1.5	4.7
S21	5,000	5,000	4.42	2.1	4.42	2.1	4.4	0.88	0.4	0.88	0.4	0.9
S22	1,700	1,700	6.63	1.3	13.99	2.1	10.3	1.31	0.3	2.78	0.4	2.0
S23	12,000	12,000	10.75	5.2	10.75	5.2	10.8	2.13	1.0	2.13	1.0	2.1
C1	22,000	24,000	37.17	11.3	228.67	32.4	132.9	7.37	2.2	45.36	6.4	26.4
C2	15,000	16,000	84.95	14.1	131.96	19.4	108.5	16.85	2.8	26.17	3.8	21.5
C3	6,700	6,500	6.23	2.9	6.04	2.8	6.1	1.24	0.6	1.20	0.6	1.2
C4	6,500	6,700	10.41	3.3	13.41	3.7	11.9	2.06	0.7	2.66	0.7	2.4
Rock Wall	500	500	132.88	14.3	52.72	5.8	92.8	26.36	2.8	10.46	1.1	18.4
Total	**292,500**	**293,200**	**757**	**± 179**	**1,069**	**± 212**	**924.6**	**150**	**± 35**	**212**	**± 42**	**183.4**

$\pm\delta_{MER}$ values represent range of error of the linear regression developed by Abedini, 2014 determined for 95% confidence limit

x.x Data acquired from 1st round of the field work

4.4 Methane Mass Balance

4.4.1 Modelled Landfill Gas Generation

In 2019, the CRD retained SHA to conduct a comprehensive LFG generation assessment study for the landfill using three different models: (i) an advanced LFG generation model (UBCiModel©), (ii) ENV's LFG Generation Assessment Model (ENV Model), and (iii) ENV Annual Reporting Tool (ENV AR Tool).

The BC LFG Regulation requires that the LFG generation assessment reports be prepared in accordance with the LFG generation assessment procedure guidance (ENV Guidelines) using the ENV Model. ENV AR Tool, is another LFG generation estimation Tool which must be used for annual reporting to assess performance of existing active LFG systems and their methane capture efficiency. The only difference between the ENV Model and the ENV AR Tool is the historical waste disposal tonnages that are considered for gas generation modeling purposes. For the ENV model, historical waste tonnages should cover the period from the first year of landfill operations or thirty years before the year in which the gas generation assessment takes place, whichever is more recent. While for the ENV AR Tool, all waste tonnage data from 1980 to the calendar year prior to the year of assessment are taken into account, resulting in methane generation estimates being usually higher than with the ENV Model. UBCiModel© is a powerful gas generation model that utilizes numerous site-specific input parameters to estimate methane generation rates from the landfill more accurately. Based on a recent comprehensive review on existing gas generation models by Environment and Climate Change Canada (ECCC), the UBCiModel© was ranked among the most accurate models for LFG generation estimation (Jacobs 2020).

A summary of results from SHA, 2019 is provided in Table 4.3 below (SHA, 2019).

Table 4.3 - LFG Generation Assessment Summary using 3 Models (SHA, 2019)

Model	Modelled Methane Generation 2019[1] tonnes CH_4/year (scfm LFG)	Modelled Methane Generation 2020[1] tonnes CH_4/year (scfm LFG)
UBCiModel	6,872 (1,363)	6,865 (1,362)
ENV Model	6,889 (1,365)	6,947 (1,376)
ENV AR Tool	7,846 (1,554)	7,866 (1,558)

[1] - flows normalized to 50% v/v CH_4

Figure 4.6 illustrates a 25-year snapshot of LFG generation comparison between the three models as well as the landfill's LFG recovery data between 2000 and 2020.

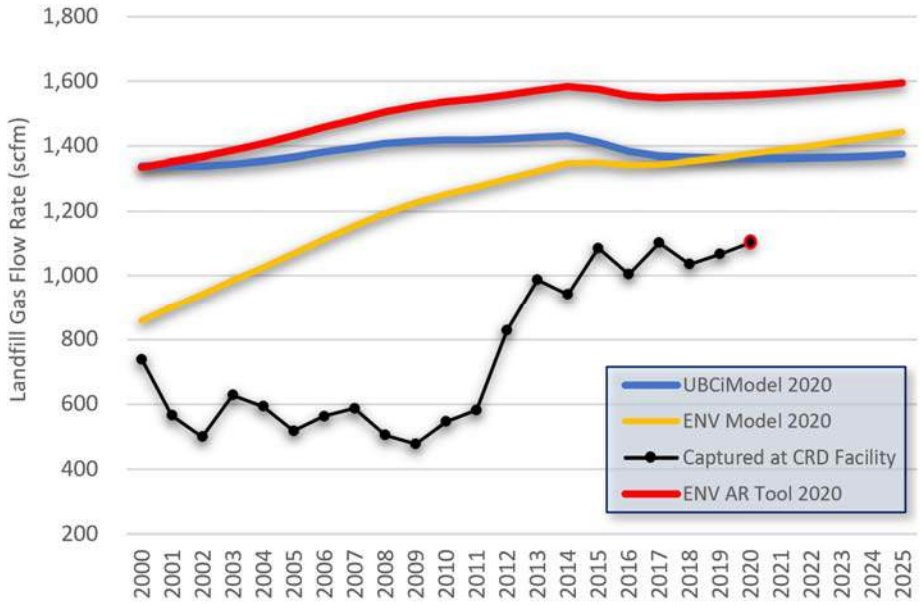


Figure 4.6 - LFG Generation Estimates for Based on Different Models (2000-2025)

Given the complexity of the UBCiModel and incorporation of site-specific information as well as the historical and planned organic diversion initiatives, SHA is of the opinion that the UBCiModel predictions provide a better representation of CH_4 generation at Hartland Landfill.

Figure 4.7 presents UBCiModel results for LFG generation compared to historical gas collection quantities that was reported by CRD, as well as SHA's estimates for LFG collection rates for landfill's anticipated lifespan including 25 years post closure.

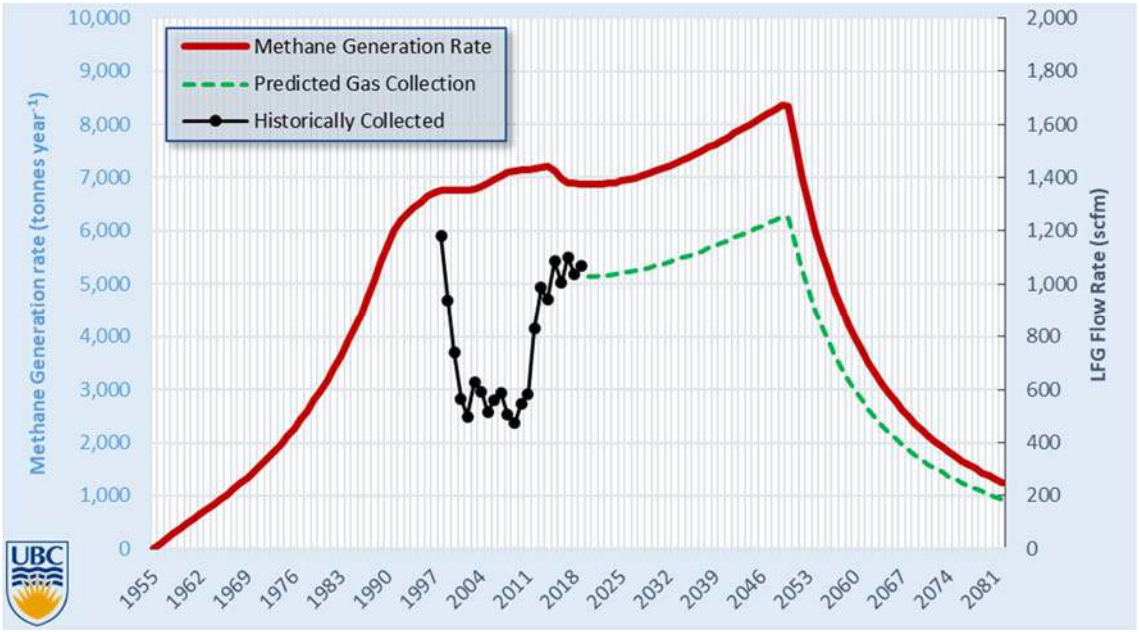


Figure 4.7 - Predicted LFG Generation and Collection Rates at the Hartland Landfill

4.4.2 Methane Collection Efficiency at Hartland Landfill

Based on the theoretical gas generation modeling and the historical landfill gas flow rate and methane content reported at the gas extraction facility, Table 4.4 below summarizes Hartland Landfill active LFG collection system's efficiency between 2014 and 2019 reported by the three models: UBCiModel©, ENV Model, and the ENV AR Tool.

Table 4.4 - Hartland Landfill LFG System Capture Efficiency Based on three models

Year	Methane Capture Efficiency		
	UBCiModel	ENV Model*	ENV AR Tool
2014	66%	64%	59%
2015	77%	75%	69%
2016	73%	71%	64%
2017	80%	79%	71%
2018	76%	75%	67%
2019	78%	78%	69%

* Based on generation estimates made in the year following year of assessment

Based on the results achieved from the UBCiModel©, the current methane generation at Hartland Landfill was estimated to be 1,362 scfm, equivalent to 6,865 tonnes of CH_4 per year. Based on the average collected gas flow rate and the average CH_4 content previously presented in Table 3.1, the average collected LFG flow rate in June and October of 2020 at the landfill were 1,102 scfm and 1,105 scfm for June and October when normalized to 50% CH_4 content. Therefore, the landfill's active gas collection system's average collection efficiency based on the UBCiModel was estimated to be 81% during the field works.

The site investigation showed an average annual methane emission rate of 184 scfm. Therefore, based on results of the field investigations, SHA concluded that approximately 14% of the generated methane from Hartland Landfill is emitted to the atmosphere.

Figure 4.8 illustrates UBCiModel© gas generation estimates, historical gas collection data and gas emission results from the 2020 field investigations.

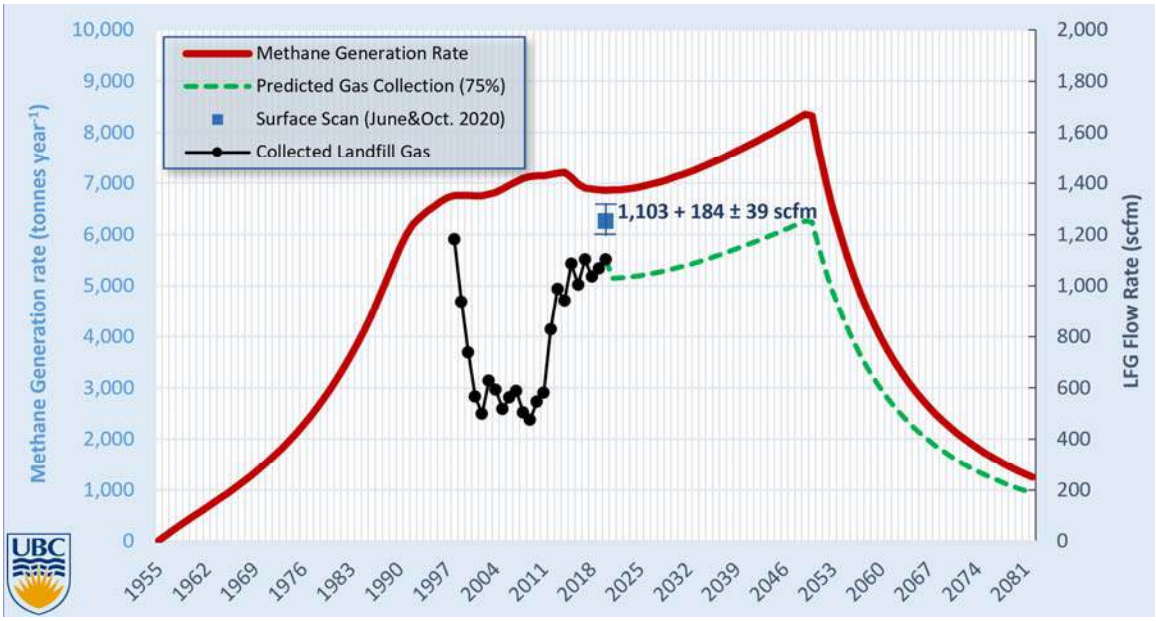


Figure 4.8 - Landfill Gas Generation, Collection and Emission Rates at Hartland Landfill

Comparing the CH_4 generation estimates for 2020 with the quantity of CH_4 collected and emitted this year, shows a difference in results. This value for UBCiModel, ENV Tool and ENV AR Tool was 6%, 7%, and 17% of modelled generated gas, respectively. This difference could be a result of model overestimation and/or the marginal error associated with Abedini's technique linear regression. Moreover, as suggested by the CH_4 mass balance METRO equation (described in Section 2), this quantity of "missing" CH_4 could be result of methane biological oxidation rates that can vary seasonally.

Table 4.5 shows the CH_4 mas balance for Hartland Landfill in 2020 based on the three gas generation models estimations and the two rounds of the fugitive methane emission measurements completed at this site.

Table 4.5 - Methane Mass Balance at Hartland Landfill in 2020

	Modelled LFG Generation Rate	Average LFG Collection Rate		Average LFG Emission Rate		Measured LFG (Collected + Emitted)	Difference Between Modelled and Measured Data	
	(scfm)	(scfm)	%	(scfm)	%	(scfm)	(scfm)	%
UBCiModel	1,362	1,103	81%	183	13%	1,287	75	6%
ENV Tool	1,376	1,103	80%	183	13%	1,287	90	7%
ENV AR Tool	1,558	1,103	71%	183	12%	1,287	272	17%

4.5 Biological Oxidation of Methane

Methane is a potent GHG with a global warming potential (GWP) of 28 to 36 times higher than CO_2 in a 100-year timeframe. Therefore, management of LFG and reducing methane emissions from MSW landfills through collection and thermal combustion of methane has become a requirement in many jurisdictions. Another effective method to control CH_4 emissions from landfills is biological oxidation. Biological oxidation of methane in landfill cover soil is historically acknowledged by a number of regulatory agencies such as ENV, U.S. Environmental Protection Agency (US EPA), and the International Panel on Climate Change (IPCC).

While landfill cover can be designed to maximize oxidation of CH_4 by promoting the growth of methanotrophic bacteria, most regulatory agencies adopted a default value of 10% oxidation rate for any type of soil cover. USEPA (2004) reported an average CH_4 oxidation rate (removal efficiency) of 10% to 25% with lower rates for clay cover soil and higher rates for topsoil. However, there are a number of published and peer reviewed scientific research papers that have reported CH_4 oxidation rates of 22% to 55% through operational soil cover (Whalen et al., 1990; Chanton et al., 2009; Chanton et al., 2011, Abedini et al. 2016). Abedini et al. (2016) conducted comprehensive investigations and analyses at Vancouver Landfill using stable isotope technique and showed approximately 30% baseline oxidation occurring within cover soils at this site.

Given the site conditions we are of the opinion that the majority of the remaining CH_4 mass is biologically oxidized in the landfill soil cover by naturally existing methanotrophic bacteria. The second round of CH_4 emissions quantification in October 2020 showed slightly higher emission rates when compared with the rates quantified in June. This could be a result of lower ambient temperature in October slowing down the shallow seated methanotrophic bacteria. Therefore, based on the UBCiModel's CH_4 generation estimates, we calculated the total quantity of oxidized CH_4 is approximately 29% of the uncollected CH_4 travelling through the soil cover in certain areas of the landfill.

Table 4.6 and Figure 4.9 summarize the CH_4 mass balance for Hartland Landfill as per the 2020 two rounds of field investigations.

Table 4.6 - Methane Mass Balance Summary

	LFG (scfm)	Methane (tonnes/year)	% of Total LFG Generated	% of LFG Not Collected
Gas Generation (Model, 2020)	1,362	6,865	100%	--
Average Collection rate	1,103	5,554	81%	--
Uncollected Gas	259	1,311	19%	--
Average Emission Rate	184	935	14%	71%
Balance (Oxidized)	75	376	5%	29%

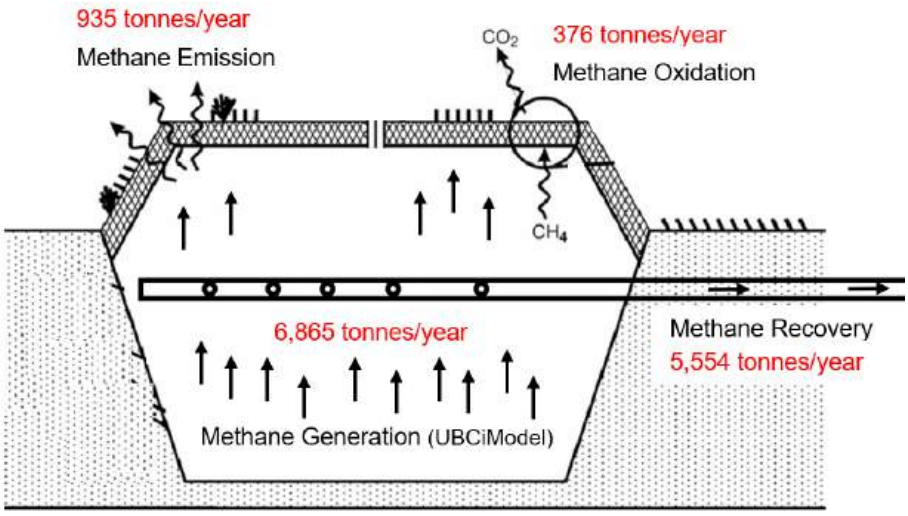


Figure 4.9 - Hartland Landfill Methane Mass Balance Schematic (2020 Average)

Figure 4.10 illustrates methane generation and collection data between 2010 and 2030, as well as estimated CH_4 emissions and oxidation based on the 2020 field investigations.

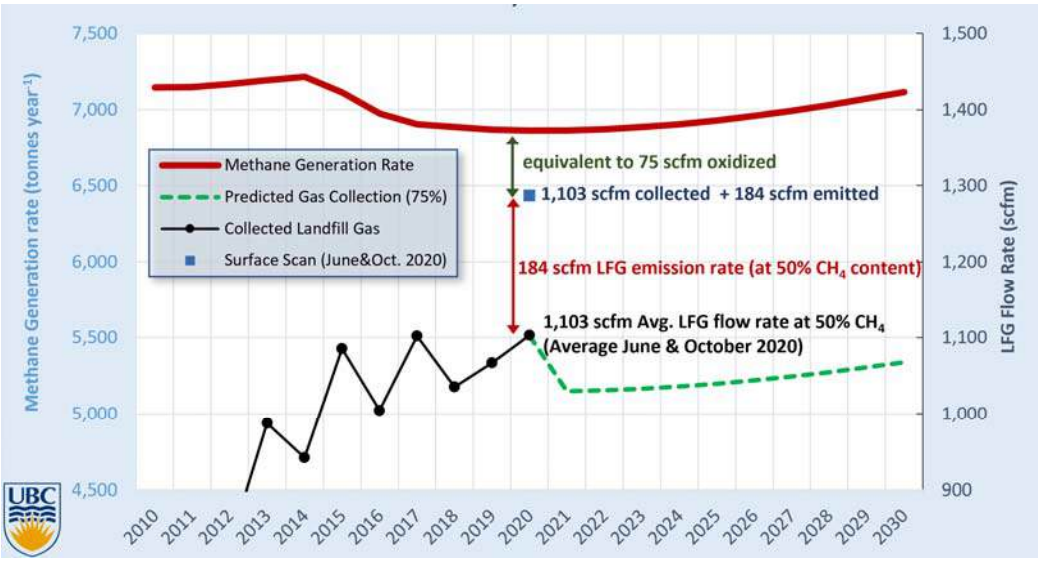


Figure 4.10 - Illustration of Methane Mass Balance for Hartland Landfill based on 2020 field works

We anticipate that there is a relatively high seasonal variation in methane oxidation levels in the landfill's soil cover as the media (soil cover) is not engineered to optimize methanotrophic activities. Landfill cover can be designed to maximize CH_4 oxidation by promoting the growth of methanotrophic bacteria. Type I and Type II methanotrophs are the primary bacterial populations that utilize CH_4 as their source of energy and carbon and convert it to CO_2, water and heat. Techniques such as bacterial DNA extraction and stable isotope technique can be used to study methanotrophic abundance and their effectiveness in methane oxidation.

Currently, there are no approved methodologies for assessment of these system's efficiencies in Canada. As a practical approach, SHA has utilized the surface scan technique to measure baseline and post-installation methane emission rates and has successfully quantified several biocover system methane removal efficiencies across BC.

Taking into account the extremely low level of CH_4 emission rates at Hartland Landfill (i.e. 6.6 g CH_4/m^2/day excluding the rock wall area), SHA believes that application of a fabricated biocover system on closed surfaces and operational phases of the landfill, in addition to an LFG collection system for the rock wall area, would result in the landfill becoming a near-zero emission facility. General recommendations for fabrication of an optimized biocover system are provided in enclosed Appendix A.

5 CONCLUSIONS AND RECOMMENDATIONS

The CRD retained SHA to conduct a full-scale GHG emissions quantification for Hartland Landfill. Site investigations were completed in two rounds of surface emission monitoring in June and October of 2020. Surface emission monitoring includes measurement of near surface methane concentrations which is a standardized methodology in the United States (US) required to assess effectiveness of active gas collection systems in regulated landfills (Reference: California Code of Regulations [CCR] Title 17 Article 4, Sub-article 6, or similarly in the US EPA regulations; 40 Code of Federal Regulations [CFR] Part 60 Subpart XXX).

Quantification of GHG emissions from Hartland Landfill was completed using the surface scan results and a patented technique developed by Dr. Abedini. In this technique, CH_4 emission rates are quantified based on landfill's surface methane concentrations and the rate of change in barometric pressure at the time of surface scanning.

Field investigations and data analyses showed that Hartland Landfill is currently emitting 925 tonnes of CH_4 per year, equivalent to 184 scfm of LFG at 50% CH_4 content. Therefore, the maximum rate of GHG emissions from Hartland Landfill is estimated to be approximately 23,000 tonnes of CO_2-e per year, which accounts for 14% of the generated gas from the landfill. SHA estimated that about 29% of the uncollected CH_4 is biologically oxidized by naturally existing methanotrophic bacteria within the soil covers of the landfill. The current methane biological oxidation rate has a significant seasonal variation due to climatic conditions, however; application of an engineered biocover system can maximize the removal efficacy of the fugitive CH_4 through biological oxidation.

Hartland Landfill has an active gas collection system that currently collects more than 1,100 scfm of the generated LFG, equivalent to 5,500 tonnes of CH_4 per year. Our previous assessments have

shown that the site's active LFG system is effectively collecting the generated gas with an approximate capture efficiency of 76% to 80% over the past 3 years. Results of the current GHG emission quantification study confirmed that CH_4 emission rates at this facility are lower than what is known as industry best engineering practices, indicating a high collection efficiency of the active gas collection system at this site. To our knowledge, this is the highest gas collection efficiency currently achieved in BC. Furthermore, completing a methane mass balance during the two field measurement events showed that UBCiModel©, as a site-specific model, better represents CH_4 generation at Hartland Landfill. We highly recommend that any future feasibility studies and engineering designs for gas collection and/or gas to energy initiatives to be based on more sophisticated models such as UBCiModel©.

Based on our detailed analyses of the field data, we concluded that the majority of the overall CH_4 emissions from Hartland Landfill are sourced from the Cell 3 area which is the only area with no permanent or temporary impermeable cap in place. We identified CH_4 emission hotspots such as exposed geomembrane liner punctures and tears, edges of geomembrane liner, side slopes of the current filling area and the exposed leachate drainage layer on west of Cell 3 area (rock wall). The level of emissions from north and south slopes of Cell 3 area will be significantly reduced as soon as the recently-installed horizontal gas collectors (lift 167m) in this area are brought online. The rock wall area (located at west of the Cell 3) was identified to be responsible for more than 18% of the site's overall GHG emissions in June 2020. This area was capped later in the summer with an impermeable clay layer and a lift of compacted waste. SHA designed a methane emission mitigation system for this area that will be constructed soon at lift 171m.

Even though the level of GHG emissions from the landfill is well below industry standards and regulatory requirements, additional GHG emission reductions can be achieved at the landfill through application of an engineered biocover system on the closed portions of the landfill, areas such as edges of the geomembrane closure system and areas with no impermeable cap that will not receive new lifts of waste within one year.

Currently, there are no regulations in place in Canada that would encourage application of biological methods to reduce the provincial and/or federal GHG emissions footprint from landfills, nor are there approved methodologies for assessment of these system's efficiencies. Nevertheless, SHA has been using best engineering practices in application of the biocover technology to reduce GHG emissions at a number of smaller landfill sites in BC. We have successfully quantified these biocover methane removal efficiencies through utilization of the surface scan technique.

6 STATEMENT OF LIMITATIONS

This report has been prepared by Sperling Hansen Associates (SHA) on behalf of the Capital Regional District in accordance with generally accepted engineering practices to a level of care and skill normally exercised by other members of the engineering and science professions currently practicing under similar conditions in British Columbia, subject to the time limits and financial and physical constraints applicable to the services. The report, which specifically includes all tables and figures, is based on engineering analysis by SHA staff of data compiled during the course of the project. Except where specifically stated to the contrary, the information on which this study is based has been obtained from external sources. This external information has not been independently verified or otherwise examined by Sperling Hansen Associates to determine its accuracy and completeness. Sperling Hansen Associates has relied in good faith on this information and does not accept responsibility of any deficiency, misstatements or inaccuracies contained in the reports as a result of omissions, misinterpretation and/or fraudulent acts of the persons interviewed or contacted, or errors or omissions in the reviewed documentation.

The report is intended solely for the use of the Capital Regional District. Any use which a third party makes of this report, or any reliance on, or decisions to be made based on it, are the responsibilities of such third parties. Sperling Hansen Associates does not accept any responsibility for other uses of the material contained herein nor for damages, if any, suffered by any third party because of decisions made or actions based on this report. Copying of this intellectual property for other purposes is not permitted.

The findings and conclusions of this report are valid only as of the date of this report. The interpretations presented in this report and the conclusions and recommendations that are drawn are based on information that was made available to Sperling Hansen Associates during the course of this project. Should additional new data become available in the future, Sperling Hansen Associates should be requested to re-evaluate the findings of this report and modify the conclusions and recommendations drawn, as required.

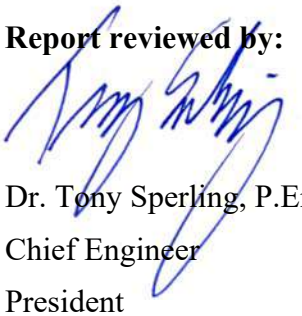
Yours truly,
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Appendix A

Biocover Design Recommendations

Biocover Design

Biocover feedstocks may consist of compost, compost and sand or a combination of biosolids, wood chips and sand. The high initial ammonium nitrogen content of fresh biosolids has the potential to negatively impact methanotrophy; however, the effect is short lived and the biocover is designed to assimilate this form of nitrogen to facilitate optimum CH_4 consumption. Alternatively, an older source of biosolids or compost can be used. Another alternative is to apply the biocover and allow it to stabilize over time. Under this scenario the biocover will not function optimally until stabilization has occurred. Based on recent research this delay can range from two weeks to a month under laboratory conditions.

Favorable Conditions for Biocover Performance

Recently, several approaches have been investigated in industry to exploit the powerful oxidizing ability of methanotrophic bacteria (methanotrophs) and potential uses in industrial processes. Methane reduction in biocover is also accomplished by methanotrophs that utilize methane monooxygenase (MMO) enzyme to oxidize CH_4 as a source of energy and carbon. Products of CH_4 oxidation are water, carbon dioxide, biomass and heat. Physical and chemical characteristics of the biocover influence the growth and performance of methanotrophs. These include temperature, moisture, organic matter content, carbon to nitrogen ratio (C:N), porosity, structure, and pH.

Temperature – The optimal temperature range for CH_4 oxidation by methanotrophic bacteria is 15 – 35 °C. Oxidation slows at cooler temperatures, although cold tolerant oxidizers show activity at temperatures as low as 2 – 5 °C (Abedini *et al.*, 2016) and above 40 °C. Oxidation stops at 50 °C (Chris A. Zeiss, 2006).

To optimize the methanotrophic activity in relation to temperature, a key factor to be considered is the depth of the biocover. Biocovers with design depths of 300mm to 600mm are proven to be more effective in methane removal than shallower biocovers. While deep sections of the biocover profile may lack methanotrophic activity due to a lack of oxygen, the mid-sections of the biocover do not experience the severe drop in ambient temperature experienced at surface and are, therefore, capable of hosting and nourishing different types of methanotrophs, and particularly Type 1 methanotrophs. In other words, from a temperature control or cold weather impact perspective, optimization of the biocover performance is achievable through adjusting the depth of a biocover.

Moisture content – Moisture in the soil facilitates the transfer of gases allowing CH_4 and O_2 to reach the methanotrophic bacteria and CO_2 to diffuse away. The optimum soil moisture concentration varies for different soils but is in the range of 10 – 30 % although CH_4 oxidation can occur in a wider moisture range of 8 – 50 % (Chris A. Zeiss, 2006). Another work suggests that the moisture content should be at least 5 % (Hettiaratchi *et al*., 2007).

Organic matter – In general an increase in CH_4 oxidation is directly related to an increase in soil organic matter content. Moderate oxidation rates have been demonstrated in soils with an organic matter content of 1 – 10%; soils with an organic matter content of up to 35% show an increased oxidation rate of 10 to 100 times more effective (Chris A. Zeiss, 2006).

It is also important to note that the optimum levels of organic matter and moisture content at which the maximum CH_4 oxidation rate (V_{max}) is expected are directly related. Figure A.1 below illustrates relation of optimum moisture content to optimum organic matter (Pokhrel et al., 2016).

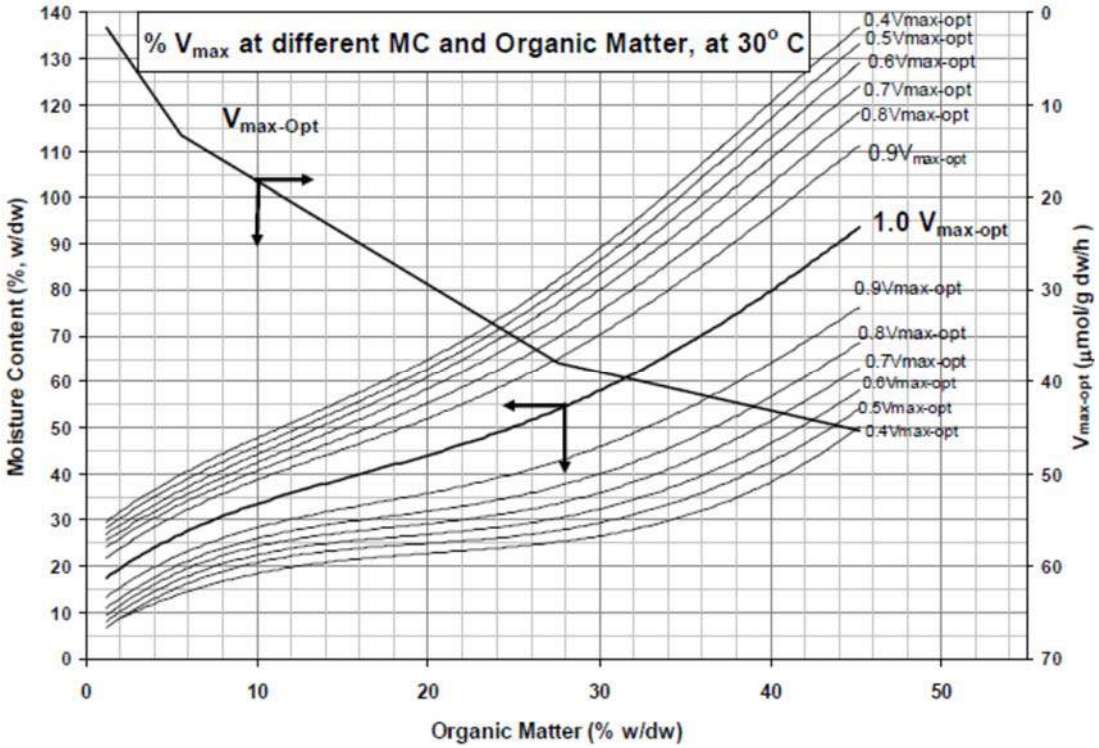


Figure A.1 - Maximum methane oxidation (Vmax) at different Moisture and Organic Content

Carbon to nitrogen ratio (C:N) – The C:N of the biocover is important as nitrogen, specifically ammonia, can inhibit performance. If the C:N ratio of the soil is lower than 12 the concentration of ammonia can inhibit CH_4 oxidation. At C:N ratios of 25 – 97 forms of nitrogen as ammonia are low (Chris A. Zeiss, 2006).

Porosity and structure – The ability of oxygen (O_2) to enter and move through the soil is vital for CH_4 oxidation thus a high porosity (the ratio of the volume of voids to the total volume of the media) is required in the biocover. Increases in bulk density of the medium lead to decreases in porosity and consequently might affect the gas permeability of the biocover. Additionally, the biocover should be structurally stable with minimal settling (Abichou *et a*l, 2004). On the other hand, too porous media allows free movement of gas, not allowing enough retention time for methane within the biocover media. Based on SHA's experience, optimum porosity for biocovers also depends on precipitation levels in the area. Porosities close to coarse sand is usually recommended as minimum value for biocover.

pH – Methanotrophs are neutrophilic with an optimal pH range of 6.5 to 8.0. Methane oxidation can occur to a maximum pH range of 8.5 – 9.0. Specific methanotroph species are tolerant of lower pH values down to a pH of 3.0 (Chris A. Zeiss, 2006).

In summary, SHA recommends the following properties to be taken into account for fabrication of a biocover system for the Hartland Landfill.

- moisture: 10 – 30 %, not less than 5%
- organic matter: increasing concentrations up to 35%
- C:N: 25 – 97, not less than 12
- porosity: high (not less than coarse sand porosity)
- pH: 6.5 – 8.0
- thickness of 400mm to 600mm

Once the available feedstock for fabrication of the media is known, lab test on each material shall be conducted and an optimized blend designed.

Making a difference...together

ERM 21-15

REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, APRIL 21, 2021

SUBJECT **Environmental Resource Management - 2020 Progress Report**

ISSUE SUMMARY

To present a summary of 2020 activities, results and accomplishments of the Capital Regional District's (CRD) solid waste function.

BACKGROUND

Based on the 5R hierarchy of Reduce, Reuse, Recycle, Resource Recovery and Residual Management, the CRD's solid waste services strive to minimize waste generation and disposal needs, and maximize diversion and recovery opportunities. Work in the first three areas focuses on conserving airspace in an effort to ensure enough landfill capacity to meet the residuals disposal needs of the community in the future.

Highlights from the 2020 report include:

Developing a New Solid Waste Management Plan
- Building on the strategies and actions for the new Solid Waste Management Plan endorsed by the Board in 2019, a draft Solid Waste Management Plan was developed.
- Engagement on the draft plan took place between November 2020 and February 2021. The engagement results and the final version of the plan is the subject of a separate staff report at this meeting.

Reduce, Reuse, Recycle (Diversion Services)
- Expanded and focused web content related to reducing consumption and accessing reuse and repair opportunities available in the community.
- Residents have recycled over 500,000 tonnes of recyclables since the curbside program's inception in 1989.

Recovery (Energy Recovery Services)
- A field-level landfill gas quantification study was completed, the results of which indicate that fugitive (uncaptured) emissions from the landfill are significantly lower than what had been calculated using previous modeling.
- Work continued on a plan to upgrade landfill gas to renewable natural gas for sale to FortisBC for beneficial use which will displace conventional natural gas and reduce the region's greenhouse gas emissions.

Residual Management (Disposal Services)
- The region's per capita disposal rate climbed from 382 kg/capita to 395 kg/capita in 2020.
- The beneficial use of materials received at Hartland increased in 2020 with 5,476 tonnes of ground yard and wood waste material used for controlled waste cover and site restoration.
- Over 25,400 trees and bushes have been planted on closed areas of the landfill.

British Columbia has set provincial waste disposal targets with a goal of lowering the municipal solid waste disposal rate to 350 kg per person by 2020/21. The provincial average in 2019 was 500 kg per person. Provincial initiatives which are expected to decrease waste disposal rates include the Plastics Action Plan, organics diversion, food waste prevention, and extended producer responsibility programs. The CRD continues to maintain one of the lowest disposal rates in the province.

IMPLICATIONS

Environmental & Climate Implications

The environmental monitoring program for Hartland confirms that regulatory requirements were met. Monitoring results confirm that effective measures are in place to ensure environmental impacts are mitigated and that leachate is effectively being controlled and contained on site. A detailed report and monitoring data is posted annually to the CRD website in the fall.

Social Implications

With in-person gatherings paused for the majority of the year, efforts were placed on creating and updating online activities, resources and lesson plans for teachers and parents. As well, a live streamed tour of Hartland Landfill was piloted in 2020.

The number of inquiries to the CRD Infoline increased by 26% in 2020. This is a reflection of residents spending time cleaning out their homes and conducting renovation activities.

While the volume of material received at the Hartland public drop off depot was not dramatically affected in 2020, the number of transactions (customers) increased substantially. The average number of customers to the site per day rose 15% from 355 (2019) to 407 (2020). The previous one day transaction record of 680 (2007) was broken three times in 2020 – first in May (712), then in August (750) and again in December with 794 transactions.

Financial Implications

Solid waste services continued to be self-funded in 2020 with surplus funds held in reserve for future capital works, operating shortfalls and closure/post-closure work. Year end balances are as follows:

Fund	Balance
Sustainability Reserve	$38,784,614
Landfill Closure	$11,281,092
Capital Reserve	$2,428,503
Equipment Replacement	$3,240,062
Airspace Reserve	$1,000,000

CONCLUSION

The roles and responsibilities for managing solid waste include a combination of government, private and non-profit sectors and the consumers themselves. The CRD continues to safely operate and maintain Hartland Landfill and meet its regulatory commitments to protect human health and the environment from potential impacts associated with solid waste disposal services. Staff have prepared an annual progress report with updates on solid waste programs, operations, capital projects, environmental monitoring and other activities. Based on the 5R hierarchy, the CRD's solid waste services continue striving to minimize waste generation and disposal needs, and maximize diversion and recovery opportunities.

RECOMMENDATION

The Environmental Services Committee recommends to the Capital Regional District Board:

That the Environmental Resource Management 2020 Progress Report be received for information.

Submitted by:	Russ Smith, Senior Manager, Environmental Resource Management
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Environmental Resource Management – 2020 Progress Report

APPENDIX A



Making a difference...together

Environmental Resource Management

2020 Progress Report

ORGANIZATIONAL OVERVIEW

The Capital Regional District (CRD) delivers regional, sub-regional and local services to 13 municipalities and three electoral areas on southern Vancouver Island and the Gulf Islands.

Governed by a 24-member Board of Directors, the CRD works collaboratively with First Nations and all levels of government to enable sustainable growth, foster community well-being, and develop cost-effective infrastructure while continuing to provide core services to residents throughout the region.

COVID-19 IMPACT

2020 activities were greatly impacted by the COVID-19 global pandemic. As a local government, the CRD takes direction from the Provincial Health Officer and Minister of Public Safety and Solicitor General. We activated a corporate emergency operations centre in March 2020 to respond to the various Ministerial orders, policies, recommendations and guidelines. The CRD continues to maintain critical services and infrastructure, as well as provide reliable and essential services that play a significant role in economic recovery for the region.

Note: some images in this report were taken before COVID-19 health orders came into effect, therefore social distancing and safety measures may not be pictured.

TERMS & ABBREVIATIONS

3Rs – reduce, reuse, recycle
5Rs – reduce, reuse, recycle, recovery, residual management
CEC – Compost Education Centre
CRD – Capital Regional District
EPR – extended producer responsibility
ERM - Environmental Resource Management
ENV – Ministry of Environment or Ministry of Environment and Climate Change Strategy
GHG – greenhouse gas
PPP – packaging and printed paper
SWMP – Solid Waste Management Plan

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Overview and Governance

SOLID WASTE DISPOSAL

The CRD became responsible for solid waste disposal for the region in 1973 when, at the request of the CRD Board, the Province of British Columbia established solid waste disposal as a regional function of the CRD.

In 1975, the CRD acquired Hartland Landfill, which had been operating as a private facility since the 1950s. The facility continued to be managed by a private contractor until 1985, when the CRD assumed direct operation of the site.

In 2008, the privately owned and operated Highwest Landfill was added to the CRD's SWMP. The facility is located in the District of Highlands and primarily manages construction and demolition material.





SOLID WASTE MANAGEMENT PLAN

All regional districts must have a SWMP approved by the ENV. The original plan for the CRD was approved by the Minister of Environment in 1989. There have been two subsequent revisions to the original plan plus eight amendments.

Building on the strategies and actions for a new SWMP endorsed by the Board in 2019, a draft SWMP was developed and engagement on the plan took place in the late fall 2020 and winter of 2021. It is expected that plan approval by the Board and submission to the Province will take place in the spring of 2021.

SOLID WASTE COLLECTION

Collection of residential and commercial garbage and kitchen scraps is conducted by the private sector, with the exception of single family dwelling service offered by six of the region's municipalities.

The private sector also collects recycling from multi-family buildings and commercial buildings.

The CRD provides region-wide residential recycling service through a combination of single family home curbside collection and depot collection programs under contract to Recycle BC.



ENVIRONMENTAL RESOURCE MANAGEMENT

With a mission to efficiently and effectively manage the region's solid waste resources in an environmentally, socially and economically responsible manner, the ERM division is responsible for municipal solid waste management in the capital region, including waste reduction, recycling programs and operation of Hartland Landfill.

As part of the Parks & Environmental Services Department, the division reports to the Environmental Services Committee, which also acts as the steering committee for the development of the new SWMP.











Communications, Outreach and Education Programs

A number of communications, education and outreach programs are used to support the 5R hierarchy and promote resident awareness and participation in waste reduction and disposal services, including:

- Information phone line and email, as well as robust website resources.
- Curriculum-linked educational workshops and tours for students from Kindergarten to Grade 12.
- Seasonal, research-based public education campaigns and instructive materials.
- Active media relations to support public awareness of solid waste programs and opportunities.
- Timely and educational social media content.

INFOLINE

The Infoline is an essential part of education and outreach programs. This service responds to waste reduction, waste management, recycling and general Hartland Landfill inquiries.

An automated voice messaging service (250.360.3030) is available 24 hours a day and inquiries are responded to within 24 hours on weekdays. Waste and recycling information can also be found at www.crd.bc.ca/waste or by emailing infoline@crd.bc.ca. **In 2020, the Infoline received 25,165 calls and 3,500 emails.**

MYRECYCLOPEDIA.CA

Myrecyclopedia.ca contains a comprehensive online listing of items — from aerosol containers to zinc — and includes the environmental story behind each item, local recycling listings and tips on how to reduce and reuse in our daily lives. This tool was developed to encourage sustainable practices and to reinforce the 3Rs. **In 2020, Myrecyclopedia.ca listings received 246,440 visits.**

READY, SET, SORT!

Ready, Set, Sort! is an online waste sorting game where residents can test their knowledge about local recycling opportunities. The game includes 72 items, six bins and five levels of play and can be accessed through Myrecyclopedia.ca.

In 2020, there were 6,636 game plays, with the most common misunderstood depot items being plastic shopping bags and foam packaging.



EDUCATIONAL WORKSHOPS AND TOURS

Environmental education is of paramount importance to the CRD's waste reduction strategies.

Programs taking place at Hartland Landfill and the Hartland Learning Centre allow for place-based learning, providing participants with an interactive experience to create awareness, impart knowledge and inspire behavioural change in our region. An outreach and community presence, as well as the Infoline, increase educational and informational opportunities and allow for interactions with a wider variety of audiences. Education and outreach occurs through many programs and initiatives.

3Rs School Programs

The 3Rs school programs are free interpretive programs and tours offered to Kindergarten to Grade 12 students in the region.

Program topics such as That's Not Garbage!, 3Rs Unwrapped and Digging Deeper challenge students to explore our habits and behaviours surrounding waste and discuss ways to generate less waste by practicing the first of the 5Rs (reduce, reuse and recycle). Classes that visit the Hartland Learning Centre for their programs are also offered the opportunity for a behind-the-scenes tour of the landfill to see where their garbage goes and what is involved in operating a landfill.

In 2020, we delivered 26 school programs to 643 participants:

- **21 programs at Hartland (519 participants)**
- **5 in-school programs (124 participants)**

As in-person programming was paused in March 2020, efforts were placed on creating and updating online activities, resources and lesson plans for teachers and parents. The webpage where resources are retrieved was redesigned for easy access and more visibility. Activities and resources such as; Make Your Own Recycled Paper, Make Your Own Beeswax Wraps and a Home Garbage Habits Survey were created and made accessible on the website.

3Rs Community Programs

In-person programming was paused for the majority of the year, however in the first quarter of the year a few community programs were delivered. In 2020, community programming involved tours and presentations at Hartland as well as piloting a live streamed tour of the landfill. These programs are an opportunity for community groups and organizations to learn more about waste management in the region. Groups come to the Hartland Learning Centre for interactive presentations and a landfill tour, or request a CRD speaker to come to them. **In 2020, we delivered 4 community programs to 83 participants and a live-streamed tour of the landfill was piloted.**





Technical Tours

Technical tours of Hartland Landfill are offered to groups from industry associations, colleges, universities and government staff.

In 2020, we delivered 3 technical tours of Hartland to 104 participants.

Public 3Rs Programs

Public 3Rs programs were not offered in 2020 as in-person programming was paused due to COVID-19. Typically public 3Rs programs are offered for residents not associated with a school or organized group, opening up the opportunities for individuals to tour Hartland Landfill.

In previous years, programs have been designed and offered for both adults and families in the spring, summer and fall. Adult programs included a presentation at the Hartland Learning Centre and a behind-the-scenes tour of the landfill to give residents the opportunity to learn how Hartland operates, how waste is managed in the region and what diversion opportunities are available. The family orientated version included a presentation and discussion surrounding food waste, a workshop where participants made their own beeswax food wraps and a behind the scenes tour of the landfill.

PUBLIC EDUCATION CAMPAIGNS

In 2020, the CRD developed and implemented a number of seasonal public education campaigns to promote and provide information in the following areas:



END MARKETS FOR RECYCLABLE MATERIALS



ILLEGAL DUMPING PREVENTION





HOUSEHOLD HAZARDOUS WASTE DISPOSAL



HOLIDAY SEASON WASTE REDUCTION





COMPOST EDUCATION CENTRE

The CEC encourages environmental stewardship and provides residents with climate resiliency tools and skills needed to compost, reduce waste, grow their own food and conserve soil, local ecosystems and water.

The CEC supports the CRD yard and garden material and kitchen scraps landfill bans through programming that emphasizes accessible education around organics diversion, both on and off-site. Through a contract with the CRD, the centre offers presentations, workshops, and educational demonstrations at on-site gardens and throughout the community.

Due to community concerns regarding pandemic effects upon supply chains in 2020, the CEC received an increased demand in food security related information on soil contamination, home scale solar, native ecology conservation, composting, to numerous local food security workshops such as Grow Your Own Food 101, Planning Your Year Round Veggie Garden, Canning the Abundance and Food Preservation Basics. The CEC was also an instrumental partner in Growing Together; a coalition of organizations responding to the surge in interest in topics of composting and gardening that resulted from the pandemic.

In addition, the CEC began to develop tools and resources for further addressing soil degradation in the CRD via the Healing City Soils program, and initiated the Neighborhood Composting Pilot Program, which aims to divert food scraps from landfills and reduce usage of resource intensive collection programs.

In 2020, the CEC communicated with 536,276 residents, ran 67 community workshops/learning events with 8,672 residents participating.

The CEC also delivered 63 school programs to 1,125 preschool to Grade 12 students and their guardians or teachers.

In 2020, the Infoline received 25,165 calls and 3.500 emails

You can contact us at:

automated voice messaging (250.360.3030)

www.crd.bc.ca/waste

infoline@crd.bc.ca

In 2020, the Compost Education Centre ran 67 learning events for 8,672 residents

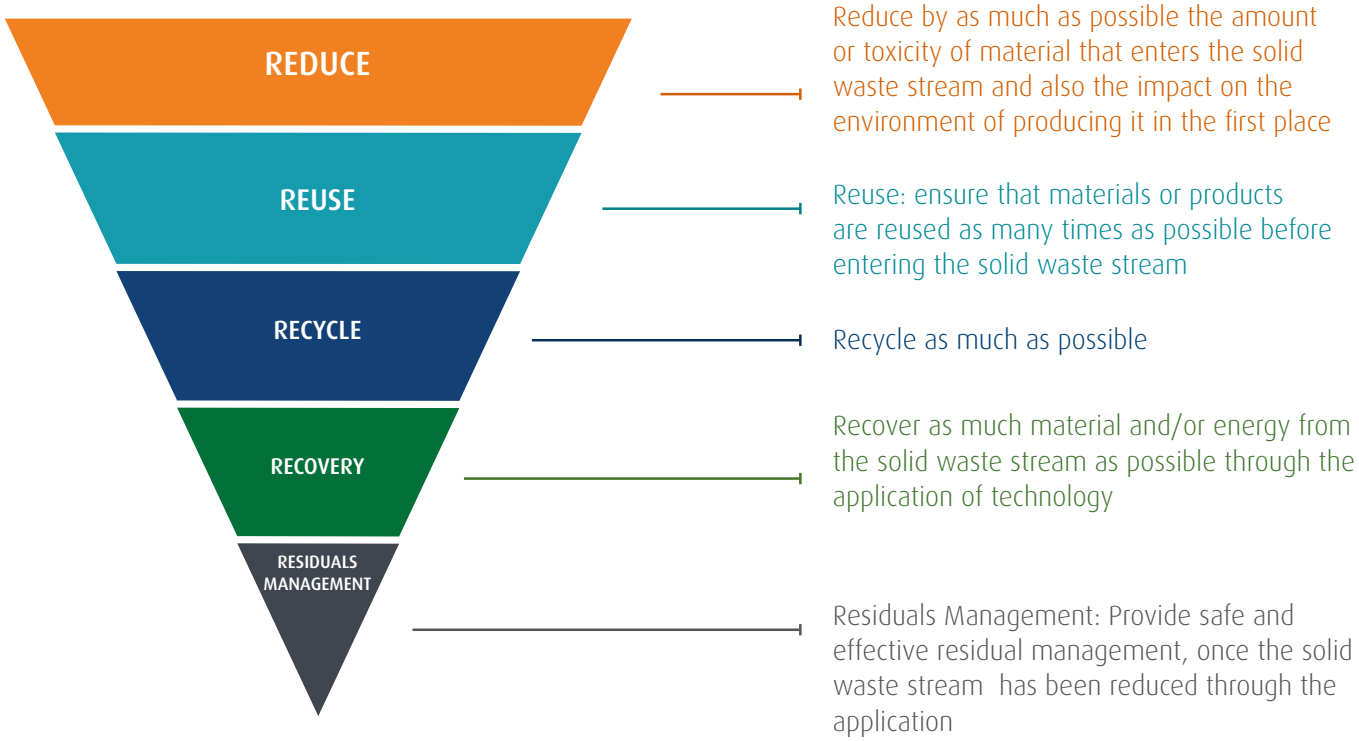
1,125 students participated in Compost Education Centre school programs in 2020

The 5R Hierarchy

The CRD views waste as a commodity and seeks the highest and best use for these resources by applying the 5R hierarchy of reduce, reuse, recycle, resource recovery and residual management.

Services range from planning and policy development, bylaw and contract administration to landfill operations. The goal is to extend the life of Hartland Landfill by minimizing waste disposal and maximizing diversion opportunities.

5R Pollution Prevention Hierarchy



Reduce and Reuse

WASTE REDUCTION

In 2020, the CRD website was expanded to provide focused content on how residents could reduce their consumption of products and maximize reuse opportunities in the community. Information available at crd.bc.ca/reduce includes tips for avoiding single use items, resources for finding repair services and suggestions on how to donate items responsibly.

DIVERSION FUNDING FOR NON PROFIT ORGANIZATIONS

Since 1992, the CRD has provided funding to non-profit organizations involved in the reuse of clothing, household goods, building supplies and food recovery. The funding assists with costs related to recycling and waste disposal, in recognition that some of the donations received are not suitable for reuse. Ten organizations participated in the program in 2020.

HARTLAND REUSABLE MATERIALS PROGRAM

The CRD partners with five organizations for the management of donated items received at Hartland depot. Goods such as textiles, bicycles and appliances are redistributed through a variety of networks operated by these non-profit associations.

Recycle

CURBSIDE RECYCLING

Under agreement with Recycle BC, the CRD provided 128,830 single family dwellings with curbside recycling service for PPP in 2020. The CRD curbside program is a successful three-stream recycling model, which ensures the highest quality and value for marketing of the material.

Residents are able to download the RecycleCRD app or sign up for collection reminders and service alerts via email, voicemail or Twitter. To date, 77,098 reminders have been created.

Since the program's inception in 1989, over 505,967 tonnes of recyclables have been collected.

HARTLAND DEPOT

The public drop-off depot at Hartland receives garbage, recyclables and household hazardous waste. Over 80 items from 28 product categories are accepted for recycling. This area is intended for residential quantities and limits vehicle size to 5,500 kg gross vehicle weight.

2020 depot fees:

- Extended Producer Responsibility products: no charge
- Household hazardous waste: no charge
- Rimmed tires: $6 per drop-off, maximum five tires
- Business recycling: $26/visit
- Yard and garden material: $59/tonne
- Mattresses and box springs: $110/tonne plus a $10 bin fee
- Garbage: $110/tonne plus a $10 bin fee

GULF ISLANDS DEPOTS

Residents on Salt Spring Island and the Southern Gulf Islands are provided recycling services through drop-off programs set up at depots in their communities.

The CRD, under agreement with Recycle BC, partners with local on-island non-profit associations for recycling services for PPP at these depots.

In addition to receiving PPP, most depots offer additional services such as scrap metal and electronics recycling.

PORT RENFREW TRANSFER STATION

Under a local service funded by the community of Port Renfrew, residents and businesses have access to a transfer station for drop off of general refuse, kitchen scraps and recyclables.



128,830 single family dwellings with curbside recycling service



77,098 curbside collection reminders have been created



Over 500,000 tonnes of recyclables have been collected since 1989



80 items from 28 product categories are accepted for recycling

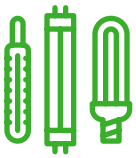
EXTENDED PRODUCER RESPONSIBILITY

British Columbia's industry-led product stewardship programs require producers of designated products to take extended producer responsibility for the life-cycle management of their products, including collection and recycling. The BC Recycling Regulation, under authority of the *Environmental Management Act*, sets out the requirements for product stewardship in BC. The CRD supports industry-led product stewardship with participation in the following provincial programs:



Beverage Containers (Refundable)

Refundable glass, plastic, aluminum, metal and polycoated beverage containers are accepted at the Hartland depot and electoral area recycling depots. Beverage bags and pouches are not included in CRD programs. Refundable beverage containers are also accepted at participating retail stores and private depots.



Electronics, Electrical Products, Batteries and Lighting Products

Since 2014, the CRD has partnered with seven stewardship agencies for the collection of a wide range of electrical items at the Hartland depot:

- Encorp Pacific (computers, monitors, printers, TVs, audio visual equipment, CDs, VHS tapes)
- ElectroRecycle (small appliances, power tools, sewing machines, exercise equipment)
- Call2Recycle (batteries and mobile phones)
- LightRecycle (residential fluorescent lamps, compact fluorescent bulbs and lighting fixtures)
- Switch the 'Stat (thermostats)
- AlarmRecycle (smoke detectors)
- Outdoor Power Equipment (mowers, blowers, clippers, chainsaws)



Lead-Acid Batteries

Lead-acid batteries have been accepted for recycling at the Hartland depot since 1992, shortly after the BC Lead Acid Battery Collection program was introduced. This first generation program transitioned in 2012 to being managed under the BC Recycling Regulation. Batteries are broken down at smelters into lead, plastic and acid.



Paints, Solvents, Flammable Liquids, Gasoline and Pesticides

In 1994, the CRD began working with the Product Care Association to provide the region with waste paint collection at the Hartland depot. Since then, the program has expanded to include solvents, flammable liquids, gasoline and pesticides (paint plus) and a paint exchange.

Product Care Association depots in the region:

- 1 paint plus with paint exchange (Hartland depot)
- 3 paint plus
- 2 paint only with paint exchange
- 5 paint only

See myrecyclopedia.ca for a full list of locations.



Pharmaceuticals

The Medications Return Program, is promoted regionally through the CRD Infoline, website and regional source control program. The CRD works in partnership with the Medications Return Program and Island Health to raise awareness about safe and proper disposal of medications. Through 2020, the CRD continues to have one of the highest medication return rates per capita amongst regional districts in the province.

Packaging and Paper Products

In 2011, the BC Recycling Regulation was amended to add PPP from residential generators. The amendment shifted the financial responsibility for managing these materials to producers starting in 2014. PPP are managed through a combination of residential curbside collection and depot drop off, which are provided locally by both the CRD and the private sector.

In 2020, 19,459 tonnes of PPP were collected through these CRD programs:

- Curbside Blue Box Program
- Gulf Island Recycling Depots
- Hartland Depot
- Port Renfrew Transfer Station

Tires

Tires have been accepted at the Hartland depot since it opened in 1992, in conjunction with the province's Financial Incentives to Recycle Scrap Tires program. In 2007, this provincial initiative was replaced with a product stewardship program under the BC Recycling Regulation managed by Tire Stewardship BC (TSBC). TSBC, in partnership with the Bicycle Trade Association of Canada and the local biking community, also offer a voluntary program for the recycling of tires and tubes through bike retailers. Collection of bicycle tires and tubes at the Hartland depot began in 2011.

Used Lubricating Oil, Filters and Containers

The BC Used Oil Management Association manages the product stewardship program that provides for the collection and recycling of used oil, oil filters, antifreeze and containers. The program strives to ensure every drop of used oil and antifreeze, as well as all filters and containers, are brought to a collection facility to be properly recycled.

ORGANICS MANAGEMENT

Regional Kitchen Scraps Strategy

In January 2015, a landfill ban on kitchen scraps was implemented, saving a valuable resource, conserving landfill space and reducing GHG emissions.

Kitchen scraps are typically managed in one of two ways: onsite digestion or collection for transportation to composting facilities in the Cowichan Valley Regional District and on the lower mainland. Establishment of in-region kitchen scraps processing capacity is being explored.

Compost Facilities Bylaw

The CRD Board adopted the regional composting bylaw in December 2005. The bylaw regulates the operation of composting facilities to protect public health and the environment. In 2020, there were no licensed facilities under the bylaw.

Yard and Garden Material Landfill Restriction

In 2006, a yard and garden material landfill ban came into effect. A number of private facilities in the area accept the region's yard and garden material.

In 2020, a total of 907 tonnes of source-separated yard and garden material was received at Hartland where it was ground and beneficially used on-site. The landfill ban excludes invasive, infectious and noxious plants which are managed at Hartland as garbage through a rate of $59/tonne in an effort to reduce their proliferation.

HOUSEHOLD HAZARDOUS WASTE

The Hartland depot offers residents a one-stop drop-off service for virtually all types of household hazardous waste and is a leading program of its kind in British Columbia. The material is accepted in residential quantities only at no charge for recycling (where feasible) or disposal at a hazardous waste management facility.

Hartland Public Drop-off Depot

Materials collected at Hartland Landfill's recycling depot.

MATERIAL TYPE (TONNES)	
Antifreeze	9.150
Appliances	329.170
Batteries	51.580
Books	0
Containers (metal, plastic, paper)	50.400
Cooking oil	6.910
Electronics and electrical items	377.100
Fibres (paper, cardboard)	581.640
Foam packaging	27.590
Fire extinguishers	2.800
Food waste	13,354.570
Glass (bottles, jars)	42.250
Household hazardous waste	52.440
Light bulbs, tubes and ballasts	11.780
Mattresses	325.990
Metals	1,215.400
Motor oil, filters and containers	87.550
Paint, solvents and pesticides	228.330
Plastic (bags, overwrap)	6.610
Plastic (other flexible plastics)	52.800
Propane tanks	20.910
Refundable containers	17.060
Reusable goods	20.850
Tires	100.890
Yard and garden waste	906.710
TOTAL FOR 2020	**17,880.480**



















Recovery

HARTLAND LANDFILL GAS CAPTURE AND UTILIZATION

Landfill gas is produced from decomposing garbage. This gas is mainly made up of carbon dioxide and methane. Methane is an energy source, but is also a GHG. It is flammable and explosive in certain concentrations, which is why it needs to be controlled.

Landfill gas is collected at Hartland using a network of wells and pipes installed in the early 1990s. Between 1991 and 2003, the gas collected was burned using a flare to reduce GHGs. In 2003, a landfill gas-to-electricity plant was built next to the flare station to utilize the methane in the landfill gas to produce electricity. The electricity produced is fed into the existing BC Hydro distribution system on site. The facility produces close to 1.6 megawatts of green power — enough electricity to supply about 1,600 homes.

In 2012, a site-specific Landfill Gas Management Plan was approved, which detailed a strategy for capturing landfill gas and meeting collection targets set by the ENV and regulated under the Landfill Gas Management Regulation. The plan includes installation, operation and maintenance of collection infrastructure and routine reporting. Collection infrastructure continues to be installed in accordance with the plan and GHGs have been reduced by approximately 50% since 2011.

In 2020, to better assess overall performance of the landfill gas collection system, a field-level landfill gas quantification study was completed. Results of the study indicate that fugitive (uncaptured) emissions from the landfill are significantly lower than what is calculated through modelling. As a result, the existing landfill gas collection system is capturing a higher proportion of total landfill gas: approximately 76% - 81% over the last three years, compared to the 64% - 67% for the same period using the model required by ENV.

The report also identified additional strategies that can be taken by the CRD to further increase collection efficiency and biological oxidization, including enhancements to the existing landfill gas collection system and application of an engineered biocover system. These recommendations will be studied and implemented throughout 2021 and 2022.

FUTURE OF GAS UTILIZATION

The volume of landfill gas collected at Hartland has exceeded the capacity of the current landfill gas utilization plant, which produces clean electricity. The equipment is also reaching its end of life. As a result, the CRD has evaluated two enhanced alternatives: upgrading landfill gas to renewable natural gas (a carbon neutral form of biogas) for sale to FortisBC or expanding the capacity of the current plant to produce more electricity. Maximizing landfill gas management can have both environmental and financial benefit for the community. It can also foster a greater circular economy, using waste to generate energy.

In April 2020, the CRD announced approval in principle of an agreement to sell renewable natural gas (RNG) to FortisBC for beneficial use. Blending seamlessly with conventional natural gas, RNG is a carbon-neutral energy made from capturing and upgrading the biogas released from decomposing organic waste in the landfill. Converting the biogas generated at Hartland Landfill to RNG will reduce our region's emissions by approximately 264,000 tonnes of carbon dioxide over the life of the project—the equivalent to removing 2,240 cars from the road. A lifecycle GHG assessment found that decommissioning the electricity plant, a facility nearing the end of its life, and building a new RNG facility at Hartland Landfill is a more effective beneficial use of this resource from a climate change perspective.

The CRD and FortisBC have executed a supply contract that will be submitted to the British Columbia Utilities Commission for approval in spring, 2021. If approved by the commission, the CRD will continue to be responsible for the ownership and operation of Hartland Landfill, the landfill gas collection system and the upgrade facility. FortisBC will pay a fixed price per gigajoule for the renewable natural gas and will be responsible for the costs associated with injecting it in to the natural gas distribution system. The CRD expects the RNG facility to be operational in 2023.

Residuals Management

Hartland is a multi-purpose site which, in addition to landfill services for general refuse and controlled waste, provides drop off for recycling, stewardship items, compostables and household hazardous waste.

Hartland has received the Silver Landfill Management Excellence Award from the Solid Waste Association of North America, as well as awards for leadership and innovation in gas utilization and best practices for household hazardous waste collection.

The CRD has also received awards for safety initiatives, including the prestigious National Award for Best Safety Week Program in Canada, in which Hartland Landfill played a major role.



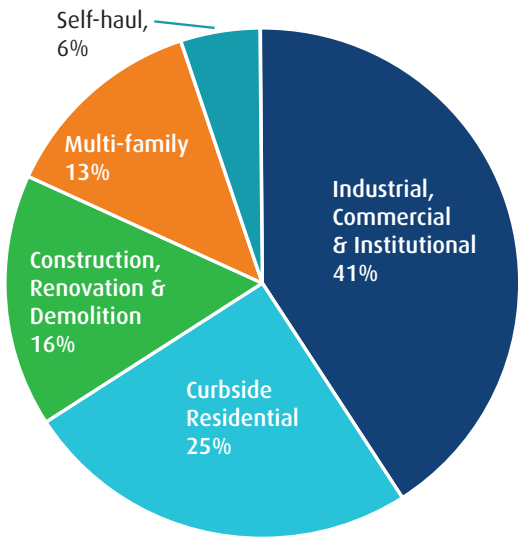
LANDFILLING

The site operates under a Design, Operations and Closure Plan, in accordance with an Operational Certificate issued by ENV, as well as the BC Landfill Criteria for Municipal Solid Waste, and the CRD's SWMP. There is also a provincial authorization in place for asbestos management. Municipal solid waste is typically landfilled using the advanced terracing method. This technique enables the management of surface runoff and leachate flow, as well as control of long-term settlement. It consists of advancing the filling area with vehicular access provided atop the preceding day's refuse.

A landfill compactor is used to grade and compress refuse while maintaining a desired slope at a constant width. Hartland's compaction rate exceeds 950 kg/m^3 and all refuse is covered daily with synthetic tarps and aggregate quarried on-site to cover the side slopes and vehicle access areas.

Controlled waste, such as sewage sludge, condemned food and animal carcasses is landfilled in trenches dug in completed waste lifts and covered daily with chipped wood waste, aggregate or clay to reduce odours. Asbestos is landfilled in segregated areas of the site and is covered daily with aggregate or soil.

SECTORS CONTRIBUTING TO WASTE DISPOSAL



TOTAL REFUSE BY TYPE (tonnes)

TYPE OF WASTE	2019	2020	% CHANGE
General refuse	145,402	149,538	3%
Controlled waste	11,512	13,207	15%
Asbestos containing material	3,813	3,093	-19%
TOTAL	160,727	165,838	3%

LANDFILL DISPOSAL RATES

Landfill tipping fees provide a financial incentive to reduce the quantity of solid waste being brought to the landfill for disposal. The tipping fee structure for 2020 included:

- $110/tonne for general refuse
- $157 to $500/tonne for controlled waste
- $254/tonne for bulky waste

LANDFILL MATERIAL RESTRICTIONS

Landfill restrictions have been part of the CRD waste diversion strategy since 1991 and are only implemented when viable and sustainable recycling alternatives exist.

Recyclable materials banned from disposal include:

1991: drywall
1993: corrugated cardboard, white goods, tires, directories
1995: scrap metal, aggregate, concrete, asphalt, rubble, clean soil
1998: paper fibres
2006: yard and garden material
2011: EPR products
2015: kitchen scraps



INTERNATIONAL WASTE

In Canada, solid waste from foreign sources is managed according to the International Waste Directive under the authority of the Canada Border Service Agency and the Canadian Food Inspection Agency.

At Hartland Landfill, international waste is managed as a controlled waste at a fee of $157 per tonne.

Hartland Landfill typically receives approximately 2,000 tonnes of international waste each year. In 2020, this amount was reduced to 18 tonnes primarily due to the reduction in foreign air and ferry travel and elimination of the cruise ship season.

CONTROLLED AND DEMOLITION WASTES

Landfilling of certain types of wastes creates a potential nuisance, health and safety concerns for staff, or environmental concerns beyond those expected from regular household refuse. Wastes such as asbestos, demolition wastes, animal fecal wastes, or deceased animals require special handling to protect the health and safety of employees and to minimize nuisance, odours, and scavenging by birds.

There are four regulated waste types at Hartland:



ASBESTOS WASTE



CONTROLLED WASTE



CLEAN DEMOLITION WASTE (commercial)



RENOVATION WASTE (residential)

The risks associated with these regulated wastes vary and each type is managed differently. These wastes require permits and usually an appointment for disposal. The number of permits issued annually has been increasing since 2013. This is attributed to population growth, a strong economy, and recent permitting requirements for demolition wastes.

BYLAW ENFORCEMENT

CRD Bylaw 3881 (Hartland Landfill Tipping Fee and Regulation Bylaw) regulates activities at the Hartland site. CRD bylaw enforcement officers and landfill staff ensure Hartland customers adhere to site regulations.

In 2020, 40 written warnings and 307 enforcement tickets were issued. The majority of enforcement tickets were in relation to the deposit of recyclable material (52%), EPR products (16%), kitchen scraps (13%), prohibited waste (13%) and management of construction material (6%).

SAFETY AND LANDFILL FIRES

Landfill fires happen periodically at Hartland. Typically this occurs as a result of improper disposal of household hazardous waste, such as chemicals and product stewardship items like electronics with lithium-ion batteries. Staff and local emergency services personnel respond to fire incidents at the active face following an established fire safety plan.

LANDFILL CAPITAL WORKS

Each year, the CRD invests approximately $3 million in capital works that cover rock excavation and crushing, leachate and gas management infrastructure, environmental controls, roads and site improvements. . In 1997, Phase 1 of the landfill site was closed and the filling of Phase 2 (Heal Basin) was initiated. It is expected that Phase 2 will continue to receive landfill materials until about 2047, at which time it will have reached its current design capacity.

In 2019 a new landfill master filling plan was finalized that optimizes site capacity; maximizes gas and leachate collection and other environmental management systems.

2020 achievements include:

- continued project management for the landfill's heavy equipment services.
- annual installation of new combined gas/leachate collection infrastructure
- paving for dust control and better storm water management
- completion of the design and tender for a new scale building at Hartland North
- preparation of a new landfilling cell to receive garbage in the future
- Construction of a new water main and reservoir on the landfill property

SITE RECLAMATION

Since the Phase 1 closure, significant efforts have been made towards site rehabilitation at the landfill.

A long-standing vision for Hartland Landfill is to restore the land to a condition that will blend in naturally with the surrounding forest. Planting of native species began in 2004 and includes Douglas Fir, Big Leaf Maple and Red Alder, as well as ocean spray, Indian plum and mock orange.

Cell 1 final closure design was completed in 2010 and included a final cover, complete with a new wetland sedimentation pond, in addition to gas, leachate and road upgrades.

Over 25,400 trees and bushes have now been planted in Phase 1 and 2 on closed areas at Hartland Landfill. These areas are maintained with annual invasive species removal to encourage growth of new plant species and protect those already established. In 2020, 3,400 new poplar and fir trees were planted on two hectares of closed landfilling areas on the North and South side slopes. New plants were protected with deer fencing and areas equipped with temporary irrigation after invasive species removal.







LEACHATE MANAGEMENT

Leachate is a liquid that is produced when precipitation comes into contact with decomposing refuse. To minimize the amount of leachate generated on site, impermeable covers are installed over completed landfill areas to divert clean surface water away from becoming leachate.

In the fall of 2018, the primary landfill leachate underdrain (micro tunnel), located in the bottom of Heal Basin, was inspected and cleaned to ensure its continued safe operation. While doing this work, it was found that changes to the pipe system would also be necessary in order to make emergency use and pumping possible, in the event that a major seismic event damaged the micro tunnel and made repairs necessary. This pipe system work was completed in the fall of 2020.

ENVIRONMENTAL MONITORING

Environmental Science Officers at Hartland Landfill employ a number of control measures to prevent or reduce potential effects on groundwater, surface water and air. Through over 40 years of engineered controls, groundwater and surface water quality at Hartland Landfill has continually improved. An environmental monitoring, assessment and management program is conducted in accordance with ENV requirements. The monitoring program measures water quality at and near the landfill and assesses the effectiveness of control measures.

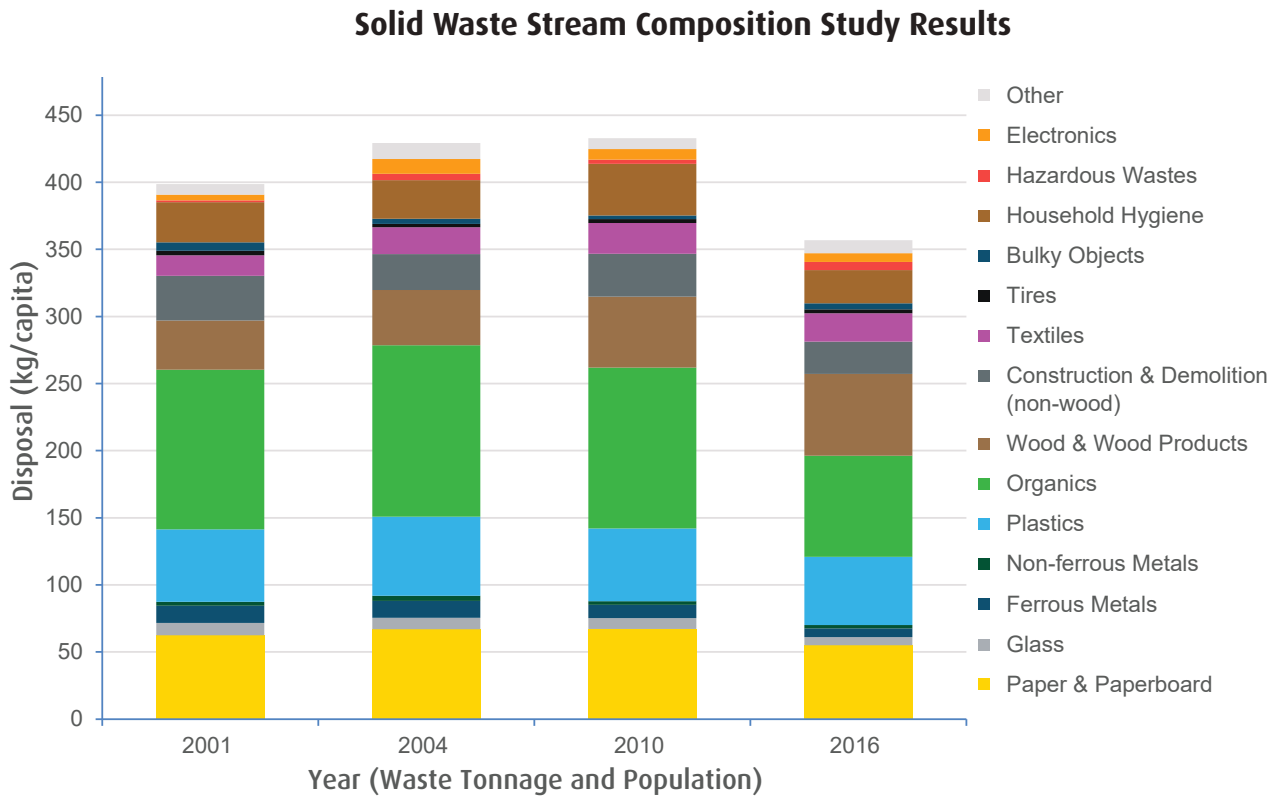
Groundwater quality monitoring data obtained in 2020 was similar to previous years and indicated that landfill leachate continues to be effectively contained and controlled on site. Leachate quality monitoring confirmed that leachate discharged from the site was in compliance with CRD Bylaw 2922 (Sewer Use Bylaw), which regulates discharges to the sanitary sewer. Surface water monitoring in 2020 indicated that nearby surface water bodies, Tod Creek, Durrance Creek, Durrance Lake, and Killarney Lake are not impacted by leachate.

Landfill gas monitoring confirmed that the landfill gas collection system worked effectively to control emissions. Landfill gas infrastructure continues to be installed as part of a long-term gas management plan.

WASTE STREAM ANALYSIS

Since 1990, the CRD has commissioned six studies to assess the composition of waste being landfilled at Hartland. These studies provide valuable benchmark data and analysis for evaluating the success of existing solid waste programs and planning future initiatives. The most recent analysis took place in 2016. The results indicate a broad regional trend towards decreased per capita waste generation.

Per capita organic waste generation dropped by 37.5%, confirming the successful launch of the 2015 kitchen scraps ban. Per capita paper disposal decreased by 18% and plastics by 5%, while wood and wood products increased by 15%, likely due to more construction activities in the region. All other materials remained relatively consistent compared to the previous study in 2010.



Community Support Programs

COMMUNITY CLEAN-UP FUNDING

Since 1997, the CRD's Community Clean-up Program has been supporting non-profit groups that make visible environmental improvements to their community through organized clean-ups



Funding provided supports:

- Collection, processing and marketing of recyclables recovered during clean-up.
- Container rental for transportation and disposal of non-recyclable material.
- Supplies, such as rubber gloves and collection bags.

In 2020, the CRD provided funding to five community groups.

ABANDONED BOAT PROGRAM



In 2017, staff were directed to submit funding applications for the assessment and removal of derelict boats through Transport Canada's Abandoned Boat Program. In 2018, the CRD established a Letter of Agreement with the Dead Boats Disposal Society (DBDS) and the Salish Sea Industrial Services (SSIS)—a subsidiary of Ralmax that employs local First Nations in the marine industry—to identify, assess and remove abandoned boats in the capital region. Under the agreement, the CRD provided the 25% grant funding required for the DBDS and SSIS to apply for removal funding through Transport Canada's Abandoned Boat Program grants (up to 75% of expenditures).

Many municipalities participated in the program by identifying boats in their region, assisting with placing notices on boats and informing their communities about this work. All abandoned boats reported to the Infoline through the "See Something, Say Something" awareness campaign were provided to the DBDS who worked with SSIS to submit the required paperwork and funding applications, coordinate equipment and trained the crews in removal of these vessels. As a result, more than 70 abandoned vessels were removed from the bays and harbours in the region and 10 local First Nations received training and experience on vessel removal techniques through SSIS.

There is currently a joint application to the provincial Clean Coast Clean Water Initiative Fund to remove marine debris and derelict vessels from our region wherein Songhees Nation will lead a consortium of local First Nations to work with the DBDS and SSIS to coordinate and conduct the removal of derelict vessels and marine debris from the Salish Sea, including the capital region. This fund covers 100% of the costs to coordinate and conduct vessel removals and shoreline clean-ups. To date DBDS has identified 178 floating and submerged derelict vessels in bays and harbours of the capital region.

Financial Management

All costs associated with solid waste disposal and diversion programs in the capital region are funded through tipping and user fee revenues at Hartland Landfill, collection contract revenues, sale of electricity and sale of recyclables.

A sustainable financial business model is essential for the provision of solid waste services.

This form of financing has practical limits as diversion increases and landfill volumes decline.

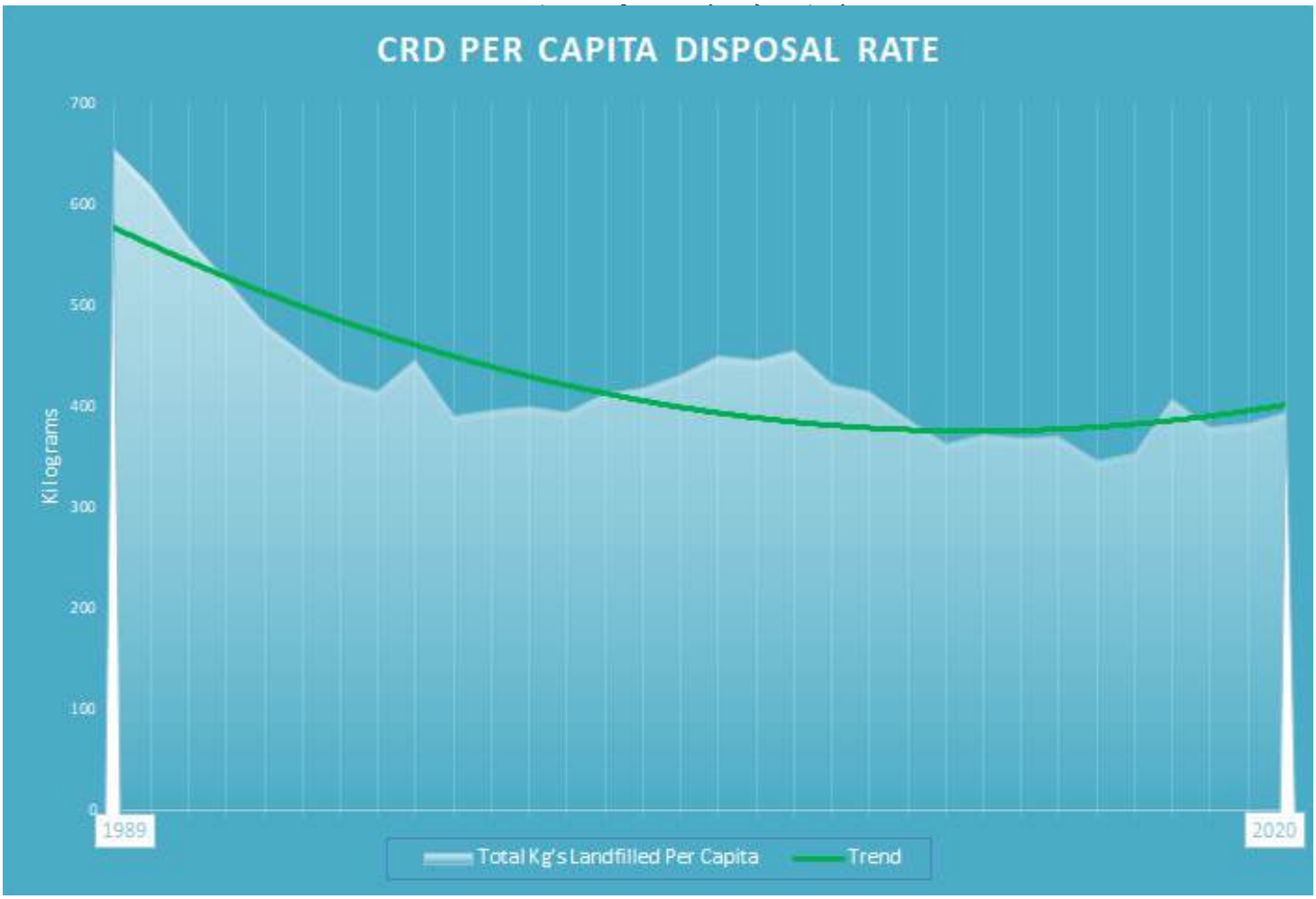
Long-term financial sustainability of the CRD solid waste function will form a critical part of the new solid waste management plan.

REVENUES	
Tipping fees	$19,874,916
Extended producer responsibility programs	$6,239,142
Recycling program revenues	$1,785,045
Power plant	$536,519
Permits, fines and miscellaneous	$91,772
TOTAL REVENUE FOR 2020	**$28,527,393**
EXPENSES	
Landfill operations	$6,552,639
Curbside recycling	$6,121,854
Hartland diversion programs	$4,341,853
Power plant costs	$863,642
Electoral Area recycling programs	$676,596
Planning	$889,918
Leachate	$522,320
Debt charges	$1,383,043
Community support programs	$432,197
TOTAL EXPENSES FOR 2020	**$21,784,062**

NET REVENUE (EXPENSES)	**$6,743,331**
TRANSFER TO OWN FUNDS	
Capital Reserve Fund	$1,668,074
Millstream Capital Fund	$320,000
Equipment and Vehicle Fund	$283,000
Sustainability Reserve Fund	$4,407,430
TOTAL TRANSFER TO OWN FUNDS	**$6,678,504**

ANNUAL SURPLUS (DEFICIT)	**$64,827**
Accumulated surplus, beginning of year	$943,419
Accumulated surplus, end of year	$1,008,246

Waste Disposal Data



Year	Population	Hartland Landfill			Highwest Landfill	Disposal Rate (kg/ person)
		Received	Beneficial Use	Landfilled		
2012	368,935	129,279	n/a	129,279	7,880	372
2013	371,265	123,210	n/a	123,210	13,025	367
2014	372,463	120,942	-1,636	119,306	18,000	369
2015	377,810	114,476	-2,034	112,442	18,000	345
2016	382,645	134,167	-971	133,196	2,056	353
2017	392,046	145,285	-917	144,368	15,000	407
2018	413,406	148,551	-2,120	146,431	10,500	380
2019	418,511	146,544	-1,142	145,402	14,625	382
2020	425,503	155,014	-5,476	149,538	18,506	395

PER CAPITA DISPOSAL

In 2012, the Province of British Columbia began using per capita disposal rates as the standard solid waste metric and is targeting 350 kg/capita by 2020.

Based on the provincial government's calculation method, the disposal rate for the capital region was 395 kg/capita in 2020.

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Join us: www.crd.bc.ca | Capital Regional District | crd_bc

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Capital Regional District
625 Fisgard Street
Victoria, BC V8W 2S6

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EEP 21-17

REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, APRIL 21, 2021

SUBJECT **Capital Regional District Climate Action – 2020 Annual Report**

ISSUE SUMMARY

To present the Capital Regional District's (CRD) 2020 Climate Action Annual Report, which identifies progress toward the CRD's Corporate Climate Action Strategy, the CRD's Regional Climate Action Strategy and BC Climate Action Charter commitments.

BACKGROUND

The CRD signed the BC Climate Action Charter in 2007 and committed to achieving carbon neutrality within corporate operations by 2012. Subsequently, the CRD adopted a target in 2008 to reduce greenhouse (GHG) emissions 33% by 2020 from a base year of 2007. The Regional Growth Strategy includes a target to reduce regional GHG emissions by 61% by 2038, from a base year of 2007.

In 2016, the CRD approved the Corporate Climate Action Strategy and the Regional Climate Action Strategy in 2017. In February 2019, the CRD declared a climate emergency. The Board has embedded the declaration and leadership intentions to greatly accelerate greenhouse gas emissions reductions in the 2019-2022 CRD Board priorities. Staff are currently updating the CRD's climate action strategies with a 'climate emergency' lens.

Under Bylaw 3510, the CRD established a climate action service in 2009 to act as a resource and facilitator for local governments, citizens and organizations in the capital region on energy and climate issues. The service administers two inter-municipal climate action committees and directly assists CRD services, local governments and other regional stakeholders on policy, planning, data and capacity building efforts and leading regional programs.

Since 2012, the CRD has been reporting annual corporate GHG emissions and a summary of corporate and community focused activities through the Climate Action Revenue Incentive Program, a provincially-funded conditional grant program that provides funding to BC Climate Action Charter signatories equivalent to 100% of the carbon taxes they pay directly. To be eligible for the program, Charter signatories must report publicly on their progress toward meeting their climate action goals.

Despite challenges related to COVID-19 throughout 2020, multiple CRD services contributed to corporate and regional climate goals. Some of the key highlights include:

- Advanced the development of a new Solid Waste Management Plan and Hartland Landfill renewable natural gas utilization project.
- Developed strategies and piloted a program to support regional energy retrofits in buildings, and provided fuel switching top-ups.
- Completed a regional greenhouse gas inventory for the region and its local governments.

- Completed the coastal flood inundation mapping project to assist planners and emergency managers to better understand future coastal flooding impacts due to rising sea levels and tsunamis.
- Advanced various efforts to transition CRD's fleet to low emission vehicles, including e-bikes.

A consolidation of the corporate and community-related actions is provided in the CRD Climate Action 2020 Annual Report (Appendix A). The report satisfies the annual reporting requirements related to the CRD's Corporate Climate Action Strategy, the CRD's Regional Climate Action Strategy and the provincial Climate Action Revenue Incentive Program associated with the CRD's BC Climate Action Charter commitment.

In 2020, the CRD completed a community energy and GHG emissions inventory to provide a more complete picture of the region's energy and GHG emissions consumption. The study, conducted for the 2018 year, shows that the capital region emits approximately 1.7 million tonnes of CO_2 emissions annually. Results were presented to the CRD Board on August 12, 2020.

In 2020, CRD operations produced 2,512 tonnes of CO_2e. This represents an 11% decrease compared to 2007 levels. As such, the CRD did not meet its 2020 corporate GHG emissions reductions target. This was due, in part, to lack of renewable gas supply for use of corporate buildings, delays in electric vehicle technologies for the corporate fleet, the inability to source funding for key retrofit projects and the expansion in CRD services over this time (resulting in an approximate 24% increase in fleet size and 19% in staffing). With the Mcloughlin Point Wastewater Treatment Plant coming on line, overall corporate emissions are expected to increase in 2021.

Since 2012, the CRD has been carbon neutral in its operations (as defined by the provincial reporting framework). For 2020, carbon neutrality will again be achieved by applying historical carbon credits (pre-2015) that were generated through methane destruction from the Hartland Landfill gas capture system.

The CRD is developing a renewed climate action strategy which will be brought to the Board for approval in fall 2021. The new strategy will build upon and ultimately replace the existing CRD climate action strategies, and reflect existing Board priorities (including their climate emergency declaration) to provide a clear path forward for how the CRD, under its service mandates, will show leadership on climate action, both for the CRD's corporate operations and for its community focused services. The plan will address both climate mitigation and adaptation efforts.

Staff reviewed all of the annual progress reporting associated with the 2016 corporate strategy and 2017 regional strategy. The corporate strategy identified a total of 47 actions across seven broad goal areas. The regional strategy identified a total of 48 actions across eight broad goal areas. Twenty-two CRD services, representing all five CRD departments, were identified as having a lead or support role for the actions. Across both strategies, 82% of planned actions are either complete, in progress, or ongoing and 18% are on hold or delayed with no planned timing. Successes related to various community-GHG reduction programs, regional research and data acquisitions, implementation of corporate planning procedures, various corporate retrofit and fleet transitions, and a number of CRD and local government capacity building and policy development initiatives.

ALTERNATIVES

Alternative 1

The Environmental Services Committee recommends to the Capital Regional District Board:

1. That the 2020 Climate Action Annual Report be received for information; and
2. That staff complete all Climate Action Revenue Incentive Program reporting requirements and submit to the Province by the reporting deadline (currently June 1, 2021) and post on the CRD website.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Social Implications

In 2020, CRD advanced many projects and programs that were delivered in the community across the region and adjusted as required as per COVID-19 protocols. Some included, but are not limited to:

- leading the Walk and Roll to School Week, implementing the Ready, Step, Roll – Active School Travel Planning initiative;
- launching the Bring it Home 4 Climate Program and providing top-up fuel switching incentives as part of the provincial Better Homes Program;
- supporting the Cool It! Climate Leadership Training in local schools; and
- executing the regional-scale sea-level rise modelling and mapping project.

A full list is provided in Appendix A.

Financial Implications

In 2020, the Climate Action service operated on an annual budget of approximately $577,000, which included three full-time employees and one two-year, full-time term position (co-funded by BC Hydro Sustainable Communities) which will likely be renewed in late-2021. In addition, the corporation provides an annual stipend of $100,000 towards a fund to support key corporate focused climate action planning activities. The program's core budget is provided through an annual requisition from all of the municipalities and electoral areas, and supplemental funding from corporate services. The program also relies on external grants and partnerships to undertake community climate action programming.

In 2020, external sources accounted for approximately $485,000 in additional funding to support staffing and completion of key projects.

Intergovernmental Implications

Climate action is explicitly acknowledged through the Board's current strategic priorities and climate emergency declaration, the numerous targets, policies and actions found in official

community plans across the region, the Regional Growth Strategy and consecutive CRD corporate strategic plans. Climate change is a critical issue facing our region.

The CRD Climate Action service has a regional collaboration mandate and directly supports local governments and the CRD in reaching mitigation and adaptation policies and goals. The service will continue to work with internal and other regional stakeholders to identify other climate action opportunities and advance initiatives in collaboration.

Alignment with Board & Corporate Priorities

The CRD embedded the climate emergency declaration and leadership intentions to greatly accelerate GHG emissions reductions in the 2019-2022 CRD Board priorities. In addition to the three Board priorities related to climate change, the 2019-2022 CRD Corporate Plan includes 11 additional initiatives related to climate action.

Environmental & Climate Implications

In 2020, CRD operations produced 2,512 tonnes of CO_2e. Approximately half of the CRD's corporate GHG emissions are sourced from fleet and the other half from the CRD's buildings, with natural gas use at the five main facilities accounting for the majority (Panorama Recreation Centre, SEAPARC Recreation Centre, Integrated Water Services, CRD Headquarters and the Saanich Peninsula Wastewater Treatment Plant). GHG emissions associated with Hartland Landfill and Capital Region Housing Corporation are not included in this total, as they are excluded from the provincial reporting framework.

In 2020, the CRD completed a community energy and emissions inventory to provide a more complete picture of the region's energy and GHG emissions consumption. This followed the GPC BASIC+ Framework, and included GHG emissions from:

- Stationary energy (e.g., buildings, construction, energy industry)
- Transportation (including airport and marine emissions)
- Waste
- Industrial process and product use
- Agriculture, forestry and other land use

The study, conducted for the 2018 year, shows that the capital region emitted approximately 1.7 million tonnes of CO_2 emissions annually. Although this does not represent a significant reduction from the 2007 baseline, the total per capita GHG emissions (tCO_2e / Capita) has decreased by 14.4%. Transportation and buildings account for the vast majority of regional emissions - almost 80%.

Regardless of GHG emission reductions today, the capital region will continue to experience the impacts of climate change now and into the future, including:

- An increase in rainfall in fall, winter and spring; and a decrease in rainfall in summer
- More intense, longer in duration, and more frequent rainfall events
- Frequent heavy snowfalls and rain-on-snow events in the short-term, less snow in the future
- Hotter summers and less days with freezing in winter
- More extreme climate events (such as long hot and dry summers)

- Increased likelihood of variability of climate within and between years
- Sea level rise

Climate adaptation planning and implementation will be a key aspect of future service delivery.

Regional Growth Strategy Implications

The Regional Growth Strategy (RGS) includes a target to reduce GHG emissions by 61% by 2038, from a base year of 2007. The CRD climate action activities completed in 2020 align with the principles of the RGS.

Alignment with Existing Plans & Strategies

Climate actions completed in 2020 align with the CRD Corporate Climate Action Strategy, the CRD Regional Climate Action Strategy, Regional Growth Strategy, Board Priorities and the CRD Corporate Plan.

CONCLUSION

Throughout 2020, multiple CRD services contributed to corporate and regional climate goals. The 2020 Climate Action Annual Report outlines actions the CRD has undertaken to advance the corporate and regional climate strategies, Board priorities, and commitments as a signatory to the BC Climate Action Charter over the past year. After it is received by the Board, the Climate Action Revenue Incentive Program report will be submitted to the Province as required under the Climate Action Revenue Incentive Reporting Program. The CRD is developing a renewed climate action strategy which will be brought to the Board for approval in fall 2021.

RECOMMENDATION

The Environmental Services Committee recommends to the Capital Regional District Board:

1. That the 2020 Climate Action Annual Report be received for information; and
2. That staff complete all Climate Action Revenue Incentive Program reporting requirements and submit to the Province by the reporting deadline (currently June 1, 2021) and post on the CRD website.

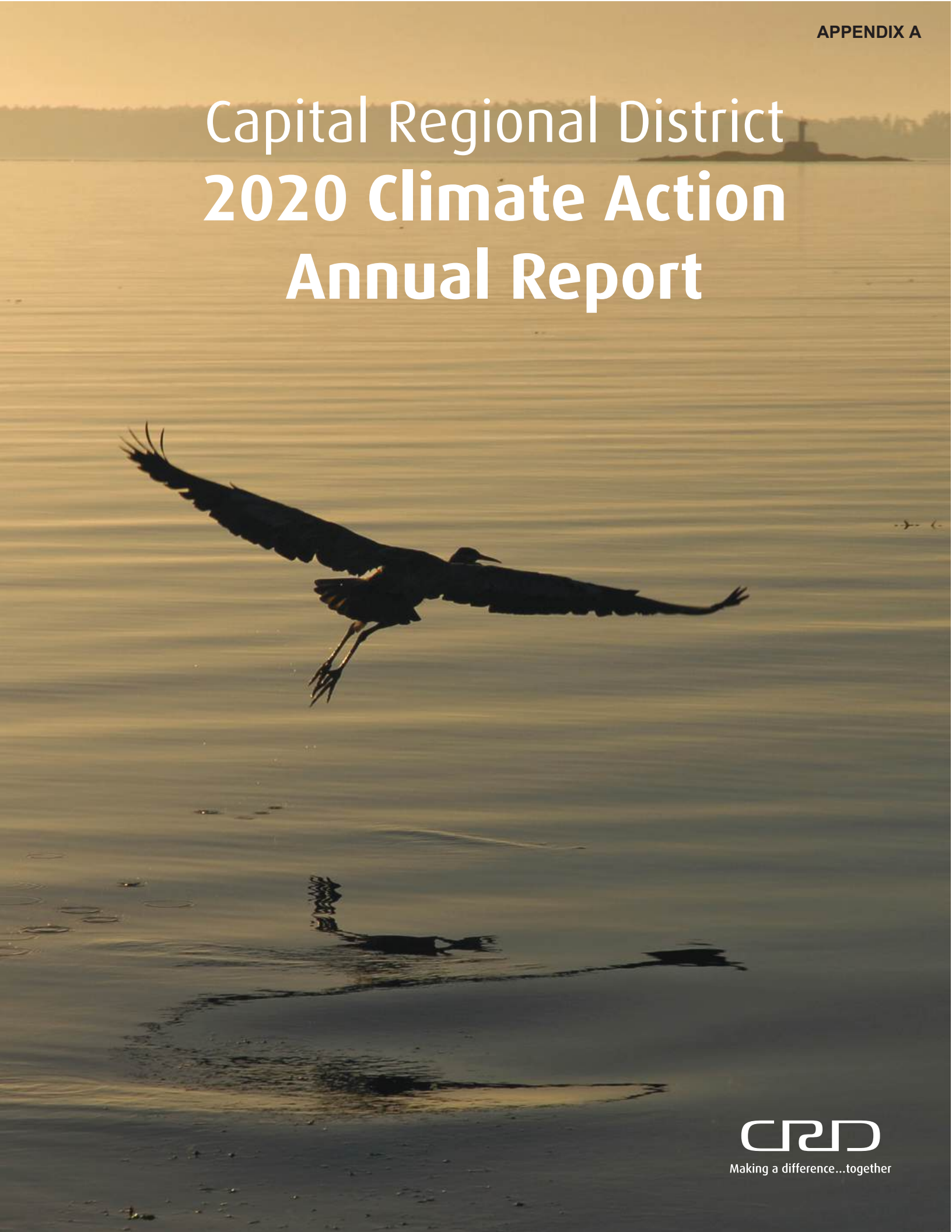
Submitted by:	Glenn Harris, Ph.D., R.P.Bio., Senior Manager, Environmental Protection
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Capital Regional District 2020 Climate Action Annual Report

APPENDIX A

Capital Regional District
2020 Climate Action Annual Report



Making a difference...together



Organizational Overview

The Capital Regional District (CRD) delivers regional, sub-regional and local services to 13 municipalities and three electoral areas on southern Vancouver Island and the Gulf Islands.

Governed by a 24-member Board of Directors, the CRD works collaboratively with First Nations and all levels of government to enable sustainable growth, foster community well-being, and develop cost-effective infrastructure, while continuing to provide core services to residents throughout the region.

CRD

Making a difference...together

Capital Regional District
625 Fisgard Street
Victoria, BC V8W 2S6

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Appendix A:
Regional Climate Action Strategy Actions

Appendix B:
Corporate Climate Action Strategy Actions

Overview

This report summarizes all of the climate action related activities undertaken by the Capital Regional District (CRD) in 2020 and satisfies the annual reporting requirements associated with the CRD's Regional Climate Action Strategy, the CRD's Corporate Climate Action Strategy and the provincial Climate Action Revenue Incentive Program, as per the CRD's BC Climate Action Charter commitment.

The CRD has an obligation to support climate action, whether that be through the planning and management of its assets, or through the delivery of its services.



Regulations & Commitments

The CRD is required to take action to reduce corporate and community-related greenhouse gas (GHG) emissions and prepare for the impacts of climate change under the following provincial regulations and commitments:

- ***Local Government (Green Communities) Statutes Amendment Act*** (Bill 27) requires regional districts and local governments to include targets, policies and actions for the reduction of GHG emissions in Regional Growth Strategies and Official Community Plans. The Act also provides powers to local governments to support mitigation and adaptation through development permit areas, development cost charges and parking and building code requirements.
- **Landfill Gas Management Regulation** establishes province-wide criteria for landfill gas capture from municipal solid waste landfills. The regulation focuses on GHG emissions reductions from landfills, with the objective of maximizing reductions of landfill gas emissions and identifying potential opportunities to increase landfill gas recovery. As a manager of the Hartland Landfill, the CRD is responsible for adhering to this regulation.
- All local governments in the region, including the CRD, are signatories of the ***BC Climate Action Charter***. This includes a commitment to:
  - become carbon neutral in corporate operations starting in 2012
  - measure and report on the community's GHG emissions profile
  - work to create compact, complete and more energy-efficient rural and urban communities
- United with more than 350 Canadian local governments, the CRD is a member of the **Partners for Climate Protection Program**, from the Federation of Canadian Municipalities and ICLEI - Local Governments for Sustainability, affirming its ambitious GHG reductions and participating in a five-milestone planning, implementation and reporting framework.



In February 2019, the CRD Board voted unanimously to declare a climate change emergency and assume a leadership role to work towards achieving carbon neutrality in the region by 2030. The CRD Board has embedded the declaration and leadership intentions to greatly accelerate greenhouse gas emissions reductions in the 2019-2022 CRD Board priorities.

Climate Action Strategies

The CRD has two strategies dedicated to climate action: one related to community-based activities, the other to CRD corporate operations, assets and decision-making. These strategies, among others, support the overarching Regional Growth Strategy.

Regional Growth Strategy

The **Regional Growth Strategy (RGS)** is a vision for the future of the capital region, guiding decisions on regional issues such as transportation, population growth and settlement patterns until 2038. The RGS promotes the long-term livability of the region, with policy intended to enhance social, economic and environmental performance. It is developed in partnership with local governments and includes policies, actions and targets for the reduction of greenhouse gas emissions. The current RGS was adopted in 2018. The full strategy can be found at *www.crd.bc.ca/rgs.*

Regional Climate Action Strategy

In 2017, the CRD Board approved the **Regional Climate Action Strategy (RCAS)**, which guided the CRD's services to support community-focused climate mitigation and adaptation action over the following five years. The RCAS built upon work that is already being done by residents, businesses, non-profits, local governments and First Nations, by federal and provincial governments, and the direction provided in the RGS.

Corporate Climate Action Strategy

In 2016, the CRD Board endorsed the **Corporate Climate Action Strategy (CCAS)** to guide the CRD's operational approach and decision-making through a policy framework and corresponding climate action activities and actions related to the CRD's buildings, fleet and lands until the end of 2020. The CCAS reflects on what the CRD has accomplished to date and renews corporate climate action efforts through seven long-term goals.

Multiple CRD service areas are responsible for the implementation of the actions *(see Appendix A - Regional Climate Action Strategy Actions)*. This report satisfies the annual reporting commitments associated with the RCAS. The full strategy can be found at: *www.crd.bc.ca/climate*.



Updating our Climate Action Strategy

The CRD is developing a renewed climate action strategy which will be confirmed in late 2021. The new strategy will build upon and ultimately replace the existing CRD climate action strategies, and reflect existing Board priorities (including the climate emergency declaration) to provide a clear path forward for how the CRD, under its service mandates, will show leadership on climate action, both for the CRD's corporate operations and for its community focused services. The plan will address both climate adaptation and mitigation efforts.

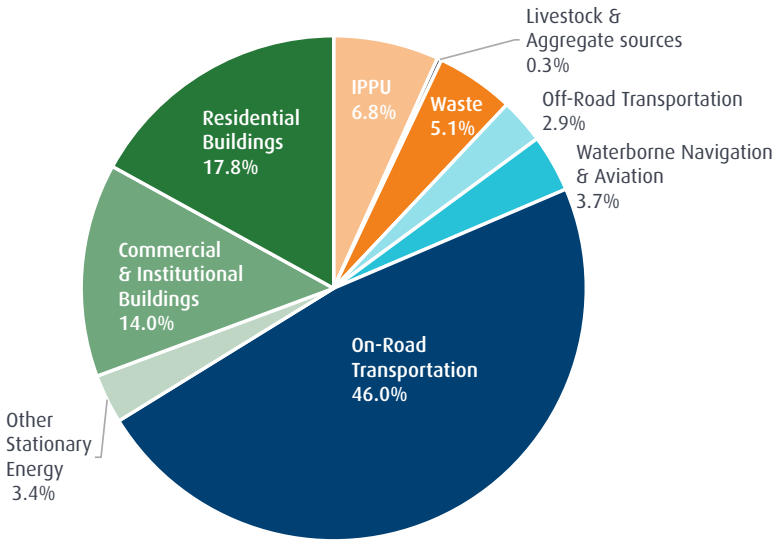
CLIMATE MITIGATION
Reduce Greenhouse Gas Emissions

Capital Region Community Greenhouse Gas Emissions

In 2020, the CRD completed a community energy and emissions inventory to provide a more complete picture of the region's energy and greenhouse gas (GHG) emissions consumption. This followed the Global Protocol Community-Scale Greenhouse Gas Emission Inventories BASIC+ Framework, and included GHG emissions from: stationary energy (e.g., buildings), transportation (e.g., commuter vehicles), waste (e.g., landfills), industrial processes and product use (IPPU) (e.g., chemical industry), and agriculture, forestry and other land use (e.g., fertilizer application).

The study conducted for the 2018 year shows that the capital region emits approximately 1.7 million tonnes of CO_2 emissions annually. Although this does not represent a significant reduction from the 2007 baseline, the total per capita GHG emissions (tCO_2e / Capita) has decreased by 14.4%. Transportation and buildings account for the vast majority of regional emissions - almost 80%.

2018 Capital Region Community Energy Emissions



The Regional Growth Strategy identifies a target for the capital region to reduce greenhouse gas emissions by 61% by 2038. This ambitious target will require a decrease of almost one million tonnes of CO_2e. This means reducing emissions from approximately 4.2 tCO_2e per person to 2.6 tCO_2e per person.*

*from 2007 levels

Corporate Greenhouse Gas Emissions and Targets

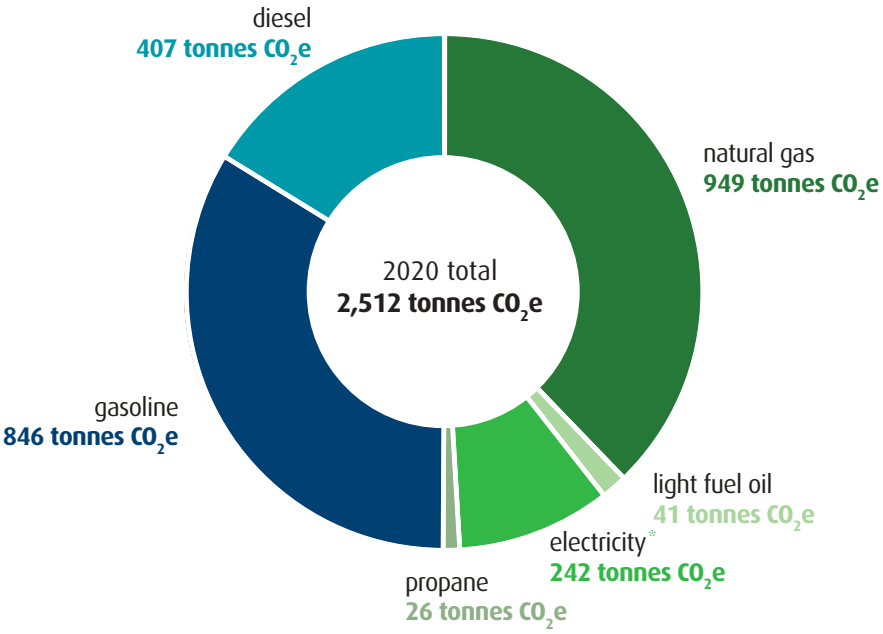
In 2008, the CRD Board set a target to reduce operational GHG emissions 33% below 2007 levels by 2020. Since 2012, the CRD has completed an annual GHG inventory and reported GHG emissions through the provincial Climate Action Revenue Incentive Program, following the guidance provided by the provincial Green Communities Committee.

In 2020, CRD operations produced 2,512 tonnes CO_2e. This represents a 10% reduction compared to 2007 levels. As such, the CRD did not meet its 2020 corporate GHG emissions reductions target. This was due, in part, to delays in electric vehicle technologies for the corporate fleet, lack of renewable gas supply for use of corporate buildings, inability to source funding for key retrofit projects and an expansion in CRD services over this time (which resulted in an approximate 24% increase in fleet size and 19% in staffing). With the Mcloughlin Point Wastewater Treatment Plant coming on line, this trend will continue.

In 2021, the creation of the new climate action strategy will reflect on achievements and barriers to date, create new targets and design pathways for achieving greenhouse gas emissions reductions within the corporate operations of the CRD.

The CRD has been carbon neutral, under the provincial reporting framework, in its operation since 2012. In 2020, carbon neutrality was achieved by applying historical carbon credits that were generated through methane destruction from the Hartland Landfill gas capture system. Activities undertaken to reduce annual carbon emissions are outlined in the Corporate Climate Action Strategy (*see Appendix B* for 2020 actions).

2019 Operational Greenhouse Gas Emissions by Source



Total fleet
1,254 tonnes CO_2e

Total buildings, facilities & infrastructure
1,258 tonnes CO_2e

*Currently, electric vehicle charging is included in building electricity use

CLIMATE ADAPTION
Build Resilience

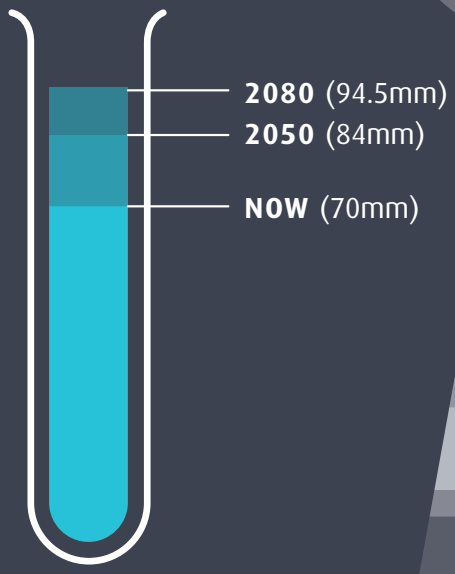
In 2017, the CRD worked with the Pacific Climate Impacts Consortium to undertake a comprehensive assessment of the projections of global climate models for the capital region.

This assessment shows, as a result of global warming, the capital region will experience:

- **More extreme climate events** (such as long hot and dry summers)
- **An increase in rainfall** in fall, winter and spring; and a decrease in rainfall in summer
- **More intense, longer-lasting, and more frequent rainfall** events
- **Frequent heavy snowfalls** and rain on snow events in the short-term, less snow in the future
- **Hotter summers** and less days with freezing in winter
- Increased likelihood of **variability** of climate within and between years

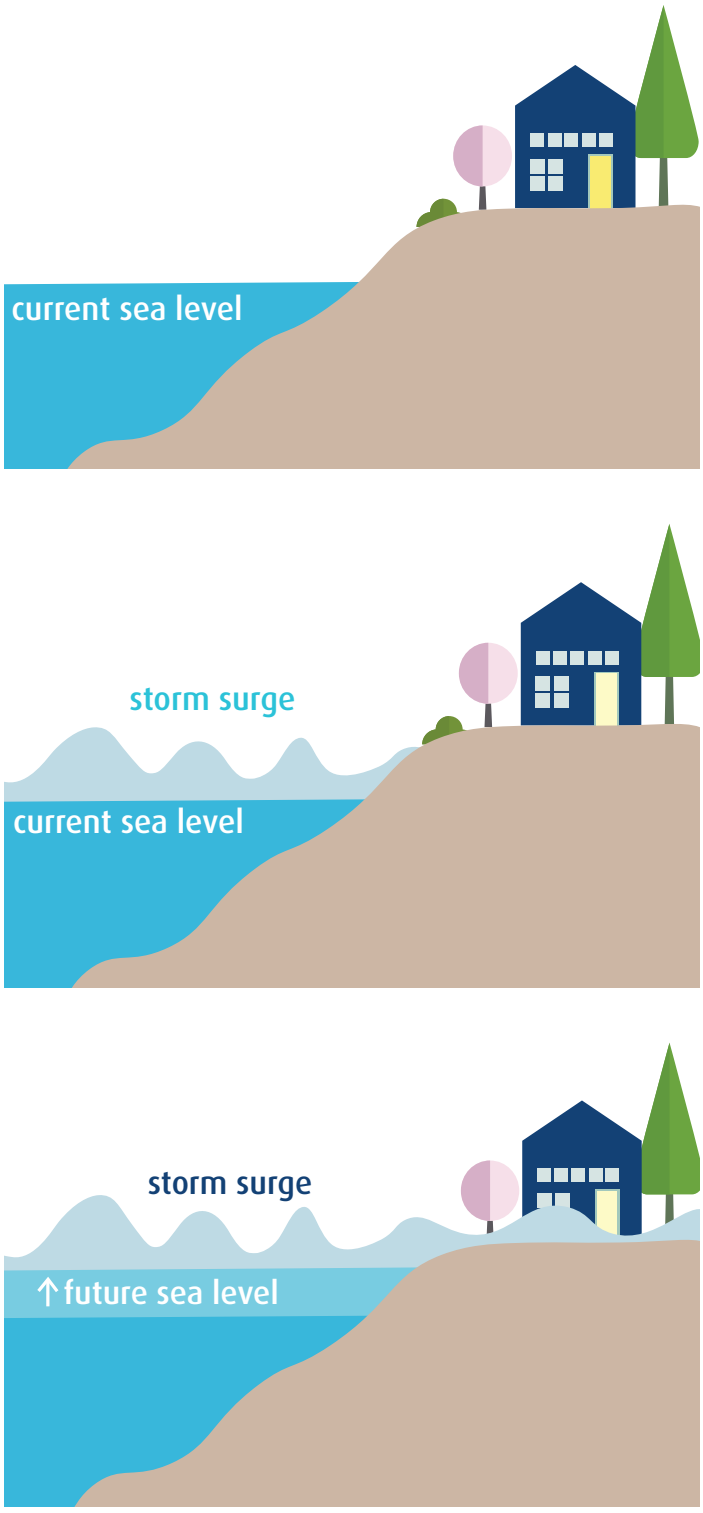
Rainstorms will grow more intense.

Maximum one-day rainfall



The capital region will need to adapt to a changing climate. A warming climate will impact our ecosystems, watersheds, agriculture and communities.





Capital Region Coastal Flood Inundation Mapping

In 2019/2020, working with local governments, the CRD commissioned the **Capital Region Coastal Flood Inundation Mapping Project** to provide the region and local governments with a comprehensive picture of projected coastal flooding due to rising sea levels and tsunamis.

Results found that low-lying areas in the region are susceptible to coastal storm flooding – which are set to increase significantly over time, due to sea level rise.

To access further information on climate projections related to precipitation, temperature and future sea level rise visit: **www.crd.bc.ca/about/data/climate-change**.

As new science and global climate projections advance, the CRD will continue to build on its local climate projection studies to understand climate changes and their impacts and adjust responses accordingly.

Effects of sea level rise over time combined with storm surges.

Climate Action Service

Under Bylaw 3510, the CRD established a climate action service in 2009 to act as a resource and facilitator for local governments, citizens and organizations in the capital region on energy and climate issues. The service has five major focus areas:

- **Provide support to local governments in developing and implementing climate action plans** and programs (emissions reductions and climate adaptation), as part of legislative requirements under Bill 27 and voluntary commitments under the BC Climate Action Charter.
- **Catalyze action through partnerships with public and private sectors, non-governmental organizations and community organizations** and increase public awareness of climate change issues.
- **Liaise with senior levels of government on climate change related programs**, policies and legislation that impact the capital region.
- **Provide scientific information, data and indicators** related to local and regional greenhouse gas emissions and projected climate impacts.
- **Support the CRD in fulfilling its corporate climate objectives** by developing and facilitating implementation of corporate climate action plans, policies and programs and support execution of climate-related Board strategic priorities.

The service administers two inter-municipal committees, one with elected officials and one with staff, which represent the 13 municipalities and three electoral areas in the region. These committees meet quarterly and work in an advisory capacity to the CRD to develop priority objectives and support project delivery with the aim of supporting regional coordination on climate action.

In 2020, the program operated on an annual budget of approximately $577,000, which included three full-time employees and one two-year, full-time term position (co-funded by BC Hydro Sustainable Communities) which will likely be renewed in 2021.

In addition, the corporation provides an annual stipend of $100,000 towards a fund to support key corporate focused climate action planning activities. The program's core budget is provided through an annual requisition from all of the municipalities and electoral areas, and supplemental funding from corporate services. The program also relies on external grants and partnerships to undertake community climate action programming. In 2020, external sources accounted for approximately $485,000 in additional funding to support staffing and completion of key projects.

The CRD climate action service is a part of the Parks & Environmental Department, Environmental Protection Division. The service reports through the CRD's Environmental Services Committee to the CRD Board.

See *Appendices A and B* for accomplishments.


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2020 Climate Action Highlights

The CRD completed and supported a number of climate actions throughout 2020 listed in *Appendix A – CRD Regional Climate Action Strategy Actions* and *Appendix B – Corporate Climate Action Strategy Actions.* Some highlights are:

Solid Waste Management Plan

The CRD is developing a new Solid Waste Management Plan to reduce how much material is sent to Hartland Landfill and guide how the region's waste is managed in a safe, secure and sustainable way now and in the future. The plan aims to extend the life of Hartland Landfill by prioritizing reduce, reuse and recycling-focused actions and incorporating climate action and sustainability considerations wherever possible. The draft plan was released in 2020 for a second round of public engagement and input, including feedback from local First Nations, municipalities, industry and residents. The final plan will be presented to the CRD Board for approval in spring 2021.

Hartland Landfill Renewable Natural Gas Utilization

In April 2020, the CRD announced approval in principle of an agreement to sell renewable natural gas (RNG) to FortisBC for beneficial use. Blending seamlessly with conventional natural gas, RNG is a carbon-neutral energy made from capturing and upgrading the biogas released from decomposing organic waste in the landfill. Converting the biogas generated at Hartland Landfill to RNG will reduce our region's emissions by approximately 264,000 tonnes of carbon dioxide over the life of the project—the equivalent to removing 2,240 cars from the road. A lifecycle greenhouse gas assessment found that decommissioning the electricity plant, a facility nearing the end of its life, and building a new RNG facility at Hartland Landfill is a more effective beneficial use of this resource from a climate change perspective.

2020 Canada's Greenest Employers



For the third year in a row, the CRD was recognized as one of *Canada's Greenest Employers* by the *Canada's Top 100 Employers* project. This special designation recognizes employers that lead the nation in creating a culture of environmental awareness in their organizations. The CRD's Corporate Climate Action Strategy aims to integrate climate action into everyday business across the CRD's departments, divisions and services.

Transitioning CRD's Fleet to Low Emission

In 2020, the CRD began piloting a new procedure to better facilitate procurement of low emissions vehicles across its various services. Learnings informed the development of a new green fleet policy which is planned for finalization in 2021. Also in late 2020, the CRD received two hydrogen fuel cell vehicles to pilot in the fleet over a six month period as part of commitments under the CRD's **Zero Emission Fleet Initiative**, co-funded by a *Federation of Canadian Municipalities (FCM) Green Municipal Fund* grant.

The CRD now has nine e-bikes for staff use at CRD Headquarters and Regional Parks. In addition, staff bike parking was greatly expanded at CRD Headquarters to accommodate staff commuters with e-bikes and cargo bikes.

Regional Data and Indicators

In 2020, the CRD completed a number of regional research initiatives to support the CRD, local governments, First Nations and other key stakeholders in their climate action planning efforts. This includes:

- **Regional and Local Greenhouse Gas Inventory:** To better understand the sources and trends of greenhouse gas (GHG) emissions within the capital region, the CRD produced a GHG Inventory Study which will serve as a resource for the CRD and municipalities to plan for effective climate action.
- **Coastal Flood Inundation Mapping Project:** This report provides planners and emergency managers a comprehensive picture of the risks of coastal flooding due to rising sea levels and tsunamis.
- **Forest Sequestration Project:** This first phase project utilized a carbon budget model to quantify the forest carbon sequestration potential of the region's forest lands and offer recommendations on forest management.
- **Regional Energy Benchmarking Roadmap:** The CRD worked with a University of British Columbia Sustainability Scholar to undertake research to develop recommendations for enabling a regional benchmarking program for complex buildings in the capital region.



Regional Residential Energy Retrofits

In 2020, working a number of local government partners, the CRD completed the *FCM Transition 2050* funded **Residential Retrofit Project**. This work developed a regional energy retrofit strategy, led industry engagement and capacity building events, completed key local research and supported the Bring It Home 4 the Climate pilot program. In the first five months, this pilot program engaged 300 homeowners, completed 54 subsidized Virtual Home Check-ups, and 78 subsidized *EnerGuide Assessments* and hosted two public webinars on understanding heat pumps. The feedback on the program has been universally positive to date and staff have worked with our partner organization to extend the pilot into 2021. Learnings from this work will directly inform future work in 2021.

To encourage residents to switch to electric heat pumps from fossil fuel heating systems, between September 2018 and December 2020, 415 CRD $350 top-up incentives (80% from oil, 17% from natural gas and 3% from propane heating) have been processed. The CRD is supporting continued promotions, and have seeded a Group Purchase Rebate Code which offers an additional rebate opportunity to qualifying regional homeowners.

McLoughlin Point Wastewater Treatment Plant

In late 2020, the new McLoughlin Point Wastewater Treatment Plant became operational. Although the operation of this plant is expected to increase the CRD's corporate emissions, the facility has been built with climate considerations in mind, including features that promote sustainability and energy efficiency. The operations and management building has been built to *LEED Gold* design standards and features a green roof which will help mitigate storm water runoff and provide wildlife habitat. The plant itself features a heat recovery mechanism that will provide heating for the building.



Looking Ahead - 2021

The CRD will continue to show a leadership role, support collaborative efforts, pursue strategic partnerships, external funding sources, and respond to opportunities as local and senior levels of governments advance their efforts.

Some activities planned for 2021 include:

- **Update the Climate Action Strategy:** In 2021, the CRD will be undertaking a planning exercise to review and update its existing climate action strategies. The planning process will endeavor to identify opportunities to accelerate actions as a response to the CRD's climate emergency declaration and targets. The renewed CRD Climate Action Strategy will be presented to the Board in fall 2021.
- **Regional Energy Retrofit Programming:** Through the development of a business case, the CRD will investigate the feasibility and benefits of a regional energy retrofit program to help residents implement retrofits and access rebates. If successful, further work will be completed with regional partners through the Federation of Canadian Municipalities Community Efficiency Financing grant.
- **Electric Vehicle Infrastructure Road Map:** To support CRD and local government planning efforts, this project aims to better understand future charging station user needs and designs, and to find the opportunities for collaboration between regional fleet owners and other key stakeholders.
- **Cool It! Climate Leadership Program:** The CRD will continue its support of the BC Sustainable Energy Association Cool it! Program, offering interactive workshops throughout the region where grade 4-5 students learn about climate change and participate in the Cool It! Challenge to learn climate-friendly behaviours.
- **Solid Waste Management Planning:** Pending Board approval in spring 2021, staff will begin strategy development in a number of key areas of the new Solid Waste Management Plan — including multi-family housing, construction, renovation and demolition waste and diversion opportunities for the industrial, commercial and institutional (ICI) sector. After the CRD and FortisBC submit a supply contract to the British Columbia Utilities Commission, staff will issue a Request for Qualifications seeking submissions for the design and construction of the new CRD facility that will upgrade the biogas generated at Hartland Landfill to renewable natural gas.
- **Regional Transportation Committee:** In late 2020, the CRD board directed staff to work with municipalities, the Province and BC Transit to create list of regional transportation priorities for coordinated advocacy, with a climate emergency lens. This work will continue in 2021.
- **Corporate Green Fleet Policy and Electric Vehicle Charging Planning:** This new policy will help prioritize low emission vehicles in CRD procurement, and will be finalized in 2021. Further technical work related to electric vehicle charging will be completed to support the ongoing transition of CRD's fleet to low carbon.

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Join us: www.crd.bc.ca | Capital Regional District | crd_bc | capital_regional_district

Making a difference...together

Capital Regional District
625 Fisgard Street
Victoria, BC V8W 2S6

Appendix A:
Goal 1 | Developed urban areas are compact and complete

RCAS Action	Status	2020 Action / Projects	External Partners
1-1. **IDENTIFY OPPORTUNITIES TO SUPPORT LOCAL GOVERNMENTS** and interested First Nations governments with transit-oriented development	Complete	• Considered in context of Regional Growth Strategy (RGS) and policies to support urban containment.	• Municipalities, Juan de Fuca Electoral Area
1-2. **DEVELOP TOOLS AND UNDERTAKE RESEARCH** to support local governments and interested First Nations governments in creating compact and complete urban areas		• No actions reported.	
1-3. **MANAGE COMPLIANCE WITH REGIONAL GROWTH STRATEGY (RGS)**	Ongoing	• RGS was adopted in March 2018. All new CRD bylaws and services must be consistent with RGS.	
	Complete	• Liaised with CRD Development and Planning Advisory Committee to manage compliance with RGS.	• Municipalities, Juan de Fuca Electoral Area
1-3-1. **Review Regional Context Statements** for alignment with the RGS	Complete	• Board has accepted all Regional Context Statements.	• Municipalities
1-3-2. **Continue to adopt Official Community Plans (OCP)** for the Juan de Fuca Electoral Area that are consistent with the RGS.		• See Action 1-3 (Juan de Fuca Official Community Plans).	
1-3-3. **Monitor and report on RGS** commitments	Planned	• Completed annual RGS indicator report.	
1-4. **CONTINUE TO DEVELOP GHG-RELATED TARGETS,** policies and actions for the Juan de Fuca electoral area OCP	Planned	• Likely to initiate update for Port Renfrew Official Community Plan.	
PERFORMANCE INDICATORS			
• **Percentage of new dwelling units within the Growth Policy Area**		• 96.5% = percentage of new dwelling units within the Urban Containment Policy Area (target is 95%). 20% (2016-2019) = percentage of growth in new dwelling units in areas with greater than 45% active transportation.	

Goal 2 | Multi-modal transportation systems are low carbon

RCAS Action	Status	2020 Action / Projects	External Partners
2-1. **ESTABLISH A CRD TRANSPORTATION SERVICE TO FULFILL THE MULTI-MODAL VISION OF THE REGIONAL TRANSPORTATION PLAN.**	In progress	• In late 2020, the CRD board directed staff to work with municipalities, the Province, and BC Transit to create list of regional transportation priorities for coordinated advocacy.	
2-1-1. **Consolidate CRD transportation** functions			
2-1-2. **Apply for external funding**			
2-1-3. **Requisition for future infrastructure** projects			
2-2. **IMPLEMENT THE REGIONAL TRANSPORTATION PLAN AND THE PEDESTRIAN AND CYCLING MASTER PLAN.**	Ongoing	• CRD provided data and technical expertise to a number of project-based working groups to ensure that multi-modal infrastructure is integrated into transportation projects.	• Ministry of Transportation and Infrastructure, BC Transit, partner municipalities and electoral areas, BC Ferries
	Ongoing	• Continued offering Ready Step Roll program to provide active school travel planning for up to five schools per year.	• School boards, schools, municipalities and electoral areas, public health, local law enforcement agencies, parents, students and school administration, ICBC Road Safety, Greater Victoria Bike to Work Society, CRD Traffic Safety Commission, Island Health, Ministry of Transportation and Infrastructure
2-3. **IMPLEMENT PRIORITY PROJECTS IDENTIFIED IN THE REGIONAL TRAILS MANAGEMENT PLAN TO SUPPORT ACTIVE TRANSPORTATION.**	Ongoing	• Continued to monitor external project implementation funding opportunities to implement the Gulf Islands Regional Trails Plan.	
	In progress	• E&N Rail Trail Phase 3 is in progress with plans to be completed in summer 2021.	
	In progress	• Public engagement ongoing of design lighting options put forth in the regional trail widening or separation feasibility study.	
	Planned	• Planning new regional trails on the Gulf Islands: Main Island Regional Trail (2.3 km of trail). Planned to be complete in 2023.	

Goal 2 | Multi-modal transportation systems are low carbon (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
2-4. **IDENTIFY OPPORTUNITIES TO WORK WITH BC TRANSIT** as they develop policies and plans for rapid transit, frequent transit and increased accessibility.	Ongoing	• Provided ongoing modelling, data and planning support.	
2-5. **FACILITATE DELIVERY OF THE SALT SPRING ISLAND (SSI) COMMUNITY TRANSIT SERVICE AND IMPLEMENT MULTI-MODAL TRANSPORTATION PROJECTS,** including recommendations from the Pedestrian and Cycling Master Plan: SSI Edition	In progress	• Salt Spring Island Parks and Recreation Commission is working with residents and trail enthusiasts to develop a plan for a connector trail for acquired lands off Starks Road on Salt Spring Island. An environmental assessment has been completed to inform trail design. In 2020, brush clearing was initiated with construction to take place in the spring of 2021.	
2-6. **SUPPORT ELECTRIC VEHICLE (EV) AND ELECTRIC BICYCLE (E-BIKE) ADOPTION AND INFRASTRUCTURE DEPLOYMENT (INCLUDING BATTERY PLUG-IN AND FUEL CELL EV INFRASTRUCTURE)** in coordination with the Province, local governments and private sector.	Complete	• Undertook a study to understand electric vehicle (EV) charging performance standards for local government bylaws. Developed a technical brief and provided to staff.	
	In progress	• Began project to create and EV Charging Roadmap to identify coordination opportunities for EV charging infrastructure in the region. Engaged with various regional stakeholders. Work will continue into 2021.	• BC Hydro, local and regional governments
	In progress	• Install EV chargers at Portlock Park and Rainbow Pool.	
	Planned	• EV awareness campaign planned for spring 2021.	• Emotive BC, municipal partners
2-7. **DEVELOP, DELIVER AND SUPPORT EDUCATION PROGRAMS AND INITIATIVES** that achieve reductions in transportation related GHGe.	Ongoing	• Supported delivery of Cool It! Climate Leadership workshops in 39 grade 4-5 classrooms throughout the capital region and provided tools for behaviour change. Worked with BC Sustainable Energy Association (BCSEA) and municipal partners to update workshop content to incorporate more regional context. In 2021, support delivery of workshops in 45 grade 4-5 classrooms throughout the capital region.	• BC Sustainable Energy Association, municipal partners • Funders: District of Saanich, City of Victoria, District of North Saanich

Goal 2 | Multi-modal transportation systems are low carbon (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
2-7. **DEVELOP, DELIVER AND SUPPORT EDUCATION PROGRAMS AND INITIATIVES** that achieve reductions in transportation related GHGe.	Complete	• Supported BCSEA in the development and pilot of a high school climate action program.	
	Ongoing	• 4th annual Walk and Wheel to School Week. Adjusted offering due to COVID-19. Participating schools were not required to report on activities to reduce stress on teachers during COVID-19 restrictions. Thirteen schools requested and received program packages.	• Island Health, CRD Traffic Safety Commission, schools
2-8. **DEMONSTRATE LEADERSHIP** by implementing the CCAS corporate fleet actions and policy.	Ongoing	• See Appendix B.	
PERFORMANCE INDICATORS			
• **Reductions in GHGe from personal vehicle transportation**		• Regional Greenhouse Gas Inventory Study (2018): In-boundary on-road transportation - 871,571 tCO_2 (4% decrease compared to 2007 baseline).	
• **Increase in active transportation infrastructure kilometres**		• Not currently available.	
• **Percentage of all trips made by walking, biking or transit**		• Not currently available.	
• **Total kilometers of the Regional trail network completed**		• 96 km (55km Galloping Goose; 29km Lochside; 12 km E&N).	

Goal 3 | Buildings are high performing and low carbon

RCAS Action	Status	2020 ACTION / PROJECTS	External Partners
3-1. **SUPPORT THE TRANSITION FROM OIL HEATING TO HIGH EFFICIENCY, LOW EMISSIONS HEATING SYSTEMS**	Ongoing	• Continue to coordinate and develop promotional and display materials.	
	Ongoing	• Coordinate CRD and local government top-up incentives to the provincial CleanBC program offering homeowners incentives to switch from fossil fuel heating systems to electric heat pumps. Between September 2018 and December 2020, 415 CRD $350 top-up incentives (80% from oil, 17% from natural gas and 3% from propane heating) have been processed. The CRD continues to support continued promotions, and seed Group Purchase Rebate Codes on a rolling basis which offers an additional rebate opportunity to qualifying regional homeowners.	• Government of Canada, Province of British Columbia, local governments, BC Hydro and Fortis BC, City Green Solutions • Funders: District of Central Saanich, Township of Esquimalt, District of North Saanich, District of Saanich, City of Victoria
	✓ Complete	• Between 2018-2020, supported development and implementation of Federation of Canadian Municipalities (FCM) grant-funded Transition 2050: Residential Retrofit Acceleration Project; included strategies, marketing, industry engagement and pilot projects.	• City Green Solutions. Home Performance Stakeholder Council, City of Victoria, District of Saanich, District of Central Saanich, Township of Esquimalt • Funders: Federation of Canadian Municipalities
	Ongoing	• In 2020, support pilot project Bring it Home 4 the Climate aimed at supporting energy audits and expert coaching, the pilot will be designed to overcome various barriers. Due to popularity, the pilot has been extended into 2021.	• City Green Solutions. Home Performance Stakeholder Council, City of Victoria, District of Saanich, District of Central Saanich, Township of Esquimalt • Funders: Federation of Canadian Municipalities
	✓ Complete/ Planned	• In 2020, applied for FCM community efficiency financing grant to create a design study for a regional energy retrofit program. In 2021, complete a business case to investigate the feasibility and benefits of a regional energy retrofit service to help residents support home retrofits. Expand on this work with local governments if successful with FCM grant.	
3-2. **EDUCATE AND PROVIDE REGIONAL COORDINATION FOR NATIONAL AND PROVINCIAL INITIATIVES.**	Ongoing	• Supporting regional local governments in information sharing and coordination around BC Energy Step Code, electric vehicle charging policy and incentive programs.	
3-2-1. **Opt-in regulations** (e.g. the Energy Step Code, a tiered energy performance standard beyond Building Code)	✓ Complete	• Hosted a local government staff workshop on energy step code to further understand regional needs and opportunities.	• Local governments

Goal 3 | Buildings are high performing and low carbon (cont.)

RCAS Action	Status	2020 ACTION / PROJECTS	External Partners
3-2-2. **Energy literacy initiatives** such as energy benchmarking and, voluntary and mandatory energy labeling programs for buildings	Complete	• Obtained a grant funded a University of British Columbia intern to complete research to develop a regional energy benchmarking roadmap for Part 3 buildings.	• BC Hydro, University of British Columbia
	In progress	• Continue to circulate the building energy literacy materials and Climate Action To Go Kits. Co-supported the development of heat pump display for recreation centers. In 2020, in person outreach was limited due to COVID-19, so increased social media engagement.	• Libraries in the region, local governments
	In progress	• See Action 3-1 (CleanBC, Bring it Home 4 the Climate).	
3-3. **DEVELOP, DELIVER AND SUPPORT EDUCATIONAL PROGRAMS AND INITIATIVES** That achieve reductions in building-related GHGe and, water and energy use.	Planned	• Developed new drinking water school education programming.	
	Planned	• A similar project to the Hotel Water, Energy, and Greenhouse Gas Savings program is planned to help eight groceries stores reduce energy and water consumption.	
	Complete	• Drinking water cart events postponed due to COVID-19.	
	Complete	• Fix a Leak Week disrupted due to COVID-19. Some kits distributed to community associations. In 2021, planning for modified Fix a Leak Week using community associations and recreation centers if open.	
	Planned	• Create an introduction video for water conservation and watershed protection education workshops.	• Swan Lake Nature Sanctuary
	On hold	• Residential native plant gardening workshops planned for 2020 and 2021 have been delayed due COVID-19.	

Goal 3 | Buildings are high performing and low carbon (cont.)

RCAS Action	Status	2020 ACTION / PROJECTS	External Partners
3-3. **DEVELOP, DELIVER AND SUPPORT EDUCATIONAL PROGRAMS AND INITIATIVES** that achieve reductions in building-related GHGe and, water and energy use.	Complete	• To increase online engagement and replace in person opportunities disrupted by COVID-19, a series of six water conservation videos were created that incorporate climate impacts (part of Summer Yard Maintenance Stewardship series).	
	Ongoing	• Launched Aerator Replacement Program for businesses offering free replacements to reduce water consumption. Water and energy savings expected.	
	Planned	• Investigate the possibility of thermal imaging camera kits to distribute through regions libraries.	• District of Saanich
	In progress	• See Action 2-7 (Cool It! program).	
3-4. **PROVIDE RESEARCH, DATA AND ANALYSIS TO LOCAL GOVERNMENTS AND INTERESTED FIRST NATION GOVERNMENTS** on high performing, resilient and low carbon buildings.	Ongoing	• Participated in the provincial local government step code peer network and share learnings with capital region local governments.	
	In progress	• See Action 3-2.	
3-5. **SUPPORT AND DEVELOP PROGRAMS THAT INCREASE THE USE OF RENEWABLE ENERGY, GREEN INNOVATION AND SMART TECHNOLOGY IN BUILDINGS.**	Planned	• Oak Bay Lodge redevelopment, initial planning of long-term care facility with climate mitigation considered. Considering energy efficiency in all new buildings. • See Action 3-1 (Clean BC Better Homes, Bring it Home 4 the Climate, Residential Energy Retrofit Business Case).	

Goal 3 | Buildings are high performing and low carbon (cont.)

RCAS Action	Status	2020 ACTION / PROJECTS	External Partners
3-6. **BUILD CAPACITY AMONG BUILDING OFFICIALS AND INDUSTRY IN THE REGION BY:**			
3-6-1. **Sharing and promoting resources at monthly South Vancouver Island Building Officials meetings.**	Ongoing	• See Action 3-2 (Energy Step Code Program).	
3-6-2. **Supporting ongoing education of building officials and industry**	 In progress	• See Action 3-1 (CleanBC Better Buildings & Homes).	
3-7. **DEMONSTRATE LEADERSHIP BY IMPLEMENTING THE CCAS POLICY AND ACTIONS** related to existing and new corporate buildings.	Ongoing	• See Appendix B.	
PERFORMANCE INDICATORS			
• **Reductions in residential and commercial building GHGe and energy use**		• Regional Greenhouse Gas Inventory Study (2018): Residential buildings - 338,796 tCO2e (16% decrease compared to 2007 baseline). • Commercial & institutional buildings - 265,424 tCO2e (7% increase compared to 2007 baseline).	
• **Volume of water used in the Greater Victoria Water Supply Area**		• 48.384 M m^3 of drinking water was delivered through the regional water supply system.	

Goal 4 | Natural assets are valued for reducing our contributions to climate change

RCAS Action	Status	2020 Action / Projects	External Partners
4-1. **WORKING WITH PARTNERS, UPDATE THE REGIONAL INVENTORY OF LAND COVER.**	In progress	• Updating regional inventory of land cover. This will include change in canopy and impervious surfaces based on jurisdictional boundaries and watershed. To be completed in 2021.	• Local municipalities, core area, Saanich Peninsula, electoral areas
	In progress	• The 2020–2021 Land Acquisition Strategy was approved in May 2020. The proposed priority acquisitions are primarily additions to existing regional parks and will enhance the environmental values of a park, expand the regional park system, and will help protect existing natural areas within the parks. Climate change mitigation and adaptation values are factored into land acquisition criteria. The information from the landscape evaluation analysis will be used in the update of the 2012-2021 Regional Parks Strategic Plan.	
4-2. **COLLABORATE WITH LOCAL GOVERNMENTS AND INTERESTED FIRST NATIONS GOVERNMENTS** to develop and implement a strategy to improve, increase area of, and protect rural, suburban and urban tree canopy and root space.	Complete	• Land Acquisition Strategy renewed.	
	In progress	• Land cover classification project will report on changes in canopy cover since 1985. Deliverables will include suitable tree planting areas on private and public land to help municipalities with planning projects.	• Local municipalities, core area, Saanich Peninsula, electoral areas
4-3. **CONSIDER CARBON SEQUESTRATION AND STORAGE IN ALL CRD LAND, MARINE MANAGEMENT, ASSET MANAGEMENT AND ACQUISITION DECISIONS** to reduce community GHGe in collaboration with stakeholders and First Nations governments.	Ongoing	• Consider carbon sequestration in all park land acquisition decisions.	
	Planned	• Current two-year Land Acquisition Strategy concluded in 2019. Developing a new two-year strategy going forward.	
	In progress	• A collaborative research project, Balancing Forest, Wildfire and Carbon Management Strategies in a Changing Climate Project, seeks to model changes in forest composition and structure in the Greater Victoria Water Supply Area (GVWSA); associated changes to wildfire fuel types, crown fire initiation and burn probability; the effects of these potential changes on the carbon budget of the forests; and how forest fuel management activities could reduce potential threats to the forest.	• University of Victoria, Natural Resources Canada, Canadian Forest Service, ESSA Consultants • Funding: Alliance Grant from the National Science and Engineering Research Council
	Complete	• GVWSA Land Acquisition Priorities developed and approved by the Regional Water Supply Commission.	

Goal 4 | Natural assets are valued for reducing our contributions to climate change (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
4-3. **CONSIDER CARBON SEQUESTRATION AND STORAGE IN ALL CRD LAND, MARINE MANAGEMENT, ASSET MANAGEMENT AND ACQUISITION DECISIONS** to reduce community GHGe in collaboration with stakeholders and First Nations governments.	Complete	• Utilizing a Pacific Institute for Climate Solutions grant funded student intern and support from staff at the Natural Resources Canada (NRCan) Pacific Forestry Centre, CRD completed a project that assessed the forest carbon sequestration potential of the region's forest lands. This first phase project utilized NRCan's carbon budget model to quantify potential and offer recommendations on forest management, considering carbon sequestration only. Staff hosted a webinar for interested local government and CRD staff to share key insights. Staff will continue to look for opportunities to further investigate this topic.	• Pacific Institute for Climate Solutions
	Ongoing	• Continue to implement Official Community Plan permit system for areas with sensitive ecosystems.	
	Planned	• Acquisition of 145 acres of private forest land for protection of the Sooke Lake Reservoir watershed.	
4-4. **DEVELOP A SILVICULTURE WORKING GROUP FOR THE JUAN DE FUCA ELECTORAL AREA** in collaboration with landowners.	On hold	• Not a priority at this time.	
PERFORMANCE INDICATORS			
• **Completion of the regional inventory of land cover**		• Planned completion in 2021.	
• **Number of hectares of protected areas, forest land and tree cover**		• 53.1 = hectares of protected areas acquired.	

Goal 5 | Waste generation is minimized and remaining waste is transformed into a resource

RCAS Action	Status	2020 Action / Projects	External Partners
5-1. **MINIMIZE COMMUNITY GHGE** by completing the CRD Solid Waste Management Plan.	In progress	• Draft Solid Waste Management Plan completed. Public engagement process was conducted and input is being incorporated.	
5-2. **WORK WITH LOCAL GOVERNMENTS TO PLAN WASTE REDUCTION STRATEGIES** based on waste composition study results.	In progress	• See Action 5-1.	
5-3. **DEVELOP AND DELIVER PROGRAMS TO PROMOTE THE 3RS** (reduce, reuse, recycle) and zero waste approaches to reduce the amount of community solid waste (e.g. food preservation).	Ongoing	• Maintaining and promoting use of MyRecyclopedia online diversion directory.	
	Ongoing	• Support curbside recycling education (e.g. subscription for service reminders and updates, seasonal diversion, "extra material", warm weather tips education).	
	On hold	• No water cart events were held in 2020 because of COVID-19 restrictions.	
	In progress	• In an effort to reduce household food waste in the capital region, the CRD joined Love Food Hate Waste Canada as a campaign partner in 2018. In 2020, the CRD shared promotional videos and food-saving tips through its social media platforms, YouTube channel and website, participated in Waste Reduction Week — promoting Food Waste Friday — and provided relevant content for two advertorial news articles and nine community association newsletters. The CRD also participates in quarterly campaign partner meetings. For more information visit: www.crd.bc.ca/lovefood.	
	Ongoing	• The InfoLine is an essential part of education and outreach programs. This service responds to waste reduction, waste management and general Hartland Landfill inquiries.	
	Ongoing	• Under contract with the CRD, the Compost Education Centre (CEC) offers presentations, workshops and educational demonstrations, both at our demonstration gardens and out in the community. CEC also engages with volunteers, publishes a monthly e-newsletter and fact sheets on a range of related topics, and maintains the CEC Hotline and website. For more information see the CRD's Environmental Resource Managements 2020 Progress Report.	

Goal 5 | Waste generation is minimized and remaining waste is transformed into a resource (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
5-3. **DEVELOP AND DELIVER PROGRAMS TO PROMOTE THE 3RS** (reduce, reuse, recycle) and zero waste approaches to reduce the amount of community solid waste (e.g. food preservation).	Ongoing	• MyRecyclopedia.ca tool was developed to encourage sustainable practices and to reinforce the 3Rs of reduce, reuse and recycle. Items listed received 246,440 web visits in 2020.	
	Ongoing	• 10 organizations participated in the diversion funding program.	
	Ongoing	• Partners with five non-profit organizations for the management of donated items received at the Hartland depot.	
	Ongoing	• Hartland Public Drop Off Depot - Over 80 items from 28 product categories are accepted for recycling.	
	Ongoing	• Under agreement with Recycle BC, the CRD provided 128,830 single family dwellings with curbside recycling service for packaging and paper products. Since the program's inception in 1989 over 505,967 tonnes of recyclables have been collected.	
	Ongoing	• Residents on Salt Spring Island and the Southern Gulf Islands are provided recycling services through drop off programs set up at depots in their communities. The CRD, under agreement with Recycle BC, partners with local non-profit associations for recycling services for packaging and paper products at these depots.	
	Ongoing	• Under a local service funded by the community of Port Renfrew, residents and businesses access a transfer station for drop off of general refuse, kitchen scraps and recycling.	
	Ongoing	• Supported industry-led product stewardship. Continued to have one of the highest medication return rates per capita amongst regional districts in the province and total of 19,459 tonnes of packaging and paper products was collected through CRD programs.	
	Ongoing	• In 2020, 5,476 tonnes of source-separated yard and garden material and wood waste was received, ground and utilized for Hartland operations and capital improvements.	
	Complete	• Delivered waste education programming (three community programs, 26 school program and tours). Workshops disrupted by COVID-19.	
	Complete	• Improved and developed new online resources, lesson plans and activities for virtual engagement on waste diversion. Piloted virtual live tour of landfill.	

Goal 5 | Waste generation is minimized and remaining waste is transformed into a resource (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
5-3. **DEVELOP AND DELIVER PROGRAMS TO PROMOTE THE 3RS** (reduce, reuse, recycle) and zero waste approaches to reduce the amount of community solid waste (e.g. food preservation).	Planned	• Virtual live tour of landfill planned for various schools for Earth Day.	
	In progress	• See Action 2-7 (Cool It! program).	
5-4. **PROMOTE ORGANIC MATERIAL DIVERSION** (kitchen scraps, yard and garden waste) and facilitate the responsible recovery of resources locally.	Planned	• Implementation of mobile incineration unit for disposal for select invasives is planned for 2021.	
	In progress	• See Action 5-3 (Love Food Hate Waste).	
5-5. **IDENTIFY AND EVALUATE ADDITIONAL OPPORTUNITIES TO OPTIMIZE LANDFILL GAS RECOVERY AND ENERGY PRODUCTION FROM ORGANIC WASTE.**	In progress	• Monthly speciation will support landfill gas utilization and operations.	
	In progress	• Updated landfill gas quantification of fugitive emissions (wet and dry season).	
PERFORMANCE INDICATORS			
• **Completion of the CRD Integrated Solid Waste and Resource Management Plan**		• In-progress.	
• **Percentage of methane gas captured at Hartland Landfill**		• 67% percentage of methane gas captured at Hartland Landfill.	
• **Per capita waste disposal rate**		• 395 kg/per capita waste disposal rate. In 2018, BC's average was 505 kg per capita.	

Goal 6 | Regional vulnerabilities to the impacts of climate change are understood

RCAS Action	Status	2020 Action / Projects	External Partners
6-1. **CONTINUE AND EXPAND DATA COLLECTION AND MAPPING EFFORTS TO IDENTIFY VULNERABILITIES TO THE IMPACTS OF CLIMATE CHANGE AND ACQUIRE RESOURCES** to help prepare for a changing climate (e.g. Light Detection and Ranging data).	Complete	• Installed additional hydrology monitoring stations in the Leech Water Supply Area.	
	In progress	• Harbours Inventory update for core area planned to be completed in 2021.	
	Ongoing	• Update planned for this year for orthophoto project. Port Renfrew taking part in ground cover mapping project.	
	In progress	• Greater Victoria Water Supply Area Forest Fuel Management - 5S Rithet North Fuel Break.	
	Complete	• Purchased Post Wildfire Debris Flow Mitigation Supplies.	
	Ongoing	• Working with regional partners to identify tsunami inundation safe zones and educate the public.	
	Planned	• Additional hydrology monitoring in the Sooke and Goldstream Water Supply Areas.	• Forest Technology Solutions
	Planned	• An intertidal olympia oyster survey is ongoing and will be included in the Harbours Inventory. To be completed 2021.	• World Fisheries Trust
	Complete	• Completed Capital Region Coastal Flood Inundation Mapping Project to model and map various scenarios related to sea level rise and tsunamis. Shared results with local governments, First Nations and other partners.	• Inter-Municipal Climate Action Working Group, Local Government Emergency Managers Advisory Committee • Funders: Province of BC, Government of Canada (National Disaster Mitigation Fund)

Goal 6 | Regional vulnerabilities to the impacts of climate change are understood (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
6-2. **CONDUCT REGION-WIDE CLIMATE RISK AND VULNERABILITY ASSESSMENTS FOR NATURAL AND SOCIAL IMPACTS** (e.g. ecosystem shifts, invasive species, drought, disease) every five years, or sooner as new information (e.g. climate projects) becomes available in partnership with local governments and interested First Nations governments.	Complete	• Bowker Creek Daylighting Feasibility Study is complete and report is being shared with municipalities for endorsement. Bowker Creek Blueprint Implementation Framework has been completed to operationalize improved hydrological function and greenways. Next steps include an inter-municipal committee to create watershed-wide standards.	• City of Victoria, District of Saanich, District of Oak Bay
	Ongoing	• Greenshore Training Level 1 course offered in 2020 and another course is planned for 2021.	• Core local governments
	In progress	• Using mapping of ecosystems, forest characteristics, and invasive species to identify potential vulnerabilities and identify risk to the projected effects of climate change on the Greater Victoria Water Supply Area (GVWSA) and associated functions. • Expanding the monitoring network for weather and stream flow in the GVWSA to better understand watershed hydrology in the GVWSA and the potential effects of projected changes to climate. Conducting a review of how the latest climate change projections for the CRD relate to the records of climate for the water supply area over the past 100 years. Identifying needs for additional information to better understand the effects of climate change on the GVWSA.	
	Ongoing	• Updating the Regional Outcomes Monitoring Group as needed or as information becomes available. Collect and share data and indicators around the social determinants of health.	• Island Health, Greater Victoria Public Library, Inter-Cultural Association, Community Social Planning Council, Capital Region Food and Agriculture Initiatives Roundtable, United Way of Greater Victoria, University of Greater Victoria, Children's Health Foundation of Vancouver Island
	Complete	• Helped external group environmental group connect Craigflower Creek to online hydrological data tracking system.	
	Planned	• In 2021, contract consultant to implement better calibration on the seven creek data collecting systems to acquire improved flow data.	
	Planned	• As part of the Bowker Creek Daylighting Feasibility Study, looking at greenways for connectivity opportunities to rest of trail system. Updating the blueprint to incorporate updated greenways routing proposals.	• District of Saanich, District of Oak Bay, City of Victoria

Goal 6 | Regional vulnerabilities to the impacts of climate change are understood (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
6-3. **CONVENE APPROPRIATE PARTNERS TO IDENTIFY AND FILL GAPS IN MARINE MONITORING PROGRAMS,** to determine whether changes in the marine environment are related to climate impacts and advocate for the coordination of marine science data collection and research in region by the federal government.	Ongoing	• Ongoing seafloor monitoring. Added new stations to cover the footprint of the new McLoughlin Point Wastewater Treatment Plant outfall. All stations should provide enhanced spatial coverage to detect any climate or broader environmental changes relative to our outfall impacts.	
	Ongoing	• Continue to standardize monitoring methods to those used by other agencies such as PollutionTracker, Washington State Department of Ecology, etc. This standardization allows cross-jurisdictional comparison of results, thereby also ensuring a broader spatial coverage to detect environmental change.	
	Ongoing	• Monitoring program staff maintain connections with local academics and federal researchers to keep abreast of others' research into this topic. In 2020, staff attended the virtual Salish Sea Ecosystem Conference. In 2021, increase involvement in the Canadian Water and Wastewater Association.	
	In progress	• Establish a Peninsula Harbour service to identify marine issues and determine solutions.	• District of Central Saanich, District of Saanich, Town of Sidney
6-4. **AS THE LATEST CLIMATE DATA BECOMES AVAILABLE, SHARE WITH STAKEHOLDERS AND FIRST NATIONS GOVERNMENTS,** and facilitate the updating of regional climate projections.	Complete	• Hosted and coordinated invasive species best practices and management workshops. • See Goal 6-1 (Coastal Flood Mapping Project).	
6-5. **COMPILE RESEARCH ON ECOSYSTEM SHIFTS FOR STAKEHOLDERS, AND INTERESTED FIRST NATIONS, TO INCLUDE IN NATURAL AREA AND WATERSHED MANAGEMENT PLANNING** (e.g. watershed report cards).	Ongoing	• Continue partnership in the Climate Related Monitoring Program with BC Hydro, RioTinto, MetroVan and others.	
	Complete	• Received hydrological survey, and watershed management plan and it is now complete.	
	Planned	• Implementation of residential based nutrient reduction identified in the watershed management plan.	

Goal 6 | Regional vulnerabilities to the impacts of climate change are understood (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
6-5. **COMPILE RESEARCH ON ECOSYSTEM SHIFTS FOR STAKEHOLDERS, AND INTERESTED FIRST NATIONS, TO INCLUDE IN NATURAL AREA AND WATERSHED MANAGEMENT PLANNING** (e.g. watershed report cards).	Planned	• Design of oxygenation system planned to reduce nutrient leaching from sediment and reduce algae blooms. Planned to be in operation by spring 2022.	
	Planned	• Develop watershed assessment tool for Bowker Creek, Colquitz Creek, and Elk/Beaver Lake.	
6-6. **COLLABORATE WITH LOCAL GOVERNMENTS, AND INTERESTED FIRST NATIONS GOVERNMENTS, TO INCLUDE REGIONAL CLIMATE CHANGE PROJECTIONS IN INFRASTRUCTURE PLANNING STANDARDS** (e.g. revise design storms, Intensity Duration Frequency curves).		• No actions reported.	
6-7. **INCLUDE REGIONAL CLIMATE PROJECTIONS IN HAZARD, RISK AND VULNERABILITY ASSESSMENTS FOR THE THREE ELECTORAL AREAS'** Emergency Operations Work Plans and share regional climate change projections with local authorities' emergency programs.	Complete	• Utilized grant funds to support equipment procurement and training to assist electoral areas in wildfire response planning.	• Electoral areas' volunteer fire departments, North Galiano, Otter Point, Shirley and Port Renfrew • Funding: $117,000
	Planned	• Renew Electoral Area Community Wildfire Resiliency Plans.	
	In progress	• Search for new location for an Emergency Operation Center on Salt Spring Island still ongoing.	
6-8. **DEMONSTRATE LEADERSHIP BY DEVELOPING A CORPORATE CLIMATE ADAPTATION PLAN.**	In progress	• See Appendix B.	

Goal 6 | Regional vulnerabilities to the impacts of climate change are understood (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
PERFORMANCE INDICATORS			
• **Number of stakeholders and residents engaged through educational programming and outreach.**		• Data not available for 2020.	
• **Completion of the Climate Projections for the Capital Region report and integration of the results into CRD plans, strategies and processes**		• Study complete in 2017. Ongoing integration.	
• **Completion of an updated list of Species at Risk and critical habitats in regional parks**		• Regional Parks applying for a grant to support species at risk inventory and management which will help inform an updated list.	
• **Updated habitat survey for core area harbours**		• Harbours Inventory update for core area planned to be complete in 2021.	
• **Number of streams with water quality and flow monitoring stations**		• 10 (including hydrometric). In addition, helped external group environmental group connect Craigflower Creek to online hydrological data tracking system.	

Goal 7 | Communities are prepared for and resilient to the impacts of climate change

RCAS Action	Status	2020 Action / Projects	External Partners
7-1. **COLLABORATE AND COORDINATE WITH STAKEHOLDERS AND INTERESTED FIRST NATIONS GOVERNMENTS** to include climate change projections and risks in strategies, plans and policies.	In progress	• Participated with seven other local and regional governments on Vancouver Island in the ICLEI Canada Together for Climate Initiative.	• ICLEI Canada • Funders: Real Estate Foundation of BC (via ICLEI)
	In progress	• Supported development of the Vancouver Island Agricultural Climate Adaptation Strategy.	• BC Agriculture & Food Climate Action Initiative, Province of BC, other Vancouver Island Regional Districts
	Complete	• Supported the TETACES / Gulf Islands Climate Action and Education Project. The project developed and delivered three, five-day intensive educational programs that combined current climate science with tr aditional knowledge of the W̱SÁNEĆ people to inform and support decision-making on land use and climate action at both the local and regional levels. The final report was completed in July 2020.	
7-2. **WORK WITH STAKEHOLDERS, AND INTERESTED FIRST NATIONS GOVERNMENTS,** on an Integrated Watershed Management approach to changes in flows, groundwater storage and other stressors due to climate change.	Planned	• Will incorporate information from upcoming climate adaptation plan into new Official Community Plans.	
	Complete	• Culvert replacements considering climate change peak flow for Sooke Water Supply Area complete.	
	Planned	• Update Bowker Creek Blueprint using Greenways, Watershed implementation study and daylighting feasibility inputs.	

Goal 7 | Communities are prepared for and resilient to the impacts of climate change (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
7-3. **WORK WITH STAKEHOLDERS AND INTERESTED FIRST NATIONS GOVERNMENTS** to address the capacity of wastewater transmission and treatment systems to manage and minimize elevated flows as a result of increased inflow and infiltration due to climate change-induced storms.	Ongoing	• Supporting customized inflow and infiltration pilot projects in Oak Bay and Esquimalt to educate on basement flooding prevention and identifying root causes. To be completed in 2021.	• District of Oak Bay, Township of Esquimalt
7-4. **INCORPORATE CLIMATE-RELATED DISASTER PLANNING AND COMMUNICATIONS INTO PUBLIC OUTREACH ACTIVITIES.**	In progress	• Utilizing grant funds to promote FireSmart activities in electoral areas to minimize potential for wildfires.	• Federation of Canadian Municipalities • Funding: $50,000
	Planned	• Protective Services is leading a series of community forums for each major island and CRD electoral area to increase awareness of climate-related emergencies such as wildfire and tsunami inundation. These forums will be held online in 2022 and will include local first responders, subject matter experts, emergency program, and stakeholders. Participation will be open to all residents and permit open discussion and questions with the goal of increasing preparedness and resiliency to future climate-related disasters.	
	In progress	• New public alert system being evaluated.	
	Ongoing	• Maintain and promote PrepareYourself.ca.	
7-5. **WORK WITH THE PROVINCE AND THE REGIONAL EMERGENCY MANAGEMENT PARTNERSHIP TO REDUCE THE RISK OF INTERFACE FOREST FIRES.**	In progress	• Construction of the South Galiano Fire Hall is in progress.	• Government of Canada, Southern Gulf Islands Electoral Area • Funding: $84,000
	In progress	• A regional FireSmart Committee has been established with representatives from local governments, fire departments, and stakeholders form across the capital region.	• Government of Canada, Salt Spring Island, Pender Island, Juan de Fuca emergency program, Saturna FireSmart • Funding: $100,000

Goal 7 | Communities are prepared for and resilient to the impacts of climate change (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
7-6. **INTEGRATE AVAILABLE INFORMATION ON CLIMATE CHANGE RISKS AND VULNERABILITIES INTO JUAN DE FUCA ELECTORAL AREA OCP DEVELOPMENT** and educate residents on how to avoid or reduce damage and personal injury from storms and flooding (e.g. preparing buildings).	Planned	• No actions reported.	
7-7. **DEVELOP, DELIVER AND SUPPORT EDUCATIONAL PROGRAMS AND INITIATIVES THAT PROMOTE LOCAL FOOD SYSTEMS.**	On hold	• The seaweed harvest sites project is on hold due to COVID-19.	• Washington, Mainland BC and Vancouver Island
	In progress	• Support planning for Indigenous Foods Conference. Due to disruption by COVID-19, the conference will be adapted to a video presentation.	
PERFORMANCE INDICATORS			
• Incorporation of climate adaptation into emergency preparedness	Ongoing		
• Completion of Green Infrastructure Common Design Guidelines	Complete		
• Number of partnerships focused on local food education		• None reported.	
• Number of high priority stormwater discharges		• 46 wet weather related sewer volume permit exceedances.	
• Number of shoreline closure days and locations		• 108 closure days (combined from four locations).	
• Length of staged water restrictions		• May 1-Sept 30 (CRD Stage 1).	

Goal 8 | Natural assets are resilient to the impacts of climate change

RCAS Action	Status	2020 Action / Projects	External Partners
8-1. **DEVELOP A REGIONAL BIODIVERSITY STRATEGY WITH STAKEHOLDERS AND INTERESTED FIRST NATIONS THAT INCLUDES A SPECIES INVENTORY, PLANTING GUIDELINES AND PLANNING FOR NATURAL AREAS.** The Strategy should reflect regional climate change projections and adaptation priorities (e.g. sea level rise, flood inundation) and advocate to senior levels of government to protect biodiversity.	Planned	• Planned biodiversity inventory in development as a precursor to the strategy.	
8-2. **FOSTER THE REGION'S NATURAL AREAS RESILIENCY TO CLIMATE-INDUCED CHANGE** (e.g. sea level rise, flood inundation) in collaboration with stakeholders and interested First Nations.	In progress	• See Action 6-1 (Coastal Flood Mapping Project).	
	In progress	• Support SṈIDƟEŁ resiliency project at Tod Inlet, removing invasive species and building local connections. Planned completion in 2021.	
	Planned	• Planning an online symposium on invasive species with municipal partners, land managers and other stakeholders.	
8-3. **INCLUDE THE VALUE OF NATURAL AREAS IN REGIONAL CLIMATE ADAPTATION IN ALL CRD LAND AND MARINE MANAGEMENT, ASSET MANAGEMENT AND ACQUISITION DECISIONS,** and work collaboratively with stakeholders and interested First Nations.	Ongoing	• Prepared the space for a community-based association to operate and develop gardens.	
8-4. **ADVOCATE FOR INCREASED GROUNDWATER PROTECTION.**		• No actions reported.	
8-5. **CONTINUE TO USE ENVIRONMENTAL DEVELOPMENT PERMIT AREAS, COVENANTS AND OTHER MECHANISMS TO IMPROVE THE RESILIENCY OF SHORELINE AND MARINE HABITATS IN THE JUAN DE FUCA ELECTORAL AREA.**		• No actions reported.	

Goal 8 | Natural assets are resilient to the impacts of climate change (cont.)

RCAS Action	Status	2020 Action / Projects	External Partners
PERFORMANCE INDICATORS			
• Completion of a regional biodiversity strategy		• Not complete.	
• Percentage change in the amount of tree canopy cover		• Data unavailable.	
• Watershed evaluations that incorporate environmental and hydrological monitoring		• Evaluated water quality extensively in three watersheds. Took water quality measurements (dissolved xygen, pH, conductivity, temperature, orthophosphorus, nitrate, turbidity, E.coli) at the mouth of 25 other creeks. Measured just E.coli in approximately 10 others.	
• Number of volunteer hours leveraged in restoration or stewardship activities		• CRD Parks - 2176 hours by 344 volunteers.	

Additional | Regional climate action

RCAS Action	Status	2020 Action / Projects	External Partners
A-1. **FACILITATE REGIONAL CLIMATE ACTION EFFORTS AND SHARE INFORMATION ON THE BROAD RANGE OF CLIMATE ACTION TOPICS.**	Ongoing	• Continue to administer the CRD Climate Action Inter-Municipal Working Group and Task Force.	
	Ongoing	• Continue to develop and distribute a monthly climate action e-newsletter to local governments.	
	Ongoing	• Maintain collaboration websites to support ongoing coordination and communication for members of the inter-municipal committees.	
		• Discontinued the Resilient Region Exchange Series model in light of COVID-19.	
	 In progress	• Completed first year of two year BC Hydro co-funded community energy specialist position.	
	 In progress	• Provided quarterly updates on climate action activities through corporate dashboard and Chief Administrative Officer Progress report.	
	 Complete	• Various CRD staff provided input and data into the Transition Salt Spring Climate Action Plan 2.0.	• Transition Salt Spring

Appendix B

Goal 1 | Climate lens

Use a Climate Lens for Board decision-making that demonstrates how decisions align with the CRD's greenhouse gas reduction target, climate action objectives and strategic priorities

	Action	Timing	Status	Action / Project Description
1-1.	**IMPLEMENT THE CLIMATE LENS TEMPLATE TO PROVIDE A CLIMATE LENS REVIEW ON CAPITAL PROJECTS**	*2017*	Complete	• The CRD implemented a climate lens on all capital projects greater than $100,000 in value, and all capital projects 'in scope' for greenhouse gas reporting. The climate lens review is conducted during the capital budgeting and planning cycle. Staff will be reviewing this procedure as part of the renewal of the climate action strategy, which will inform future implementation phases of the climate lens policy. • Elected officials are provided ongoing updates on CRD's climate policy and Corporate Climate Action Strategy during the annual Climate Action Revenue Incentive Program reporting. Where appropriate, climate lens implications are incorporated into staff reports to the CRD Board and Committees. For example, this was included in the Hartland Landfill Gas Utilization reporting to inform Board decision making.
1-2.	**PROVIDE MEMBERSHIP OF ALL COMMITTEES AND COMMISSIONS WITH AN ORIENTATION TO THE CRD'S CORPORATE CLIMATE POLICY AT THE START OF EACH NEW SESSION**	*Each new session*	Ongoing	
1-3.	**INCLUDE CLIMATE LENS CONSIDERATIONS WITHIN STAFF REPORTS TO THE CRD BOARD AND COMMITTEES**	*Ongoing*	Ongoing	

Goal 2 | Management & operational decision-making

Integrate climate change considerations into CRD management and operational decision-making

	Action	Timing	Status
2-1.	**INCORPORATE CLIMATE CHANGE CONSIDERATIONS INTO BUDGET PLANNING CYCLE**	*Annually with service planning*	Ongoing
2-2.	**PREPARE AN ANNUAL SUMMARY ACROSS DIVISIONS** to present to senior management prior to service plan reviews	*Annually with service planning*	Ongoing
2-3.	**UPDATE THE PROJECT MANAGEMENT PROCESS TO INCORPORATE CLIMATE ACTION POLICY** into project requirements documents and project level decision-making	*TBD*	On hold
2-4.	**UPDATE THE ASSET MANAGEMENT PROCESS** to incorporate evaluation of most energy-efficient and/or low-carbon technologies at time of renewal	*2019*	In progress
2-5.	**INCLUDE CLIMATE CHANGE POLICY AND TARGET CONSIDERATIONS DURING CAPITAL PROJECT INITIATION PROCESS**	*Ongoing*	Complete
2-6.	**DEVELOP A MECHANISM TO PROVIDE FINANCING (SEED FUNDING) FOR STUDIES** or components of capital projects that support the CRD's corporate climate action policy	*2018*	Complete
2-7.	**INTEGRATE A REQUIREMENT TO DOCUMENT ALIGNMENT WITH THE CRD'S CORPORATE CLIMATE ACTION POLICY INTO STRATEGIC ASSET MANAGEMENT PLANS** for new and retrofit facilities and infrastructure	*2020*	In progress
2-8.	**ESTABLISH A STAFF CLIMATE ACTION ENGAGEMENT PROGRAM** including a climate action recognition program that acknowledges climate leadership among CRD employees	*2018*	In progress
2-9.	**ESTABLISH AN ONGOING STAFF CLIMATE ACTION WORKING GROUP TO SHARE KNOWLEDGE ACROSS THE ORGANIZATION** and continually evaluate best opportunities for accelerating climate action	*Ongoing*	In progress
2-10.	**UPDATE THE PROCUREMENT POLICY TO ALIGN PROCUREMENT AND VENDOR SELECTION WITH THE CRD'S CORPORATE CLIMATE POLICY** and develop supporting decision criteria and matrix	*TBD*	On hold

Action / Project Description

- The CRD continues to integrate climate change considerations into CRD management and operational decision-making.
- The CRD Corporate Asset Management Policy and Strategy, endorsed by the CRD Board in spring 2019, incorporates a climate change lens to ensure the CRD's climate policies are considered throughout the asset's lifecycle (ongoing operations and maintenance, and at the time of asset renewal and replacement).
- Since 2018, the Climate Action Reserve Fund has supported corporate climate action feasibility, energy studies, and related planning activities to corporate operations. The Sustainable Service-Delivery Plan Template (Strategic Asset Management Plans) incorporates the climate mitigation and adaptation risk assessments as a standard component in the template and will be carried out to all services when they are developed. The risk assessment framework for climate adaptation is currently underway and scheduled to complete in mid-2021.
- The CRD incorporated climate change considerations into regional and corporate strategic planning and included the climate lens into the capital planning template.
- A corporate climate action fleet and facilities working group meets quarterly to identify and coordinate key policy procedures and projects across the organization.
- All of these actions resulted in recognition for the CRD. In 2020, the CRD was recognized as one of Canada's greenest employers.

Goal 3 | Metrics & reporting

Monitor, report and communicate metrics to enhance continuous improvement across the organization

	Action	Timing	Status	Action / Project Description
3-1.	**ESTABLISH A CORPORATE ENERGY MANAGEMENT PROCESS FOR BUILDINGS, FACILITIES AND INFRASTRUCTURE** that includes: monitoring and reporting of facility energy consumption and energy management in existing buildings using the real-time utility data metrics that communicate progress towards the CRD's GHG target contextual information on changes in level of service, e.g., total corporate GHG emissions; GHG emissions/square foot of buildings operated by CRD	*2019*	In progress	• Accurate greenhouse gas (GHG) emissions measurement is required to achieve significant reductions in emissions. Since 2016, the CRD has been using an energy management system to track and consolidate utility billing information (natural gas, hydro and water) at the facility level. • In light of COVID-19, the Province waived Climate Action Revenue Incentive Program reporting requirements for 2019 but the CRD was still able to complete the report and a 2019 Climate Action Annual Report. • In 2020, the CRD started using a different GHG reporting tool as the province discontinued the SMARTTool and have been onboarding historical data into a new GHG accounting tool. CRD is participating in a BC Hydro corporate energy management program and is accessing support for planning activities and energy audits. Various sites have been approved to complete American Society of Heating, Refrigerating and Air-Conditioning Engineers Energy Audits. • The CRD also continued the Zero Emissions fleet Initiative and will implement recommendations overtime.
3-2.	**ESTABLISH A PROCESS TO COLLECT THE GHG EMISSIONS FOR ALL CONTRACTED SERVICES CONSIDERED "IN SCOPE" FOR GHG REPORTING**	*Ongoing*	On hold	
3-3.	**ESTABLISH A FLEET MANAGEMENT SYSTEM** that includes: GHG footprint calculations installing/engaging a monitoring system to improve fleet performance; evaluating and expanding a telematics system to the whole fleet, as appropriate; issuing an annual report of total vehicles, utilization, volume of fuel consumed, GHGs emitted and costs of ownership and maintenance; reviewing data collected to inform fleet policy and asset management and procurement processes	*2017 - 2019*	On hold	
3-4.	**INCORPORATE OUTCOMES OF ENERGY MANAGEMENT MONITORING INTO AN ADAPTIVE MANAGEMENT PROCESS** to ensure continuous improvement	*2018*	Ongoing	
3-5.	**DEVELOP A COMMUNICATIONS PLAN TO SHARE CORPORATE PROGRESS ON CLIMATE ACTION** with staff and public	*2017*	Complete	
3-6.	**COORDINATE THE ANNUAL CARIP REPORTING REQUIREMENTS**, on behalf of the organization	*Annually*	Ongoing	

Goal 4 | Adaptation

Accelerate corporate climate adaptation activities to enhance resilience and prepare for future climate change impacts

	Action	Timing	Status	Action / Project Description
4-1.	**COMPLETE DOWNSCALED CLIMATE PROJECTIONS REPORT AND IDENTIFY POTENTIAL IMPACTS OF CLIMATE CHANGE FOR THE REGION**	*2017*	Complete	• The Climate Projections for the Capital Region Report, completed in 2017, identified that temperatures in the capital region are warming, and the region would experience more frequent and wetter storms and be susceptible to sea level rise. To prepare for these changes, the CRD has included climate adaptation policy and considerations into the climate lens review that is conducted on capital projects. In 2020, the CRD completed a coastal flood hazard mapping and modelling project, which investigated coastal flood hazards due to sea level rise and tsunamis. Deliverables will support future asset climate risk assessments of CRD assets. • Also in 2020, the CRD initiated a corporate climate adaptation planning process which will be complete in 2021. It will address the assets (natural and engineered) and infrastructure that support service delivery and integrate with existing business practices, including asset management, risk management, business continuity and emergency management. The Zero Emissions Fleet Initiative has an emergency resilience component and the CRD has engaged with a masters student from the University of Victoria Institute for Integrated Energy Systems to complete a research project on the role of electric vehicles in a local disaster scenario.
4-2.	**IDENTIFY POTENTIAL IMPACTS OF SEA LEVEL RISE ON CRD ASSETS**	*2018*	In progress	
4-3.	**DEVELOP A CORPORATE CLIMATE ADAPTATION PLAN FOR THE CRD**	*2019*	In progress	
4-4.	**CONSIDER IDENTIFIED CLIMATE IMPACTS WITHIN RISK REGISTERS** in the enterprise risk management process and potential impacts of climate change for the region	*2019*	Ongoing	
4-5.	**CONSIDER CLIMATE ADAPTATION IN ALL NEW CAPITAL PROJECTS THROUGH THE CLIMATE LENS** review template	*Ongoing*	Ongoing	
4-6.	**IDENTIFY OPPORTUNITIES FOR GREATER REGIONAL RESILIENCE** in the CRD fleet (emergency preparedness) by: researching possibilities to use electric vehicles as a power source during outages; incorporating strategies to enhance emergency preparedness and resiliency through the use of electric vehicles into corporate plans, where appropriate	*2018-2020*	In progress	

Goal 5 | Fleet management

Achieve continuous, significant reductions in greenhouse gas emissions from the fleet and strive towards zero emissions for new fleet vehicles

	Action	Timing	Status	Action / Project Description
5-1.	**CONTINUE TO REPLACE END-OF-LIFE GAS AND DIESEL VEHICLES WITH ZERO EMISSIONS VEHICLES** when possible, including adding more battery electric vehicles to the fleet	*Ongoing*	Ongoing	• The CRD's goal of achieving continuous, significant reductions in greenhouse gas emissions from the fleet is being implemented through the Zero Emissions Fleet Initiative (ZEFI). • The CRD's goal of achieving continuous reductions in fleet related GHG emissions is being implemented through ZEFI. The CRD continues to acquire plug-in hybrid electric vehicles (PHEVs), electric vehicles (EVs) and hybrid vehicles to reduce fleet emissions. In late 2020, we received two hydrogen vehicles to pilot in the fleet over a six month period as per ZEFI commitments. In 2019, 8% of new light vehicles procured were EVs. In 2020, of all new light vehicles procured: 10% were EVs, 10% were PHEVs, and 20% were hybrids. The whole light duty fleet is: 3% EVs, 1.4% PHEVs, 4.7% hybrids. • The Corporate Green Fleet Policy is due to be completed in 2021 and will help prioritize low emission vehicles in CRD procurement. Staff will also be pursuing technical studies to support additional EV charging of fleet vehicles. • In 2020, the CRD completed a corporate electric bike procedure and expanded e-bike fleet within corporate CRD Headquarters and CRD Parks to a total of nine e-bikes, and trained an additional 36 staff members in their use. Expanded bike and e-bike parking was added at CRD Headquarters for staff commuters.
5-2.	**IDENTIFY, DEVELOP OR PROCURE A TOOL TO SUPPORT SELECTION OF NEW VEHICLES** based on utilization, operational needs, potential for electric vehicles and right-sizing	*Ongoing*	Ongoing	
5-3.	**REVIEW AND IDENTIFY PATH TO MEETING HIGHEST LEVEL OF THE WEST COAST ELECTRIC FLEET PLEDGE** (striving towards purchasing at least 10% zero emissions vehicles for all new light-duty fleet purchases)	*2017*	Complete	
5-4.	**BETTER UTILIZE SAP ASSET MANAGEMENT SYSTEM** to support preventative maintenance program and track all costs (including purchase-card purchases) associated with each fleet unit	*TBD*	On hold	
5-5.	**CONDUCT AN IN-DEPTH ANALYSIS OF THE ENTIRE CRD FLEET** to identify ways to optimize fleet utilization and efficiency and to reduce emissions and cut costs	*2017-2020*	In progress	
5-6.	**IDENTIFY, DEVELOP OR PROCURE A TOOL TO SUPPORT PREPARATION OF HIGH-LEVEL BUSINESS CASES** that demonstrate lifecycle costs and payback (fuel and maintenance) for investing in efficient vehicles	*2017-2020*	In progress	
5-7.	**INSTITUTE FLEET MANAGEMENT BEST PRACTICES** by: engaging all fleet vehicle operators in energy-efficient driver training program, recognizing staff who demonstrate efficient driving practices as part of the climate action recognition program	*2017-2020*	In progress	
5-8.	**RENEW THE DRAFT CORPORATE FLEET POLICY (2007) AND DEVELOP OR IDENTIFY TOOLS TO SUPPORT IMPLEMENTATION OF THE POLICY**, including: guidelines and/or a tool to evaluate operational needs in advance of vehicle purchase based on industry best practices, a tool to incorporate lifecycle costs and GHG emissions impacts as priorities during fleet purchasing process	*2017-2020*	In progress	

Goal 5 | Fleet management (cont.)

	Action	Timing	Status	Action / Project Description
5-9.	**ADD TWO ADDITIONAL BATTERY ELECTRIC VEHICLES TO THE CRD FLEET** to be available for staff to test and determine the locations and uses where a battery electric vehicle is a good fit to replace gas or diesel vehicles.	*2018*	Complete	
5-10.	**TEST THE USE OF ELECTRIC BIKES FOR THE SOURCE CONTROL PROGRAM INSPECTIONS** to replace existing gas-powered vehicle use, and evaluate opportunities for other downtown or short trip applications	*2017-2020*	Complete	
5-11.	**TEST HYDROGEN FUEL CELL ELECTRIC VEHICLES** to replace existing gas-/diesel-powered vehicles that are used for longer trips and heavier-duty applications	*2017-2020*	In progress	
5-12.	**MOVE TOWARDS CENTRALIZED RESPONSIBILITIES FOR FLEET VEHICLE ACQUISITION, USE AND MAINTENANCE** while maintaining a distributed approach to day-to-day operational activities (scheduling, fuelling, determining local needs and performing maintenance and repairs), based on a renewed corporate fleet policy	*TBD*	On hold	

Goal 6 | Existing buildings, facilities & infrastructure

Accelerate a reduction in energy use and greenhouse gas emissions in existing buildings, facilities and infrastructure

	Action	Timing	Status	Action / Project Description
6-1.	**INCORPORATE ENERGY EFFICIENCY INTO ALL REGIONAL WATER SUPPLY INFRASTRUCTURE RENEWAL PROJECTS** through strategic asset management plans		Ongoing	• In 2020, the CRD approved, in principle, an agreement where FortisBC will purchase Renewable Natural Gas (RNG) generated from Hartland Landfill for beneficial use in its natural gas distribution system. The project is expected to reduce the region's greenhouse gas (GHG) emissions by approximately 264,000 tonnes of carbon dioxide equivalent over the 25-year project life. The CRD hopes to be able to access some of the RNG for their corporate use in the future as well. • The energy consumption of CRD buildings and facilities will be reviewed as part of the BC Hydro supported strategic energy management plan and associated American Society of Heating, Refrigerating and Air-Conditioning Engineers Audits. • In 2020, CRD submitted a provincial grant application for up to $1.9 million to support a heat recovery project at Panorama Recreation Centre. This is would significantly reduce the facility's GHG emissions. A grant decision is expected in spring 2021.
6-2.	**COMPLETE RECOMMENDATIONS FROM THE PANORAMA AND SEAPARC ENERGY ASSESSMENTS** that minimize GHG emissions and energy use, including upgrading to high-efficiency natural gas boilers, implementing ice plant heat recovery at SEAPARC and investigating the waste heat recovery opportunity at Panorama	*2018-2020*	In progress	
6-3.	**REDUCE GHG EMISSIONS THROUGH FUEL SWITCHING TO RENEWABLE NATURAL GAS (RNG), AND CONDUCT A BUSINESS CASE ANALYSIS TO PRODUCE RNG**	*2018-2020*	In progress	
6-4.	**DEVELOP CONSERVATION DEMAND MANAGEMENT PROGRAM FOR STAFF TO RAISE AWARENESS ABOUT ENERGY-SAVING HABITS AND BEHAVIOURS**	*TBD*	On hold	
6-5.	**COMPLETE A REVIEW OF THE 15 LARGEST ENERGY CONSUMING BUILDINGS AND FACILITIES** every four years to develop a list of priority opportunities for energy and GHG emissions reductions and incorporate opportunities into service plans	*2018*	In progress	

Goal 7 | New buildings, facilities & infrastructure

Achieve high-performance standards and strive towards net-zero energy for all new construction

	Action	Timing	Status	Action / Project Description
7-1.	**ESTABLISH TECHNICAL STANDARDS FOR NEW CONSTRUCTION TO ENSURE HIGH ENERGY PERFORMANCE AND LOW-CARBON CRITERIA ARE INCORPORATED INTO DESIGN OF NEW FACILITIES,** including: aligning standards with new provincial Energy Step Code (e.g., Passive House Standard); ensuring standards are incorporated in requests for proposals as baseline	*TBD*	On hold	• The best time to address energy consumption and greenhouse gas (GHG) emissions is at the very beginning of new capital projects. Through the climate lens, the CRD is working to ensure that every new capital project meets the policy, targets and objectives identified within the corporate climate action strategy. Asset management has applied for a grant to develop a template for a corporate business case analysis to include lifecycle considerations. In 2021, staff also intend to develop a new corporate green buildings policy which will include GHG emissions considerations.
7-2.	**DESIGN HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS THAT MINIMIZE THE USE OF FOSSIL FUELS** (heating oil and natural gas) and consider renewable energy sources		Ongoing	
7-3.	**INCORPORATE LIFE CYCLE COSTING TO CALCULATE THE BUSINESS CASE FOR ALL CAPITAL PROJECTS OVER $100,000 IN VALUE**	*TBD*	On hold	
7-4.	**UPDATE THE PROJECT MANAGEMENT PROCESS TO REQUIRE COMMISSIONING OF ALL NEW BUILDINGS** to ensure they are operating at maximum efficiency	*TBD*	On hold	
7-5.	**INCLUDE CLIMATE ACTION CONSIDERATIONS IN THE CAPITAL PROJECT INITIATION PROCESS** (see page 46 of the Corporate Climate Action Strategy)	*TBD*	On hold	

Making a difference...together

REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 05, 2021

SUBJECT **CRD 2020 Audit Findings Report and Statement of Financial Information**

ISSUE SUMMARY

To approve the Capital Regional District (CRD) 2020 Statement of Financial Information (SoFI) and receive the 2020 Audit Findings Report for information.

BACKGROUND

The *Local Government Act* and the *Community Charter* require local governments to prepare financial statements each calendar year. The financial statements must be prepared in accordance with Generally Accepted Accounting Principles for Local Government (Canadian Public Sector Accounting Board (PSAB) Standards) and independently audited by a qualified auditor.

These statements, along with the annual filing of the Local Government Data Entry (LGDE) form, must be submitted to the Inspector of Municipalities by May 15 each year and must be available for public viewing at this time. The Statement of Financial Information and the annual municipal report must be completed by June 30 each year.

The audit has now been completed. The 2020 Audited Financial Statements have been prepared by management in accordance with Canadian Public Sector Accounting Board (PSAB) Standards. Under PSAB regulations, governments are required to present five statements with explanatory notes:

1. Statement of Financial Position
2. Statement of Operations
3. Statement of Change in Net Debt
4. Statement of Remeasurement Gains and Losses
5. Statement of Cash Flows

In addition to the required statements listed above, the 2020 Consolidated Statements of Financial Information (Appendix A) include:

1. Schedule of Remuneration and Expenses – Employees
2. Schedule of Remuneration and Expenses – Directors & Alternate Directors
3. Schedule of Remuneration and Expenses – Committee & Commission Members
4. Schedule of Remuneration and Expenses – Project Board Members
5. Statement of Severance Agreements
6. Schedule of Payments to Suppliers for Goods and Services
7. Schedule of Guarantee and Indemnity Agreements

Also included in the package are unaudited statements (Appendix B) that present long term debt, reserve and financial statements for each service, a whitepaper on rating Canadian Municipal Governments (Appendix D) which describes DBRS's credit rating methodology, additional

financial analysis (Appendix E) that provides financial indicators on 2020 financial results, and the 2020 Audit Findings Report (Appendix F).

The Audit Findings Report summarizes responsibilities of the auditor, scope of work, and audit results. The report also confirms there were no significant changes in the audit approach from the Audit Planning Report presented to the Board on January 13, 2021. In summary, the auditor did not identify any significant uncorrected differences or significant control deficiencies.

ALTERNATIVES

Alternative 1
The Finance Committee recommends to the Capital Regional District Board:
That the Capital Regional District 2020 Audit Findings Report be received and the Capital Regional District 2020 Statement of Financial Information be approved.

Alternative 2
That the Capital Regional District 2020 Audit Findings Report be received and the Capital Regional District 2020 Statement of Financial Information be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

Audit Findings Report

The Auditor's opinion is included as part of the Independent Auditors' Report within the financial statements (Appendix A). In KPMG's opinion, the financial statements present fairly, in all material respects, the financial position of the Capital Regional District as at December 31, 2020, in accordance with Canadian public sector accounting standards.

The Audit Findings report (Appendix F) provides the results of their audit, and further discusses areas of focus identified in the Audit Planning Report presented to Board on January 13, 2021. Also included in the report is a summary of corrected and uncorrected adjustments on pages 28 and 29. Adjustments made during the course of audit field work are a result of both those detected by management and by KPMG through various reconciliation and testing activities.

Generally, adjustments may remain uncorrected when an element of uncertainty exists and/or the adjustment has a material impact on accounting activities in a closed period but not considered to have a material impact on decision making. All uncorrected adjustments are below the materiality threshold determined by the auditor. KPMG concurs with managements' assessment of year-end adjustments.

Financial Statements

The Consolidated Statement of Financial Position and the Consolidated Statement of Operations form the basis of the audited financial statements and are similar to the Balance Sheet and Income Statement in private organizations.

The Capital Region Housing Corporation (CRHC) financials are consolidated in the CRD financial statements, as required by PSAB.

HIGHLIGHTS

1. Consolidated Statement of Financial Position

The Statement of Financial Position highlights the following four key elements that together, describe the financial status of the organization:

a. Financial Assets and Liabilities (cash resources and obligations),
b. Net Debt position (calculated as the difference between assets and liabilities)
c. Non-financial assets that are held for service provision (such as tangible capital assets), and,
d. The accumulated surplus (referred to as equity in private organizations).

Financial Assets

Financial assets are non-physical assets whose value is derived from a contractual claim. The financial assets as of year-end consist of cash, short and long term investments, accounts receivable and debt recoverable from member municipalities. As an example, these assets can be used to pay vendors, employees, and make debt payments.

Total financial assets are $548.5 million as of year-end, an increase of $61.3 million or 13%. Table 1 details balances within the financial assets as of December 31 and provides the change year over year:

Table 1 – Change in Financial Assets Year over Year ($ millions)

Description	2020	2019	$ Change	% Change
Cash and cash equivalents	176.9	184.5	(7.6)	(4%)
Investments	185.7	114.2	71.5	63%
Accounts Receivable	35.0	23.2	11.8	51%
Member Debt & MFA Debt Reserve Fund	150.9	157.0	(6.1)	(4%)
Land held for resale	-	8.3	(8.3)	100%
Total Assets	**$548.5**	**$487.2**	**$61.3**	**13%**

Cash and cash equivalents includes cash on hand, bank deposits and cashable investments. The balance decreased in 2020 by $7.6 million ($184.5 million to $176.9 million). Further detail on changes in cash are discussed below in section 5, Consolidated Statement of Cash Flows.

Investments include short term deposits of $141.7 million and long term holdings in the MFA bond fund of $44.0 million. Investments increased compared to 2019 by $71.6 million. The year-end investment balance will vary depending on timing of operational cash needs and whether higher investment yields can be obtained with term deposits (classified as investments on the financial statements) or HISA accounts (classified as cash on the financial statements).

Accounts receivable are due through the normal course of business. The balance at year-end will vary as a result of the timing of invoicing and payments. The increase of $11.8 million, or 51%

from prior year, was due to $11.1 million in federal grants for the Wastewater Treatment Project (WTP).

Regional districts and municipalities are required to finance debt through the MFA. In the financial statements, debt recoverable from member municipalities is a receivable for their respective financing obligations, as such, there is no direct impact on CRD net debt. In 2020, member municipalities had a net decrease of $6.1 million in debt, decreasing the outstanding amount receivable, caused by $6.3 million in additional borrowing offset by $12.4 million of repayments leaving a year-end balance of $146.9 million.

The debt reserve fund is the amount held by the MFA as security for debt obligations issued to the District. These amounts are refundable, with interest upon debenture maturity. Cash deposits of $3.9 million (excluding member municipalities) are presented as a receivable on the financial statements. This balance fluctuates with debt issues and maturities.

Liabilities

Liabilities are obligations or debt that will be settled through financial assets. These obligations represent the costs for goods and services consumed and owed by the CRD. Liabilities are used to finance operations and large capital construction or acquisitions. As of December 31, 2020, liabilities totaled $628.8 million, an increase of $41.2 million or 7% from prior year. Table 2 provides balances and year over year changes:

Table 2 – Change in Liabilities Year over Year ($ millions)

Description	2020	2019	$ Change	% Change
Accounts Payable and Other Liabilities	117.1	111.3	5.8	5%
Deferred revenue	32.7	16.0	16.7	105%
Short term debt	61.3	-	61.3	-
Long term debt	405.0	447.3	(42.3)	(9%)
Landfill closure and post-closure liability	11.3	10.7	0.6	6%
Other liabilities	1.4	2.3	(0.9)	(38%)
Total Liabilities	**$628.8**	**$587.6**	**$41.2**	**7%**

Compared to 2019, accounts payable increased by $5.8 million or 5% due to WTP construction invoices outstanding at year-end. The increase in deferred revenue of $16.7 million or 105% is due to $15.4 million received through the Reaching Home and Rapid Housing grant programs for affordable housing projects in 2021.

Short-term debt, as detailed in note 3 of the financial statements, was held by CRHC directly related to $61.3 million from the BC Housing Mortgage Corporation. The short-term debt was used to finance the purchase of Spencer and West Park properties and converted to long-term mortgages in January 2021.

Long-term debt includes balances for CRD, CRHC, and member municipalities as detailed in note 4 of the financial statements. CRD and CRHC Long term debt decreased by $36.2 million to $258.2 million, while member municipality debt decreased by $6.1 million to $146.9 million. Long term debt is decreasing as repayments have outpaced new financing.

Landfill closure and post-closure liability increased by $0.6 million, representing an additional year of capacity usage. The total liability represents an estimate of the present value of future cost obligations due to required closure and post-closure activities. Changes in estimated costs, useful life of the landfill, discount rate and capacity estimates can have significant impacts on recorded liability.

The decrease of $0.9 million in other liabilities relates to $0.7 million of remediation work completed, $0.5 million relating to WTP and $0.2 million at the Weeks Lake gravel pit. The remaining $0.2 million decrease was due to new information provided in 2020 relating to the Millstream Septage Lagoon liability which reduced the known scope of contamination.

Non-Financial Assets

Non-financial assets are resources held for service delivery over one or more future periods. Examples include tangible capital assets, inventories of supplies, and prepaid portions of land leases. Table 3 lists balances of non-financial assets and changes from 2019:

Table 3 – Change in Non-Financial Assets Year over Year ($ millions)

Description	2020	2019	$ Change	% Change
Tangible capital assets	1,760.5	1,529.6	230.9	15%
Other Non-Financial Assets	2.6	1.7	0.9	53%
Total Non-Financial Assets	**$1,763.1**	**$1,531.3**	**$231.8**	**15%**

Non-financial assets increased by $231.8 million to $1.76 billion in 2020, mainly driven by an increase in tangible capital assets of $230.9 million. The change consists of $268.4 million of tangible capital assets acquired or contributed and an offset of $33.8 million amortization and a loss on disposal of $3.6 million for WTP. The loss is on disposal of sewer infrastructure at Macaulay Point and Clover Point that was replaced with new WTP assets that were put into use at the end of 2020.

Significant asset additions for 2020 include:
- $133.2 million for the Wastewater Treatment Project; and
- $75.5 million for the West Park and Spencer housing property acquisitions.

Accumulated Surplus

The accumulated surplus or net book value of equity for the CRD is $1.68 billion, showing the organization has assets (Financial and Non-Financial) of greater value than what it owes (Liabilities). Table 4 summarizes accumulated surplus by significant category.

Table 4 – Accumulated Surplus Categories ($ millions)

Description	2020	2019
Equity Invested in Tangible Capital Assets	1,441.1	1,243.5
Capital and Operating Reserves	141.4	137.5
Net Operating Funds	99.7	50.5
2020 Accumulated Surplus	**$1,682.2**	**$1,431.8**

2020 CRD net operating funds of $99.7 million represents 5.9% of accumulated surplus. The balance is primarily in tangible capital assets, operating and capital reserves representing 94.1% of accumulated surplus.

Operating Reserve Funds enable each service area to set aside funds to mitigate fluctuations in revenue driven by cyclical expenditures, unforeseen operating expenses and special one-time operating projects. Capital Reserve Funds accumulate resources for future capital expenditures. Periodically, services transfer either budgeted or operating surplus funds to their respective capital reserve fund. The practice of building capital reserves for funding ongoing infrastructure renewal is essential to ensure long-term sustainability of infrastructure-dependent CRD services.

2. Consolidated Statement of Operations

The Statement of Operations identifies results of financial activities for the fiscal year by presenting revenues less expenses on an accrual basis. Under accrual accounting and the matching principle, the CRD records economic events regardless of when cash is actually received or used, with the objective of matching period revenues with incurred costs.

As required by PSAB reporting standards, the budget authorized by bylaw is included on the Statement of Operations and has been adjusted to exclude reserve transfers and principal repayment, and any other items not classified as expenses under the accounting standards. Other differences from budget exist due to adjustments to actuals for elimination and classification purposes. These differences include labour allocations, inter-service recoveries, grant revenue, deferred revenue, donations and amortization expense.

Revenue

2020 Revenue was $433.2 million, an increase of $1.8 million or 0.4%. Revenue totals by type and changes from 2019 are summarized in Table 5:

Table 5 – Change in Revenue Year over Year ($ millions)

Description	2020	2019	$ Change	% Change
Government transfers	302.1	305.1	(3.0)	(1%)
Sale of services	77.7	77.1	0.6	1%
Other revenue	16.3	15.7	0.6	4%
Interest earnings	5.6	6.3	(0.7)	(11%)
Developer contributions	5.7	3.3	2.4	73%
Affordable housing - rental income	17.0	15.7	1.3	8%
Other revenues	8.8	8.2	0.6	7%
Total Revenue	**$433.2**	**$431.4**	**$1.8**	**0%**

Primary drivers for changes in revenue are:

- $3.0 million decrease in government transfers primarily due to a $64.1 million decrease in federal grants offset by a $59.0 million increase in provincial grants.

- $0.6 million increase in sale of services due to $2.6 million increase in water revenue, $0.3 million increase in Hartland landfill refuse revenue, offset by $2.3 million decrease in recreation services revenue.
- $0.6 million increase in other revenues driven by $0.5 million in proceeds from an insurance claim and $0.1 million relating to COVID bylaw enforcement recoveries.
- $0.7 million decrease in interest earnings due to declining interest rates.
- $2.4 million increase in developer contributions relating to water infrastructure assets and household water connections in the Juan de Fuca Water Distribution service. Lead drivers include $0.7 million relating to the Belmont Market development and $1.3 million due to Kemp Lake Waterworks.
- $1.3 million increase in affordable housing revenue driven by rental units increasing from 1,418 in 2019 to 1,773 in 2020.

Expenses

Expenses in 2020 increased by $5.6 million or 3.2% to $182.8 million. As shown through segmented reporting, note 19 in the financial statements, the change by expense type over 2019 is summarized in table 6:

Table 6 – Change in Expenses Year over Year ($ millions)

Description	2020	2019	$ Change	% Change
Salaries, Wages and Benefits	68.9	65.2	3.7	6%
Contract for services and consultants	22.1	19.9	2.2	11%
Other expenses	91.8	92.1	(0.3)	0%
Total Expenses	**$182.8**	**$177.2**	**$5.6**	**3%**

Expense changes were driven by:

- $3.7 million increase in salaries, wages and benefits related to contractual agreements and benefit load costs.
- $2.2 million increase in contract for services and consultants due to $0.4 million increase in CRHC, $1.0 million increase in WTP, $0.4 million increase in curbside recycling, $0.3 million increase in solid waste landfilling operations and $0.1 million increase in lab services relating to marine assessment in environmental health services.

2020 Annual Surplus

The net difference between revenues and expenses for 2020 is an annual surplus of $250.3 million, which is summarized in table 7 below:

Table 7 – Surplus Reconciliation ($ millions)

Description	2020	2019
Operating surplus (final budget)	1.3	2.3
Add: Increase in Capital Equity	185.1	215.7
Add: Increase in Capital and Operating Reserves	3.6	3.8
Add: Increase in Operating Funds	61.7	34.3
All Other Eliminating/PSAB Entries	(1.4)	(1.9)
2020 Annual Surplus	**$250.3**	**$254.2**

The Operating surplus of $1.3 million is 0.5% of annual budgeted revenues and driven by surpluses in Environmental Health Services, Landfill operations, Water Services, Sewer Services and Recreational and Cultural Services.

The increase in equity, reserves and operating funds account for the difference from operating surplus for final budget and the surplus for financial statement purposes. The amounts represent use of surplus to fund capital, reserves and annual operating costs in the future.

3. Other Financial Statements Analysis

Summaries and analysis of the remaining 3 statements can be found in Appendix C;

3. Statement of Change in Net Debt,
4. Statement of Remeasurement Gains and Losses; and
5. Statement of Cash Flows

Financial Indicators

As in prior years, the consolidated financial health of the organization is monitored and reported through financial indicators (Appendix D). These measures demonstrate a consistent, healthy financial position based on operational needs, market conditions and debt servicing costs.

COVID-19 Impacts

An assessment was made by management and the auditor regarding organizational impacts due to COVID-19. Overall, there was no significant financial impact in the 2020 fiscal year. Notable service impacts occurred in the recreation and cultural services, specifically, as a result of Provincial health orders requiring the temporary closure of the Panorama Recreation Center, SEAPARC Leisure Complex and the Rainbow Road Aquatic Centre on Salt Spring Island. As the pandemic is still impacting service levels at recreation centers budgets have been adjusted to balance against available revenue.

In September 2020, the Province announced joint Provincial and Federal funding to support local government operations as part of BC's Economic Recovery Plan. The CRD received $1.4 million in grants from this initiative in November 2020 and an additional $0.6 million was received in March 2021.

The economic conditions and the CRD's response to the pandemic did not have a material impact on the District's operating results and financial position in 2020.

Emerging Accounting Issues

As identified in appendix 3 of the Audit Findings report (Appendix F), the upcoming asset retirement obligation change is a significant accounting standard that will be effective for the year ending December 31, 2021. The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets. It will require the CRD to record a liability in the financial statements related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital asset.

It is expected the introduction of the new accounting standards for asset retirement obligations will result in a significant revaluation of the landfill liability and recognition of all closure and post-closure costs. The standard will require the entire post-closure liability to be recorded upfront rather than overtime as is currently done. The change in standard does not address or direct how the liability will be funded.

As staff begin preparing to implement the standard across all services, scope, timing and financial implications will be reported to the Board through Committee. The standard change will require a significant level of effort and be addressed in the annual service planning process.

CONCLUSION

Board approval of the CRD 2020 Statement of Financial Information is required under the *Local Government Act*, *Community Charter*, and *Financial Information Act*. As noted in the Audit Findings Report, it is the auditors' opinion that these financial statements present fairly the consolidated financial position of the CRD as of December 31, 2020, and the results of financial activities for the year then ended in accordance with Canadian Public Sector Accounting Standards.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
That the Capital Regional District 2020 Audit Findings Report be received and the Capital Regional District 2020 Statement of Financial Information be approved.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2020 Statement of Financial Information
Appendix B: 2020 Unaudited Statements
Appendix C: 2020 Other Financial Statements Analysis
Appendix D: DBRS Rating Methodology
Appendix E: 2020 Additional Financial Analysis
Appendix F: 2020 Audit Findings Report
Appendix G: 2020 KPMG Management Letter



Capital Regional District
2020 Statement of Financial Information

Presentation to Finance Committee

Wednesday May 5, 2020

2020 Executive Summary

1. Financial Reporting Timeline
2. What are the Financial Statements
3. How do the Statements Relate
4. Highlights from Statements
5. Additional Information
6. Financial Metrics and Indicators



In 2020, the CRD continued supporting Regional Priorities identified in the Corporate and Strategic Plan through extraordinary economic conditions, a challenging labour market, and unprecedented growth in asset utilization

Investments made for the Future

capital investment was 7.9x depreciation while 8% of revenue was committed to debt repayments

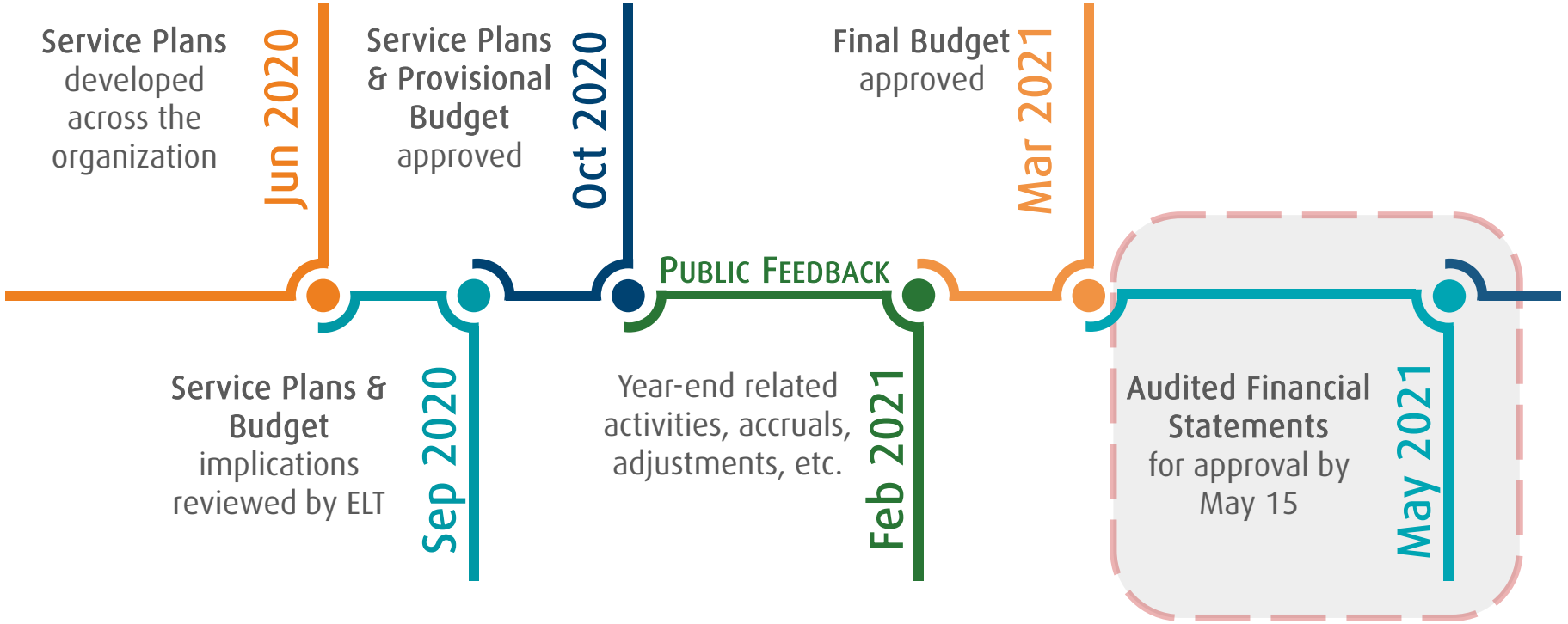
Managing the Cost of Debt

7.6% of total revenue was committed to long-term debt repayment

Diversifying Revenue Streams

39% of total revenue came from government grants while 29% came from sale of services

Budget Planning Timeline



CRD Audited Financial Statements

- Legislation requires statements be approved and submitted to the Ministry of Municipal Affairs and Housing by May 15
- Financial Statements are prepared on an accrual basis (as required by PSAB)
- Consolidated statements include all CRD services and CRHC

What are the Financial Statements?



Financial Position

The overarching statement that summarizes CRD's financial position at a point in time.

Changes in the financial position are summarized in the following four statements.



Operations

Explains the change in the overall financial position during the accounting period except those reported in the Statement of Remeasurement Gains and Losses.



Change in Net Debt

Reconciles the change in net debt for the current and prior year.

Net debt is a financial performance measure unique to public sector financial reporting.



Remeasurement Gains and Losses

Explains the change in the overall financial position due to remeasurements related to unrealized gains and losses on specific financial assets and liabilities recorded at fair value.



Cash Flows

Explains the change in cash and cash equivalents from the prior year and provides information about the ability to generate cash to meet cash requirements.

How do the statements relate?

Statement of Financial Position	2020	2019
Financial Assets		
Cash & Cash Equivalents	XXX	XXX
Other Assets	XXX	XXX
	XXX	XXX
Financial Liabilities		
Accounts Payable	XXX	XXX
Other Liabilities	XXX	XXX
	XXX	XXX
Net Financial Assets (Debt)	XXX	XXX
Non-Financial Assets		
Tangible Capital Assets	XXX	XXX
Other Non-Financial Assets	XXX	XXX
	XXX	XXX
Accumulated Surplus is comprised of;		
Accumulated Operating Surplus	XXX	XXX
Accumulated Remeasurement Gains/Losses	XXX	XXX

Explaining Changes in Financial Position

Statement of Cash Flow	2020	2019
Operating Transactions	X	X
Capital Transactions	X	X
Investing Transactions	X	X
Financing Transactions	X	X
	X	**X**
Cash & Equivalents at Beginning of Year	X	X
Cash & Equivalents at End of Year	**X**	**X**

Statement of Net Debt	2020	2019
Annual Surplus	X	X
Acquisition of Tangible Capital Assets	X	X
	X	**X**
Net Debt at Beginning of Year	X	X
Net Debt at End of Year	**X**	**X**

Statement of Operations	2020	2019
Revenue	X	X
Expenses	X	X
	X	**X**
Accumulated Surplus Beginning of Year	X	X
Accumulated Surplus End of Year	**X**	**X**

Statement of Remeasurement Gains	2020	2019
Accumulated Remeasurement Opening	X	X
Net Remeasurement Gains (Losses)	X	X
Accumulated Remeasurement Close	**X**	**X**

1. Statement of Financial Position

Summary of Consolidated Statement
December 31, 2020 with comparative information for 2019 ($M)

	2020	2019	B/(W) $	B/(W) %
Financial Assets	549	487	61	13%
Financial Liabilities	(629)	(588)	(41)	7%
Net Debt	**(80)**	**(100)**	**20**	**20%**
Non-Financial Assets	1,763	1,531	232	15%
Accumulated Surplus	**$1,683**	**$1,431**	**$252**	**18%**

Change in Financial Assets

- Increase in cash, cash equivalents and investments +64M, receivables +12M due CAWTP grants offset by a decrease in land held for sale (8M)

Change in Financial Liabilities

- Increase in debt +19M due to CRHC housing acquisitions for RHFP
- Increase in accounts payable +6M due to CAWTP expenses
- Increase in deferred revenue +17M related to federal grants for RHFP

Change in Non-Financial Assets

- Due to increase in tangible capital assets +230M driven by additions to engineering structures +106M, buildings +80M and work in progress +42M

2. Statement of Operations

Summary of Consolidated Statement
December 31, 2020 with comparative information for 2019 ($M)

	2020	2019	B/(W) $	B/(W) %
Revenue	433	431	2	0%
Expenses	(183)	(177)	(6)	3%
Annual Surplus	**250**	**254**	**(4)**	**(2)%**
Accumulated Surplus Beginning of Year	1,432	1,178	254	22%
Accumulated Surplus End of Year	**$1,682**	**$1,432**	**$250**	**17%**

Change in Revenue

- Increase in developer contributions +2.4M, rental income +1.3M, and sale of services +1.2M, offset by a decrease in government grants (3M)

Change in Accumulated Surplus

- Operating Surplus +62M, and +188M increase in capital and reserve equity

3. Statement of Net Debt

Summary of Consolidated Statement
December 31, 2020 with comparative information for 2019 ($M)

	2020	2019	B/(W) $	B/(W) %
Annual Surplus	250	254	(4)	(2)%
Acquisition of Tangible Capital Assets	(260)	(313)	53	(17)%
Contributed tangible capital assets	(8)	(3)	(5)	137%
Amortization of Tangible Capital Assets	34	32	2	7%
Accrued Liabilities and Other	(4)	(2)	(2)	111%
Change in Net Debt	**19**	**(29)**	**61**	**167%**
Net Debt Beginning of Year	(100)	(72)	(28)	40%
Net Debt End of Year	**$(68)**	**$(100)**	**$(32)**	**32%**

Change in Net Debt

- Primarily due to an increase in acquired tangible capital assets (260M)
- Offset by the annual surplus +250M and amortization +34M

4 & 5. Statements of Remeasurement & Cash Flow

Remeasurement of Gains & Losses ($M)

	2020	2019	B/(W) $	B/(W) %
Accumulated remeasurement gains and losses, beginning of year	**(0.9)**	**(1.7)**	**(0.8)**	**(48)%**
Unrealized gain (loss) on foreign exchange	0.01	0.02	(0.01)	(35)%
Unrealized gain (loss) on investment	1.5	0.1	1.4	1142%
Portfolio investments reclassified to the statement of operations	-	0.7	(0.7)	(100)%
Accumulated remeasurement gains and losses, end of year	**0.6**	**(0.9)**	**1.5**	**(166)%**

- PS3450 Financial Instruments, investments carried at fair value, results in remeasurement gain in 2020

Statement of Cash Flow ($M)

	2020
Operating Activities	281
Capital Activities	(249)
Investing Activities	(70)
Financing Activities	30
Net Cash and Cash Equivalents	**(8)**
Cash and Equivalents Beginning of Year	184
Cash and Equivalents End of Year	**$177**

- Positive cash flow from operating activities means that core operations is generating enough cash to buy new assets and to cover future loan obligations
- The cash is generated from annual surplus of +$250M which contributed to a +$281M change in cash from operating activities, combined with inflow from financing activities of +$30M, totaling +$312M
- $319M was invested into capital ($249M), and investments ($70M) resulting in decrease in cash at year end of ($8M)

The Consolidated Statement of Cash Flow inherently explains the change in cash from the end of the prior year to the end of the current year, additional information is available in the financial statements (Appendix A).

Additional Information

Additional Statements & Schedules (Appendix A)

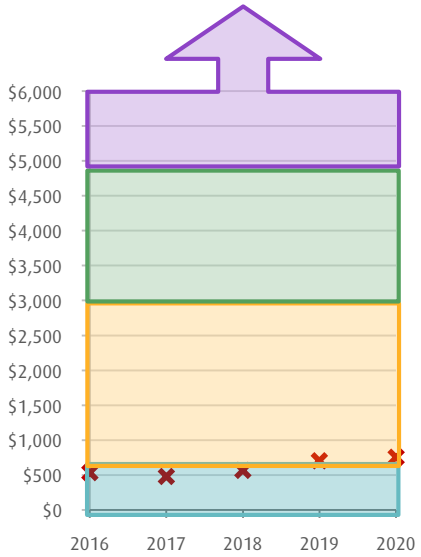
- Schedule of Remuneration & Expenses: Employees
- Schedule of Remuneration & Expenses: Directors
- Severance Agreements (none in 2020)
- Schedule of Payments for Goods & Services
- Schedule of Guarantee & Indemnity Agreements

Unaudited Financial Statements (Appendix B)

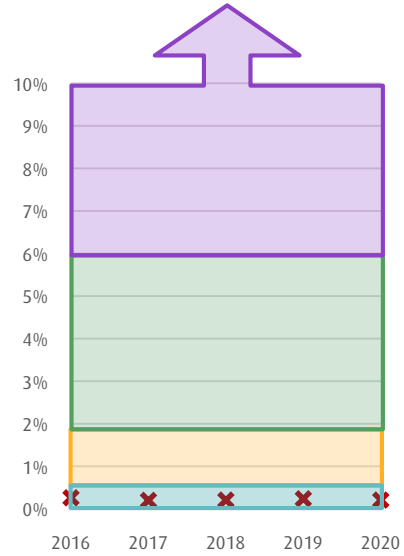
- Consolidated Debt Charges
- Summary of Long-Term Debt
- Long-Term Debt General, Water and Sewer Funds
- Supplementary Statements – General, Water and Sewer Funds

Financial Metrics and Benchmarking

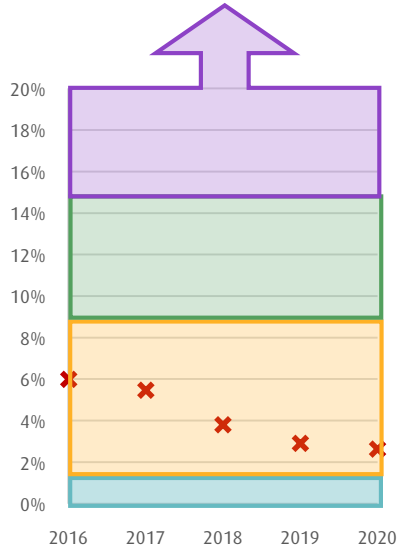
DBRS is the largest rating agency in Canada and fourth largest in the world. Using the rating methodology for municipal government, CRD results are shown below.



net tax-supported debt per capita



net tax-supported debt as % of assessment



interest costs as a percentage of revenue

AAA	AA	A	BBB
The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.	The capacity for the payment of financial obligations is considered high. Differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.	The capacity for the payment of financial obligations is substantial. May be vulnerable to future events, but considered manageable.	Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

Rating Canadian Municipal Governments: Canadian Municipal Government Financial Risk Metrics, by DBRS (Dominion Bond Rating Service) 360939.pdf (dbrsmorningstar.com), May 2020

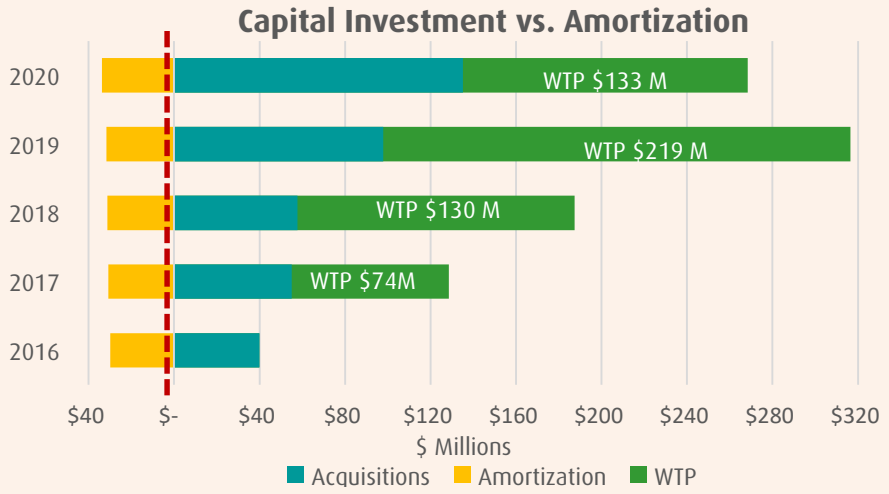
Additional Financial Analysis

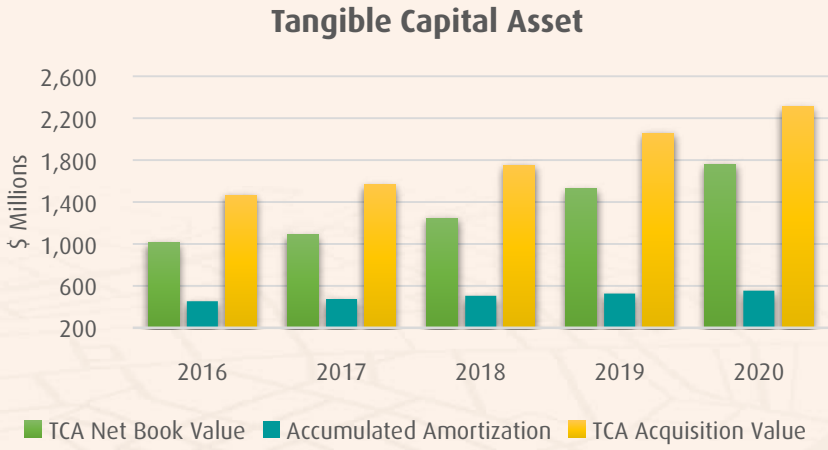
Investments made for the Future

2020 capital investment was 7.9x the rate of depreciation

2020 net book value of tangible capital assets is $1.8 billion

The 2021-2025 5 year financial plan includes TCA additions of $0.8 billion



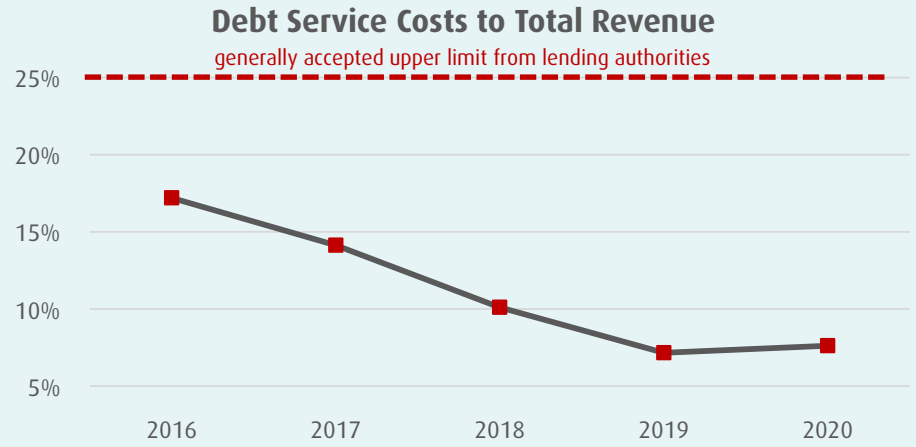


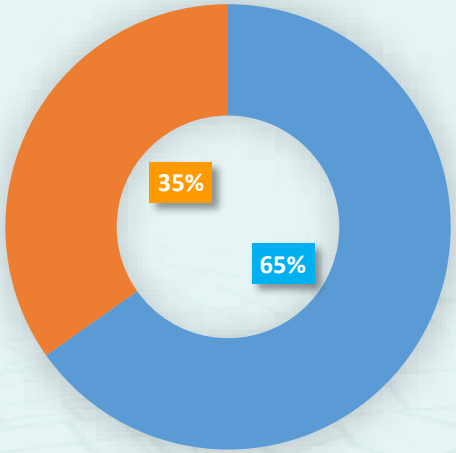
Additional Financial Analysis

Managing the Cost of Debt

7.6% of total revenue was spent on long-term debt payments

In 2020, CRD debt on average has matured to where principal payments are 65% of debt servicing costs, while interest payments are 35%





Debt Servicing Costs

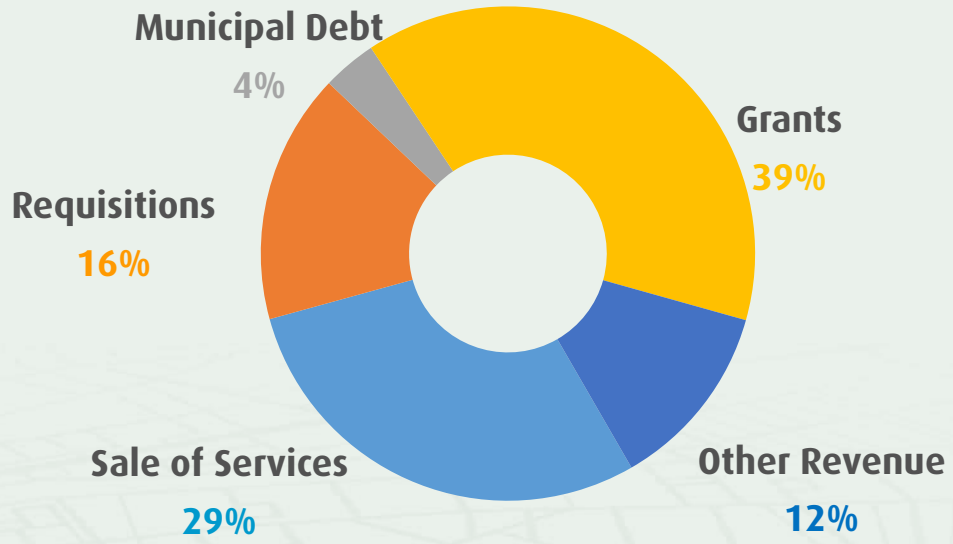
Principal Portion of Payment
Interest Portion of Payment

Additional Financial Analysis

Diversifying Revenue Streams

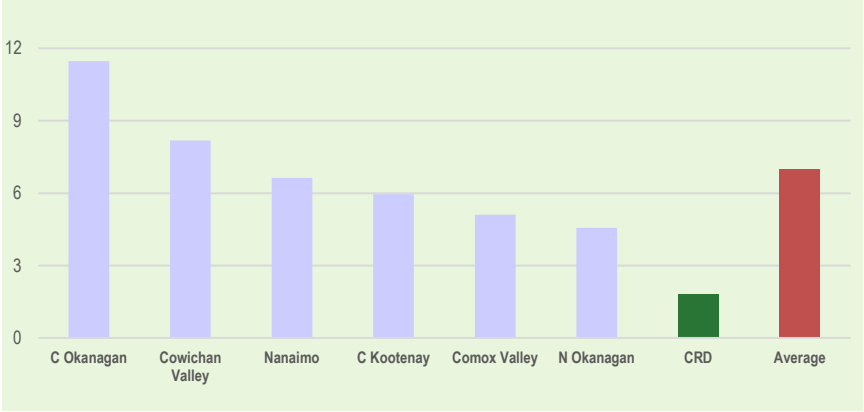
Almost $^1/_2$ of revenue came from government grants while almost $^1/_3$ came from sale of services.

Sale of Services	126.0
Requisitions	71.0
Municipal Debt	15.3
Grants	167.6
Other Revenue	53.4
Total	$433.2M

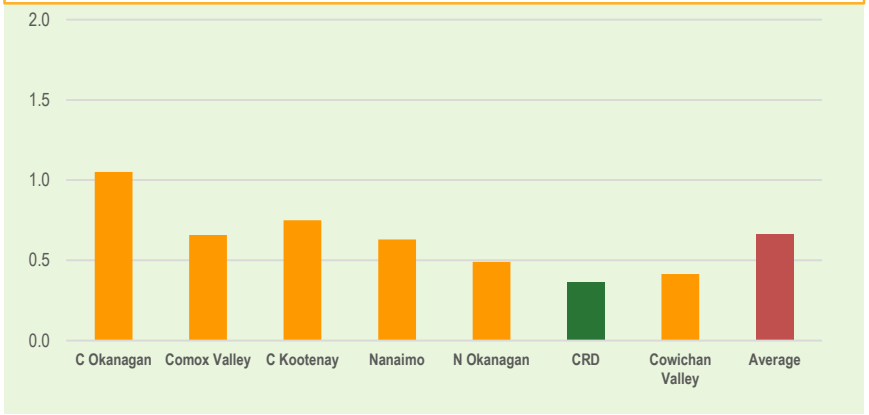


Additional Financial Analysis

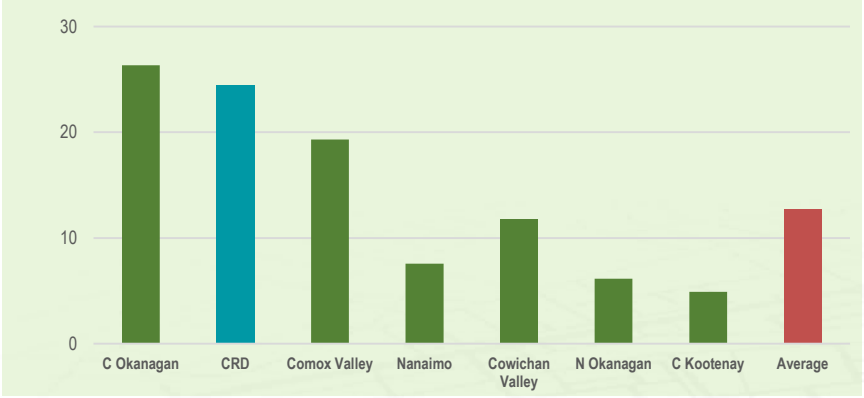
Quick Ratio: Measure of short-term liquidity or the ability to pay immediate financial obligations (greater than 1 is ideal)



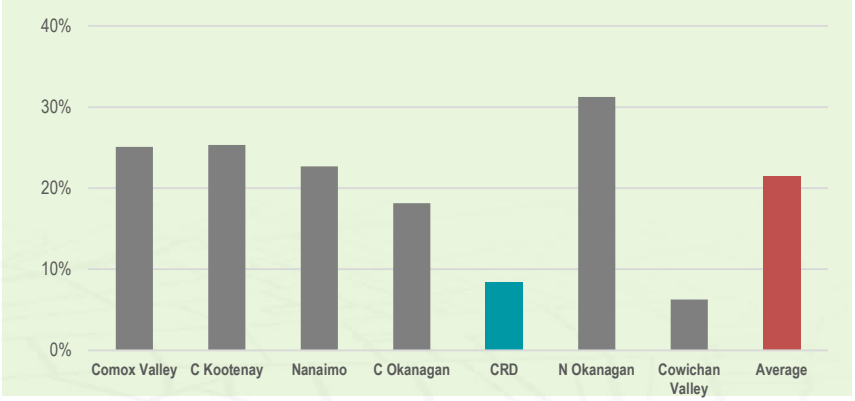
Debt-to-Equity Ratio: Measure of financial leverage, or using debt to increase value (essential public service utilities average 1.2)



Interest Coverage Ratio: Measures how easily a company can pay interest on outstanding debt (greater than 2 is ideal)



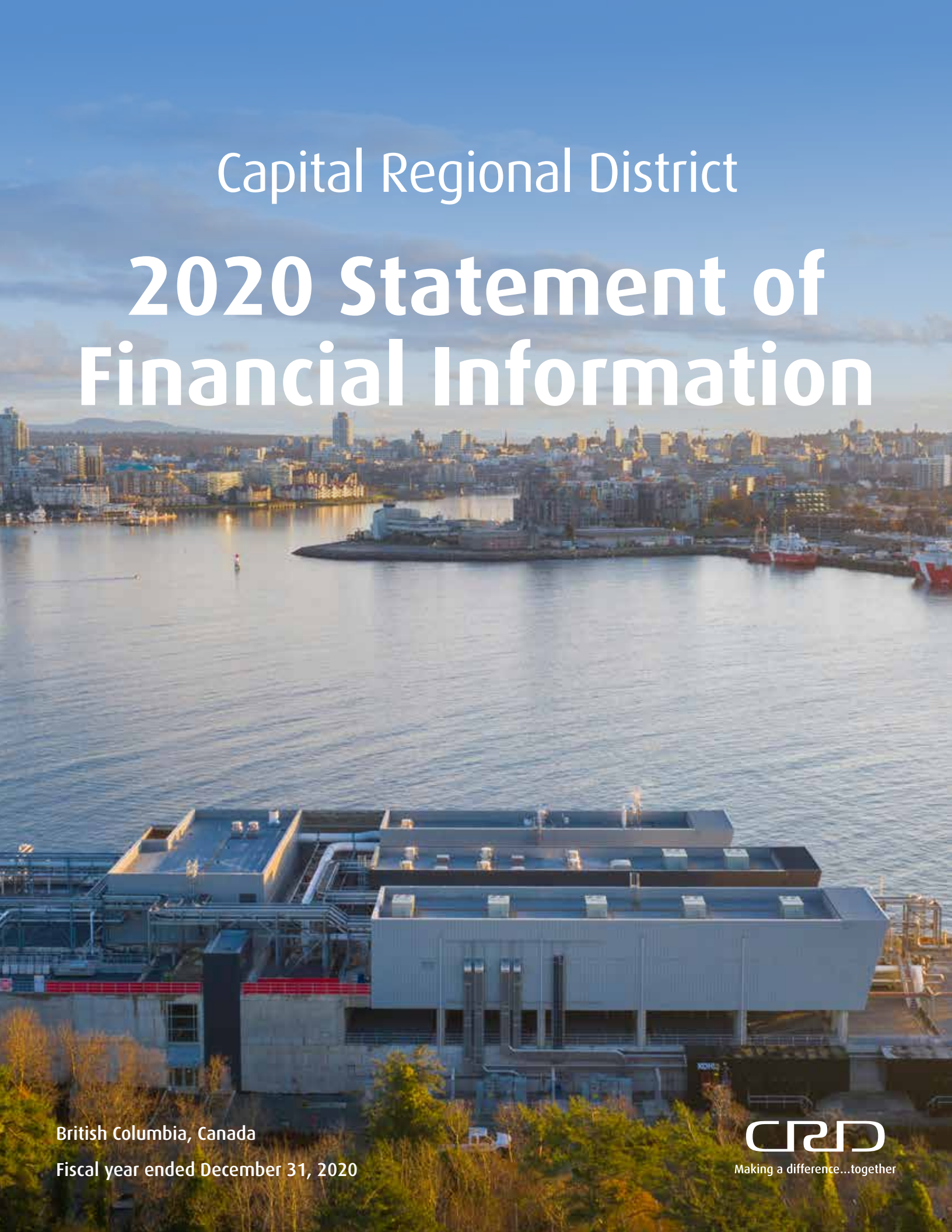
Capital Reserve Health: Measure of ability to finance long-term investment projects, also acts as buffer during financial hardship



CRD from 2020 Audited Financial Statement, Source for Rest: Local Government Statistics 2019, by Ministry of Municipal Affairs and Housing, https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/regional-district-general-financial-statistics, May 2021.
Excluded from comparison due to size of region (less than $10M or greater than $300M in costs); Central Coast, Metro Vancouver, Mount Waddington, North Coast, Peace River.

Capital Regional District

2020 Statement of Financial Information



British Columbia, Canada

Fiscal year ended December 31, 2020

Making a difference...together

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Making a difference...together

Capital Regional District
Capital Region Housing Corporation

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

Nelson Chan, MBA, FCPA, FCMA
Chief Financial Officer
May 12, 2021

Colin Plant
Chair, CRD Board
On behalf of the Board of Directors
May 12, 2021

*Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9

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KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Chair and Directors of the Capital Regional District

Opinion

We have audited the consolidated financial statements of the Capital Regional District (the District), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2020, and its consolidated results of operations, its consolidated change in net debt, its consolidated remeasurement gains and losses, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the District 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.

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KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Annual Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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 Canadian public sector accounting standards, 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 District'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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditors' 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 auditors' 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

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 District'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 District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the District 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

Victoria, Canada

_____ 2021

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Capital Regional District
Capital Region Housing Corporation

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors are responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian public sector accounting standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Financial Information Act*. Their examination includes a review and evaluation of the District's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to staff and management. The Independent Auditors' Report outlines the scope of the audit for the year ended December 31, 2020.

On behalf of Capital Regional District and Capital Region Housing Corporation,

_____

Nelson Chan, MBA, FCPA, FCMA
Chief Financial Officer
May 12, 2021

* For municipalities, the officer assigned responsibility for financial administration signs
* Prepared pursuant to Financial Information Regulation, Schedule 1, Section 9

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Consolidated Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	2020	2019
Financial Assets		
Cash and cash equivalents (Note 2)	**$ 176,926,054**	$ 184,485,660
Investments (Note 2)	**185,743,761**	114,190,859
Accounts receivable	**35,027,089**	23,178,625
Debt recoverable from member municipalities (Note 4)	**146,869,657**	152,970,007
Restricted cash: MFA Debt Reserve Fund (Note 5)	**3,934,313**	4,037,743
Land held for resale	**-**	8,321,509
	548,500,874	487,184,403
Liabilities		
Accounts payable and accrued liabilities	**117,084,129**	111,297,921
Deferred revenue (Note 6)	**32,729,481**	15,984,958
Short term debt (Note 3)	**61,277,457**	-
Long term debt (Note 4)	**405,036,586**	447,348,279
Landfill closure and post-closure liability (Note 7)	**11,281,091**	10,658,111
Other liabilities (Note 8)	**1,442,447**	2,329,179
	628,851,191	587,618,448
Net Debt	**(80,350,317)**	(100,434,045)
Non-financial Assets		
Tangible capital assets (Note 9)	**1,760,528,771**	1,529,572,324
Inventory of supplies	**1,018,898**	1,057,670
Prepaid expenses	**1,565,151**	693,761
	1,763,112,820	1,531,323,755
Accumulated Surplus	**1,682,762,503**	1,430,889,710
Accumulated Surplus consists of:		
Accumulated surplus (Note 10)	**1,682,155,134**	1,431,805,432
Accumulated remeasurement gains / (losses)	**607,369**	(915,722)
Accumulated Surplus	**$ 1,682,762,503**	$ 1,430,889,710

Contractual obligations (Note 11)

Contractual rights (Note 12)

Contingencies (Note 13)

Subsequent event (Note 21)

The accompanying notes are an integral part of the consolidated financial statements.

Nelson Chan, MBA, FCPA, FCMA
Chief Financial Officer

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Consolidated Statement of Operations

For the year ended December 31, 2020, with comparative information for 2019

	Budget (Note 14)	2020	2019
Revenue			
Government transfers (Note 15)	$ 127,782,585	**$ 302,097,673**	$ 305,087,780
Sale of services	90,023,051	**77,715,222**	77,119,871
Other revenue	15,369,555	**16,262,891**	15,675,158
Interest earnings	528,762	**5,617,032**	6,319,254
Developer contributions	-	**5,706,166**	3,345,898
Affordable housing - rental income	16,886,126	**17,037,803**	15,700,820
Grants in lieu of taxes	3,544,657	**3,544,279**	3,331,955
Actuarial adjustment of long-term debt	-	**5,196,598**	4,813,405
Total Revenue	254,134,736	**433,177,664**	431,394,141
Expenses			
General government services	20,838,367	**22,052,295**	20,421,655
Grants in aid	1,587,922	**946,404**	728,361
Protective services	10,354,159	**10,922,093**	10,513,749
Sewer, water, and garbage services	85,092,158	**84,483,160**	81,364,406
Planning and development services	3,147,000	**2,514,090**	2,491,166
Affordable housing - rental expense	12,632,443	**17,750,227**	16,538,812
Recreation and cultural services	27,669,113	**26,894,131**	28,560,841
Other	6,173,278	**1,227,393**	884,939
Transportation services	704,106	**634,300**	693,733
Debt payments for member municipalities (Note 4)	14,872,037	**15,403,869**	14,976,270
Total Expenses	183,070,583	**182,827,962**	177,173,932
Annual Surplus	71,064,153	**250,349,702**	254,220,209
Accumulated Surplus, beginning of year	1,431,805,432	**1,431,805,432**	1,177,585,223
Accumulated Surplus, end of year (Note 10)	$ 1,502,869,585	**$ 1,682,155,134**	$ 1,431,805,432

The accompanying notes are an integral part of the consolidated financial statements.

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Consolidated Statement of Change in Net Debt

For the year ended December 31, 2020, with comparative information for 2019

	Budget (Note 14)	2020	2019
Annual surplus	$ 71,064,153	**$ 250,349,702**	$ 254,220,209
Acquistion of tangible capital assets	(477,915,620)	**(260,472,915)**	(313,094,185)
Contributed tangible capital assets	-	**(7,930,283)**	(3,345,898)
Amortization of tangible capital assets	-	**33,777,833**	31,619,369
Loss on disposal of tangible capital assets	-	**3,600,944**	1,294,394
Proceeds on sale of tangible capital assets	-	**61,708**	310,020
Other tangible capital asset transfers	-	**6,265**	-
	(406,851,467)	**19,393,254**	(28,996,091)
Acquistion of inventory of supplies	-	**(1,746,489)**	(2,552,724)
Acquistion of prepaid expenses	-	**(1,560,160)**	(675,451)
Consumption of inventory of supplies	-	**1,785,262**	2,544,972
Use of prepaid expenses	-	**688,770**	290,340
	-	**(832,617)**	(392,863)
Net Remeasurement gains	-	**1,523,091**	829,422
Change in Net Debt	(406,851,467)	**20,083,728**	(28,559,532)
Net Debt, beginning of year	(100,434,045)	**(100,434,045)**	(71,874,513)
Net Debt, end of year	$ (507,285,512)	**$ (80,350,317)**	$ (100,434,045)

The accompanying notes are an integral part of the consolidated financial statements.

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Consolidated Statement of Remeasurement Gains and Losses

For the year ended December 31, 2020, with comparative information for 2019

		2020		2019
Accumulated remeasurement loss, beginning of year	**$**	**(915,722)**	$	(1,745,144)
Unrealized gains attributable to:				
Foreign exchange		**13,899**		21,426
Portfolio investments / equity investments		**1,509,192**		121,534
Amounts reclassified to the statement of operations:				
Portfolio investments / equity investments		**-**		686,462
Net remeasurement gains and losses for the year		**1,523,091**		829,422
Accumulated remeasurement gain (loss), end of year	**$**	**607,369**	$	(915,722)

The accompanying notes are an integral part of the consolidated financial statements.

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Consolidated Statement of Cash Flows

For the year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	**$ 250,349,702**	$ 254,220,209
Items not involving cash:		
Amortization	**33,777,833**	31,619,369
Contributed tangible capital assets	**(7,930,283)**	(3,345,898)
(Gain) on sale of assets held for sale	**(2,772,225)**	(481,655)
Loss on disposal of tangible capital assets	**3,600,944**	1,294,394
Actuarial adjustment of long-term debt	**(5,196,598)**	(4,813,405)
Decrease (increase) in non-cash assets:		
Accounts receivable	**(11,848,464)**	1,861,592
Prepaid expenses	**(871,390)**	(385,111)
Inventory of supplies	**38,772**	(7,752)
Increase (decrease) in non-cash liabilities:		
Accounts payable and accrued liabilities	**5,786,208**	16,794,853
Deferred revenue	**16,744,523**	(408,442)
Landfill closure and post-closure provision	**622,980**	519,459
Other liabilities	**(886,732)**	(461,253)
Net change in cash from operating activities	**281,415,270**	296,406,360
Capital activities:		
Proceeds on sale of assets held for sale	**11,100,000**	11,250,000
Proceeds on sale of tangible capital assets	**61,708**	310,020
Cash used to acquire tangible capital assets	**(260,472,915)**	(313,094,185)
Net change in cash from capital activities	**(249,311,207)**	(301,534,165)
Investing activities:		
Net change in investments	**(70,029,811)**	54,860,598
Net change in cash from investing activities	**(70,029,811)**	54,860,598
Financing activities:		
Restricted cash - MFA debt reserve fund	**103,430**	(806,002)
Additions to short-term debt	**61,277,457**	-
Additions to long-term debt	**14,355,128**	197,494,141
Repayment of long-term debt	**(45,369,873)**	(132,000,623)
Net change in cash from financing activities	**30,366,142**	64,687,516
Net increase (decrease) in cash and cash equivalents	**(7,559,606)**	114,420,309
Cash and cash equivalents, beginning of year	**184,485,660**	70,065,351
Cash and cash equivalents, end of year	**$ 176,926,054**	$ 184,485,660
Cash paid for interest	**$ 17,290,361**	$ 17,915,124
Cash received for interest	**4,393,856**	5,283,616

The accompanying notes are an integral part of the consolidated financial statements.

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The Capital Regional District was incorporated by Letters Patent under the provisions of the British Columbia Local Government Act.

1. SIGNIFICANT ACCOUNTING POLICIES

a) BRITISH COLUMBIA REGIONAL DISTRICTS

The consolidated financial statements of the Capital Regional District (the District) are prepared by management in accordance with Canadian public sector accounting standards for local governments and regional districts as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The resources and operation of the District are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. Transactions between funds are eliminated on consolidation.

b) BASIS OF CONSOLIDATION

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the District and Capital Region Housing Corporation (CRHC). The CRHC is controlled by the District. All transactions and balances between these entities have been eliminated on consolidation.

c) BASIS OF ACCOUNTING

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

d) TAXATION

Each Municipality and Electoral Area within the District is requisitioned for their portion of each service in which they participate. These funds are then levied by the Municipalities and the Province (for Electoral Areas) to individual taxpayers and turned over to the District by August 1 of each year.

e) INTEREST

The District follows the practice of investing individually significant unspent funds within individual funds. Interest earned is allocated on the basis of actual earnings from the specific instruments. Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

Excess funds or temporary borrowings of all functions are pooled and interest income or expense is allocated to the individual functions on a monthly basis.

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1. SIGNIFICANT ACCOUNTING POLICIES continued

f) GOVERNMENT TRANSFERS

Government transfers without stipulations restricting their use are recognized in the financial statements as revenues in the period in which the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Government transfers with stipulations restricting their use are recognized in the financial statements as revenues in the period in which the eligible expenditures are incurred, providing they are authorized and eligibility criteria are met.

g) DEFERRED REVENUE

Deferred revenue includes amounts received from third parties which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired, thereby extinguishing the related liability.

h) LAND HELD FOR RESALE

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

i) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short-term highly liquid investments with a term to maturity of less than 90 days at acquisition.

j) FINANCIAL INSTRUMENTS

Financial instruments are classified into two categories fair value or cost.

i. Fair value category: portfolio investments quoted in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date.

   Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and related balances reversed from the Statement of Remeasurement Gains and Losses.

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1. SIGNIFICANT ACCOUNTING POLICIES continued

j) FINANCIAL INSTRUMENTS continued

ii. Cost category: portfolio investment not quoted in an active market, financial assets and liabilities are recorded at cost or amortized cost. Gains and losses are recognized in the Statement of Operations when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date.

Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

Financial assets are assessed for impairment on an annual basis. If there is an indicator of impairment, the District determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the District expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

k) LONG-TERM DEBT

Long-term debt is recorded net of repayments and actuarial adjustments.

l) EMPLOYEE FUTURE BENEFITS

i. The District and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

ii. Sick leave and other benefits are also available to the District's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

m) LANDFILL LIABILITY

The liability for closure costs of operational sites and post-closure care has been recognized based on the present value of estimated future expenses, estimated inflation and the cumulative usage of the site’s capacity. The change in this liability during the year is recorded as a charge to operations. These estimates are reviewed and adjusted annually.

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1. SIGNIFICANT ACCOUNTING POLICIES continued

n) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and the landfill site, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Engineering Structures	10 to 100 Years
Buildings	20 to 50 Years
Machinery and equipment	5 to 20 Years
Vehicles	8 to 15 Years
Other Assets	5 to 25 Years

The capacity of the landfill site is evaluated using the units of production method based upon capacity used during the year.

Amortization is charged annually, including in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

The District is fortunate to have many natural assets that reduce the need for engineered infrastructure that would otherwise be required. This includes watersheds, creeks, ditches and wetlands (rain water management). Canadian public sector accounting standards do not allow for the valuation and recording of such assets into the financial statements of the District. As such, these natural assets are not reported in these consolidated financial statements.

Assets acquired by right, such as forests, water and mineral resources, are not recorded in the consolidated financial statements.

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

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1. SIGNIFICANT ACCOUNTING POLICIES continued

n) NON-FINANCIAL ASSETS continued

iii. Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

iv. Interest Capitalization

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

v. Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to the District are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

vi. Inventories of Supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

o) CONTAMINATED SITES

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

i. an environmental standard exists

ii. contamination exceeds the environmental standard

iii. the District is directly responsible or accepts responsibility for the liability

iv. future economic benefits will be given up, and

v. a reasonable estimate of the liability can be made.

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1. SIGNIFICANT ACCOUNTING POLICIES continued

p) USE OF ESTIMATES

The preparation of financial statements in conforming with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill liability, useful lives of tangible capital assets and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

q) SEGMENTED INFORMATION

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The District has provided definitions of the District's segments as well as presented consolidated financial information in segmented format in Note 19.

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2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

a) CASH AND CASH EQUIVALENTS

		2020		2019
CRD	**$**	**164,029,736**	$	172,111,798
CRHC		**12,896,318**		12,373,862
	$	**176,926,054**	$	184,485,660

b) INVESTMENTS

		2020		2019
CRD				
MFA bond fund	**$**	**44,062,699**	$	41,397,984
Other investments - short term		**141,681,062**		72,792,875
	$	**185,743,761**	$	114,190,859

MFA Bond Fund investments are quoted in an active market and therefore recorded at fair market value. The carrying cost of MFA bond funds is $43,392,987 (2019 - $42,460,332). Included in Other investments - short term is $141,432,957 of term deposits recorded at cost.

3. SHORT-TERM DEBT

In November 2020, CRHC secured short-term capital financing from BCHMC in the amount of $61,277,457. The financing was used to fund prepaid leases on the West Park and Spencer Close properties which were purchased by the CRD as part of the Regional Housing First Program (RHFP). The short-term financing was coverted to a 35-year mortgage subsequent to year end.

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4. LONG-TERM DEBT

a) DEBT

The District's debt is borrowed through the Municipal Finance Authority of British Columbia (MFA). The principal portion of long-term debenture repayment is added to the MFA sinking fund, which is secured against the debt and invested over the term of the loan. The balance of this fund is used to retire the debt at or before maturity of the loan depending on the actual return on investments in the sinking fund. The MFA provides the CRD with an estimated actuarial valuation, which is the estimated return on the invested balance of the sinking fund. Debt principal is reported net of repayments and actuarial adjustments. Interest expense is calculated and paid net of actuarial adjustments.

In addition to debt incurred directly by the District, the District has also incurred long-term debt on behalf of its member municipalities through agreements with the MFA. All monies borrowed are upon the District's credit at large and, in the event of any default, would constitute an indebtedness for which its members are jointly and severally liable.

The District reports the total principal and interest payments collected from member municipalities as expenses in Debt payments for member municipalities and revenue in Government transfers. Total principal payments received from member municipalities in the year was $9,210,128 (2019 - $8,686,508) Total interest expense reported on the consolidated statement of operations is as follows:

	2020	**2019**
Interest expense on all debt	**$17,073,209**	$18,321,445
Interest received from member municipalities for debt issued on their behalf	**6,129,375**	6,219,409
Net interest expense reported on the consolidated statement of operations	**$10,943,834**	$12,102,036

In addition, $64,366 (2019 - $70,353) collected from member municipalities relating to payments into the Debt Reserve Fund (see Note 5) are included as expenses in debt payments for member municipalities. Debt incurred on behalf of member municipalities is also presented as a receivable from member municipalities on the statement of financial position in the amount of $146,869,657 (2019 - $152,970,007).

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4. LONG-TERM DEBT continued

a) DEBT continued

Debt is comprised of the following and includes varying maturities, with interest rates ranging from 0.91% to 4.20% and an average rate of 2.52%. The District's debt consists of debenture debt and non-debenture debt of $1,683,324 (2019 - $21,910,000) both held with the MFA. The Capital Region Housing Corporation (CRHC) debt consists of mortgages with BC Housing and commercial banks.

		2020				
	Outstanding December 31, 2019	**Additions**	**Principal**	**Sinking Fund**	**Total Debt Retirement**	**Outstanding December 31, 2020**
General Capital	$ 35,714,031	$ 227,000	$ (4,010,267)	$ (659,459)	$ (4,669,726)	**$ 31,271,305**
Sewer Capital	121,068,330	4,000,000	(29,452,679)	(1,462,365)	(30,915,044)	**94,153,286**
Water Capital	60,483,813	5,100,000	(6,814,919)	(2,969,889)	(9,784,808)	**55,799,005**
	217,266,174	9,327,000	(40,277,865)	(5,091,713)	(45,369,578)	**181,223,596**
Accrued actuarial valuation - CRD Debt	(2,815,190)	-	-	(104,885)	(104,885)	**(2,920,075)**
CRD Debt	214,450,984	9,327,000	(40,277,865)	(5,196,598)	(45,474,463)	**178,303,521**
Member Municipalities	152,970,007	6,280,000	(9,210,127)	(3,170,223)	(12,380,350)	**146,869,657**
CRD Total	367,420,991	15,607,000	(49,487,992)	(8,366,821)	(57,854,813)	**325,173,178**
CRHC	79,927,288	5,028,126	(5,092,006)	-	(5,092,006)	**79,863,408**
	$ 447,348,279	$ 20,635,126	$ (54,579,998)	$ (8,366,821)	$ (62,946,819)	**$ 405,036,586**

b) DEMAND NOTES - CONTINGENT LIABILITY

The MFA holds demand notes related to the District's debenture debt in the amount of $16,526,207 (2019 - $16,983,374) of which $6,669,896 (2019 - $6,716,866) is held by the District for the member municipalities (see Note 5). The demand notes are not recorded in the financial statements as they will only be called upon if the MFA does not have sufficient funds to meet its payment obligations.

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4. LONG-TERM DEBT continued

c) LONG-TERM DEBT PAYABLE/MATURING

The following principal and actuarial amounts included in long-term debt are payable/maturing over the next five years and thereafter:

	2021	2022	2023	2024	2025	Aggregate amount after 2025
CRD						
General	$ 2,715,881	$ 2,678,425	$ 2,678,425	$ 2,338,825	$ 2,227,057	$ 9,678,417
Water	6,957,411	6,932,440	6,906,011	3,129,611	2,594,842	11,269,551
Sewer	4,748,369	4,422,521	3,890,809	3,302,503	3,268,543	42,986,766
Total CRD	14,421,661	14,033,386	13,475,245	8,770,939	8,090,442	63,934,734
Member Municipalities	9,362,109	9,143,754	8,623,184	8,315,158	7,455,702	50,386,587
	23,783,770	23,177,140	22,098,429	17,086,097	15,546,144	114,321,321
CRHC	4,901,224	4,872,303	4,927,348	4,745,516	4,291,919	56,125,100
	28,684,994	28,049,443	27,025,777	21,831,613	19,838,063	170,446,421
Estimated sinking fund income	8,609,257	9,257,909	9,434,328	6,323,889	5,967,615	70,804,025
Total	$ 37,294,251	$ 37,307,352	$ 36,460,105	$ 28,155,502	$ 25,805,678	$241,250,446

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5. MFA DEBT RESERVE FUND

The MFA provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund into which each regional district and member municipality, who shares in the proceeds of a debt issue through the District, is required to pay certain amounts set out in the debt agreements. Interest earned on these funds (less administrative expenses) becomes an obligation of the MFA to the regional district. If at any time insufficient funds are provided by the regional district or their member municipalities or any other MFA borrower, the MFA may then use these funds to meet payments on its obligations. Should this occur, the regional district and member municipalities may be called upon to restore the fund. The MFA has not required the debt reserve fund to meet obligations in its history. The cash deposits of the member municipalities $3,174,151 (2019 - $3,138,303) are not recorded in these financial statements. The District's restricted cash on its direct debt is $3,934,313 (2019 - $4,037,743).

		2020		2019
Cash Deposits				
Restricted cash - MFA Debt Reserve Fund	**$**	**3,934,313**	$	4,037,743
Cash deposits - Member Municipalities		**3,174,151**		3,138,303
Demand Notes				
Demand notes - Capital Regional District		**9,856,311**		10,266,508
Demand notes - Member Municipalities		**6,669,896**		6,716,866
	$	**23,634,671**	$	24,159,420

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6. DEFERRED REVENUE

Continuity of deferred revenue is as follows:

		2020		2019
Balance, beginning of year	**$**	**15,984,958**	$	16,393,400
Externally restricted contributions received:				
Federal housing grants		**15,549,600**		-
Development cost charges		**2,577,980**		4,192,290
Developer advances for construction		**6,444,527**		3,940,765
Total contributions received		**24,572,107**		8,133,055
Contributions used and recognized in revenue		**(7,256,556)**		(8,191,176)
Net change in externally restricted contributions		**17,315,551**		(58,121)
Change in deposits and other deferred revenues		**(571,028)**		(350,321)
Balance, end of year	**$**	**32,729,481**	$	15,984,958

The deferred revenue reported on the consolidated statement of financial position consists of the following:

		2020		2019
Deferred revenue - general	**$**	**20,721,050**	$	5,878,111
Deferred revenue - water		**1,146,172**		1,043,731
Development cost charges		**9,621,482**		7,904,206
Developer advances for construction		**536,769**		488,095
Deferred revenue - CRHC		**704,008**		670,815
Balance, end of year	**$**	**32,729,481**	$	15,984,958

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7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

A post closure liability of $11,281,091 (2019 - $10,658,111) is recorded for the estimated capacity of the landfill used and estimated total landfill closure and post-closure costs of $33,788,000. The estimated liability for these costs is recognized as the landfill site's capacity is used. The liability represents the portion of total costs recognized as at December 31, 2020, based on used versus remaining capacity. Total cost represents the sum of discounted future cash flows for closure and post-closure care activities using a long-term borrowing rate of 2.26%.

Estimates are based on assumptions that may change. Significant assumptions include remaining useful life, total expense, total or used capacity and liability. Changes would be recognized prospectively as a change in estimate when applicable. Underlying assumptions, related to the reported liability, are assessed periodically.

The estimate incorporates assumptions contained in the current draft Solid Waste Management Plan which was in public consultation as of year-end.

Based on the approved Solid Waste Management Plan, the estimated remaining capacity of the landfill site is 40% with a remaining life of 28 years. The plan also includes an additional 30 years of post-closure activities.

As at December 31, 2020, the District has $11,281,091 in reserve funding for the post-closure liabilities. Management monitors the estimate annually and budgets appropriate transfers to meet the future liability.

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8. OTHER LIABILITIES

	2020	2019
Sick leave benefits	**$ 532,200**	$ 495,400
Contaminated sites	**856,882**	1,799,335
Other benefits payable	**53,365**	34,444
	$ 1,442,447	$ 2,329,179

a) SICK LEAVE BENEFITS

The District provides sick leave benefits to its employees. The accrued benefit obligation is included in other liabilities on the consolidated statement of financial position and has been estimated by an actuarial valuation completed at December 31, 2020. The District's accrued benefit obligation is $532,200 (2019 - $495,400).

The significant actuarial assumptions adopted in measuring the District's accrued benefit obligation are as follows:

	2020	2019
Discount rates	**2.10%**	2.70%
Expected future inflation rates	**2.50%**	2.50%
Expected wage and salary increases	**2.50%**	2.50%

b) CONTAMINATED SITES

The District estimated a liability of $856,882 as at December 31, 2020 (2019 - $1,799,335) for remediation of a total of six known contaminated sites, including the Millstream Meadows site identified in previous years. This estimate has been discounted to present value using current Municipal Finance Authority lending rates. The nature of the contamination includes heavy metals, chlorinated solvents, hydrocarbons, and other organic and inorganic compounds. The source of the contamination includes unregulated shooting activities, disposal of excess soil from utility projects, underground storage tanks, fuel bulk storage facilities, and disposal of septage and other trucked liquid and solid waste.

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9. TANGIBLE CAPITAL ASSETS

	Cost					Accumulated Amortization				
	Balance at December 31, 2019	Additions	Disposals	Transfers	Balance at December 31, 2020	Balance at December 31, 2019	Disposals	Amortization Expense	Balance at December 31, 2020	Net Book Value December 31, 2020
Work in Progress										
CRD	$ 487,147,798	$ 42,157,857	$ -	$(449,257,396)	**$ 80,048,259**	$ -	$ -	$ -	**$ -**	**$ 80,048,259**
Engineering Structures										
CRD	864,181,001	117,434,856	(9,541,700)	405,173,240	**1,377,247,397**	303,712,810	(5,995,531)	17,758,049	**315,475,328**	**1,061,772,069**
Buildings										
CRD	180,674,158	76,748,965	(81,966)	35,787,919	**293,129,076**	46,647,043	(53,467)	4,250,329	**50,843,905**	**242,285,171**
CRHC	118,109,960	4,252,625	-	-	**122,362,585**	78,387,702	-	3,180,709	**81,568,411**	**40,794,174**
	298,784,118	81,001,590	(81,966)	35,787,919	**415,491,661**	125,034,745	(53,467)	7,431,038	**132,412,316**	**283,079,345**
Machinery & Equipment										
CRD	68,944,170	4,378,169	(2,369,341)	941,603	**71,894,601**	45,350,477	(2,283,712)	3,498,706	**46,565,471**	**25,329,130**
CRHC	37,299,219	1,657,528	-	-	**38,956,747**	28,281,071	-	2,146,423	**30,427,494**	**8,529,253**
	106,243,389	6,035,697	(2,369,341)	941,603	**110,851,348**	73,631,548	(2,283,712)	5,645,129	**76,992,965**	**33,858,383**
Vehicles										
CRD	22,658,220	1,092,814	(278,538)	294,358	**23,766,854**	13,648,230	(278,538)	1,622,002	**14,991,694**	**8,775,160**
Land										
CRD	245,140,203	15,789,915	(2,356)	3,624,930	**264,552,692**	-	-	-	**-**	**264,552,692**
CRHC	9,496,053	-	-	-	**9,496,053**	-	-	-	**-**	**9,496,053**
	254,636,256	15,789,915	(2,356)	3,624,930	**274,048,745**	-	-	-	**-**	**274,048,745**
Land Depletion										
CRD	648,301	-	-	-	**648,301**	183,686	-	18,523	**202,209**	**446,092**
Land Under Prepaid Lease										
CRHC	6,040,093	3,618,550	-	-	**9,658,643**	1,901,243	-	167,388	**2,068,631**	**7,590,012**
Other Assets										
CRD	17,763,704	1,271,919	-	3,429,081	**22,464,704**	10,418,294	-	1,135,704	**11,553,998**	**10,910,706**
	$ 2,058,102,880	$ 268,403,198	$ (12,273,901)	$ (6,265)	**$ 2,314,225,912**	$ 528,530,556	$ (8,611,248)	$ 33,777,833	**$ 553,697,141**	**$ 1,760,528,771**
Totals										
CRD	1,887,157,555	258,874,495	(12,273,901)	(6,265)	**2,133,751,884**	419,960,540	(8,611,248)	28,283,313	**439,632,605**	**1,694,119,279**
CRHC	170,945,325	9,528,703	-	-	**180,474,028**	108,570,016	-	5,494,520	**114,064,536**	**66,409,492**
	$ 2,058,102,880	$ 268,403,198	$ (12,273,901)	$ (6,265)	**$ 2,314,225,912**	$ 528,530,556	$ (8,611,248)	$ 33,777,833	**$ 553,697,141**	**$ 1,760,528,771**

During 2020, $7,412,283 in water distribution infrastructure and $518,000 in land was contributed to the District (2019 - $3,345,898 in water distribution infrastructure).

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9. TANGIBLE CAPITAL ASSETS continued

	Cost					Accumulated Amortization				
	Balance at December 31, 2018	Additions	Disposals	Transfers	Balance at December 31, 2019	Balance at December 31, 2018	Disposals	Amortization Expense	Balance at December 31, 2019	Net Book Value December 31, 2019
Work in Progress										
CRD	$ 282,641,279	$233,677,081	$ -	$ (29,170,562)	**$ 487,147,798**	$ -	$ -	$ -	**$ -**	**$ 487,147,798**
Engineering Structures										
CRD	840,453,295	11,694,274	(2,621,030)	14,654,462	**864,181,001**	287,731,165	(1,126,862)	17,108,507	**303,712,810**	**560,468,191**
Buildings										
CRD	129,917,323	39,069,432	-	11,687,403	**180,674,158**	43,645,351	-	3,001,692	**46,647,043**	**134,027,115**
CRHC	108,955,407	9,154,553	-	-	**118,109,960**	75,190,677	-	3,197,025	**78,387,702**	**39,722,258**
	238,872,730	48,223,985	-	11,687,403	**298,784,118**	118,836,028	-	6,198,717	**125,034,745**	**173,749,373**
Machinery & Equipment										
CRD	69,352,425	4,115,029	(5,289,203)	765,919	**68,944,170**	47,315,196	(5,289,203)	3,324,484	**45,350,477**	**23,593,693**
CRHC	34,436,749	2,862,470	-	-	**37,299,219**	26,028,005	-	2,253,066	**28,281,071**	**9,018,148**
	103,789,174	6,977,499	(5,289,203)	765,919	**106,243,389**	73,343,201	(5,289,203)	5,577,550	**73,631,548**	**32,611,841**
Vehicles										
CRD	21,562,070	2,364,094	(1,267,944)	-	**22,658,220**	13,252,754	(1,157,698)	1,553,174	**13,648,230**	**9,009,990**
Land										
CRD	232,699,569	10,727,099	-	1,713,535	**245,140,203**	-	-	-	**-**	**245,140,203**
CRHC	9,496,053	-	-	-	**9,496,053**	-	-	-	**-**	**9,496,053**
	242,195,622	10,727,099	-	1,713,535	**254,636,256**	-	-	-	**-**	**254,636,256**
Land Depletion										
CRD	648,301	-	-	-	**648,301**	165,163	-	18,523	**183,686**	**464,615**
Land Under Prepaid Lease										
CRHC	3,861,438	2,178,655	-	-	**6,040,093**	1,830,475	-	70,768	**1,901,243**	**4,138,850**
Other Assets										
CRD	16,817,065	597,396	-	349,243	**17,763,704**	9,326,164	-	1,092,130	**10,418,294**	**7,345,410**
	$ 1,750,840,974	$316,440,083	$ (9,178,177)	$ -	**$ 2,058,102,880**	$ 504,484,950	$ (7,573,763)	$ 31,619,369	**$ 528,530,556**	**$ 1,529,572,324**
Totals										
CRD	1,594,091,327	302,244,405	(9,178,177)	-	**1,887,157,555**	401,435,793	(7,573,763)	26,098,510	**419,960,540**	**1,467,197,015**
CRHC	156,749,647	14,195,678	-	-	**170,945,325**	103,049,157	-	5,520,859	**108,570,016**	**62,375,309**
	$ 1,750,840,974	$316,440,083	$ (9,178,177)	$ -	**$ 2,058,102,880**	$ 504,484,950	$ (7,573,763)	$ 31,619,369	**$ 528,530,556**	**$ 1,529,572,324**

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10. ACCUMULATED SURPLUS

	2020	2019
Surplus:		
Invested in tangible capital assets	**$ 1,441,084,439**	$ 1,243,515,548
Operating Funds:		
CRD	**97,615,680**	49,200,805
CRHC	**2,041,596**	1,275,364
Total surplus	**1,540,741,715**	1,293,991,717

Reserve funds set aside for specific purposes:

	2020	2019
Regional		
Equipment Replacement Fund	**25,707,292**	22,437,534
Feasibility Study Reserve Fund	**29,737**	24,976
Office Facilities & Equipment Reserve Fund	**7,576,315**	7,623,364
Regional Parks Capital Reserve Fund	**10,511,571**	7,744,117
Solid Waste Capital Reserve Fund	**3,468,437**	7,962,569
Regional Parks Land Capital Reserve Fund	**1,087,386**	1,067,017
Regional Parks Legacy Operating Reserve Fund	**15,150**	14,375
Regional Parks Operating Reserve Fund	**93,285**	83,135
Regional Planning Services Operating Reserve Fund	**2,026,801**	1,945,734
Regional Growth Strategy Operating Reserve Fund	**1,420,679**	1,343,697
Climate Action & Adapt Operating Reserve Fund	**53,001**	14,163
Regional Source Control Operating Reserve Fund	**483,375**	474,320
Land Bank & Housing Operating Reserve Fund	**99,447**	56,371
HAZMAT Incident Response Operating Reserve Fund	**34,589**	33,941
Emergency Response 911 Operating Reserve Fund	**-**	87,691
Emergency Response 911 Communications Project Operating Reserve Fund	**236,840**	174,650
Solid Waste Operating Reserve Fund	**38,784,614**	33,724,173
GIS Data Maintenance Operating Reserve Fund	**(1,231)**	1,728
IW ES Ops Operating Reserve Fund	**965,190**	621,308
ES Water Quality Operating Reserve Fund	**347,455**	171,579
ES HQ Admin Operating Reserve Fund	**44,071**	43,245
ES Engineering Operating Reserve Fund	**440,316**	362,443
ES Protection Operating Reserve Fund	**773,577**	758,097
Leg&Gen Operating Reserve	**1,152,089**	680,615
Regional Emergency Program Operating Reserve Fund	**93,130**	86,610
Facility Management Operating Reserve Fund	**91,684**	45,000
HQ Facility Operating Reserve Fund	**55,752**	35,000

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10. ACCUMULATED SURPLUS continued

	2020	2019
Sub-Regional		
Royal Theatre Capital Reserve Fund	**1,042,318**	823,906
S.P.W.W.S. Sewer Debt Reserve Fund	**1,936,757**	3,676,176
Saanich Peninsula Ice Arena Facility Capital Reserve Fund	**3,468,534**	3,185,858
Sooke and Electoral Area Recreation & Facilities Capital Reserve Fund	**601,006**	519,172
Trunk Sewers and Sewage Disposal Facilities Capital Reserve Fund	**4,253,797**	8,834,808
Northwest Trunk Sewer Capital Reserve Fund	**-**	1,263
Northeast Trunk Sewer Capital Reserve Fund	**29,583**	29,029
Sidney Treatment Plant Capital Reserve Fund	**967,396**	949,275
Saanich Peninsula Water Supply Capital Reserve Fund	**7,688,717**	7,644,951
McPherson Theatre Capital Reserve Fund	**1,857,580**	1,664,880
Juan De Fuca Water Development Costs Capital Reserve Fund	**-**	(6,817)
Seaparc Legacy Operating Reserve Fund	**1,931**	1,894
North West Trunk Sewer Operating Reserve Fund	**1,121,229**	1,116,273
North East Trunk Sewer Operating Reserve Fund	**1,348,852**	1,156,260
North East Trunk #2 Operating Reserve Fund	**453,529**	334,094
East Coast Interceptor Operating Reserve Fund	**148,720**	268,296
S.P.W.W.S. Sewer Operating Reserve Fund	**517,714**	460,448
Arts and Culture Grants Operating Reserve Fund	**269,535**	199,240
Sooke & EA Rec Facilities Operating Reserve Fund	**21,570**	16,224
Panorama Recreation Operating Reserve Fund	**63,059**	54,255
JDF Community Planning Operating Reserve Fund	**255,059**	224,178
Stormwater Quality Sooke Operating Reserve Fund	**70,847**	55,674
Stormwater Quality Core Operating Reserve Fund	**78,302**	68,696
Stormwater Quality Sannich Pen Operating Reserve Fund	**27,632**	27,114
Saanich Peninsula Source Control Operating Reserve Fund	**50,680**	48,986
LWMP Onsite Operating Reserve Fund	**111,502**	109,413
LWMP Peninsula Operating Reserve Fund	**40,947**	59,471
LWMP Core & WS Operating Reserve Fund	**819,541**	1,641,960
Core Area Wastewater Service Capital Reserve Fund	**2,776**	-
Building Inspection Operating Reserve Fund	**189,592**	-
Emergency Planning Operating Reserve Fund	**36,311**	-
Local		
Shirley Fire Reserve Fund	**77,974**	52,217
Southern Gulf Islands Emergency Capital Fund	**248,354**	202,916
Sooke Community Park Capital Fund	**586,733**	556,126
Pender Island Park Land Reserve Fund	**36,164**	35,486
Salt Spring Island Park Land Acquisition Reserve Fund	**860,826**	829,790
Salt Spring Island Parks & Recreation Capital Reserve Fund	**339,794**	282,225

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10. ACCUMULATED SURPLUS continued

	2020	2019
Southern Gulf Islands Small Craft Harbour Capital Reserve Fund	**490,495**	466,134
Galiano Island Parks & Recreation Capital Reserve Fund	**73,807**	80,482
Saturna Island Park Land Reserve Fund	**3,196**	3,136
Mayne Island Park Land Reserve Fund	**93,976**	99,633
North Pender Island Fire Capital Reserve Fund	**404,184**	427,093
Pender Island Parks & Recreation Commission Fund	**321,175**	231,170
Saturna Island Parks & Recreation Commission Fund	**64,010**	79,605
Willis Point Fire & Recreation Capital Reserve	**161,449**	123,888
Port Renfrew Solid Waste Capital Reserve Fund	**73,400**	67,364
Magic Lake Sewerage System Capital Reserve Fund	**278,391**	137,087
Maliview Estates Sewer Capital Reserve Fund	**45,570**	18,933
Ganges Sewer LSA Capital Reserve Fund	**859,285**	754,283
Cedars of Tuam Water Capital Reserve Fund	**16,367**	13,155
Port Renfrew Sewer System Capital Reserve Fund	**21,548**	19,828
Magic Lake Estates Water System Capital Reserve Fund	**816,280**	754,542
Port Renfrew Sewer & Water System Capital Reserve Fund	**76,878**	72,955
Lyall Harbour/Boot Cove Water Service Area Capital Reserve Fund	**23,490**	6,193
Surfside Park Estates Water Capital Reserve Fund	**49,087**	35,820
Skana Water Service Capital Reserve Fund	**82,024**	77,042
Sticks Allison Water Capital Reserve Fund	**10,542**	2,688
Wilderness Mountain Water Capital Reserve Fund	**50,130**	40,732
Cedar Lane Water Capital Reserve Fund	**74,434**	92,334
Beddis Water Capital Reserve Fund	**14,544**	50,869
Fulford Water Capital Reserve Fund	**73,402**	89,131
Salt Spring Island Park Service Area Capital Reserve Fund	**1,380**	1,354
Salt Spring Island Park Capital Reserve Fund	**176,119**	118,536
Salt Spring Island Pool Facility Capital Reserve Fund	**228,346**	294,023
Salt Spring Island Emergancy Capital Reserve Fund	**41,934**	41,149
East Sooke Fire Capital Reserve Fund	**24,485**	43,893
Salt Spring Island Harbours Capital Reserve Fund	**168,345**	146,911
Family Court Building Capital Reserve Fund	**222,801**	240,649
Galiano Community Use Building Capital Reserve Fund	**72,083**	61,990
SSI Library Building Capital Reserve Fund	**63,136**	72,279
North Galiano Fire Capital Reserve Fund	**66,404**	61,119
Salt Spring Island Transport Capital Reserve Fund	**53,350**	1,394,164
Salt Spring Island Septage Capital Reserve Fund	**143,416**	154,793
East Sooke System Development Charge Capital Reserve Fund	**-**	(563,047)
Highland/Fernwood Water SSI Capital Reserve Fund	**25,744**	55,892
Port Renfrew Fire Capital Reserve Fund	**46,689**	45,814
Otter Point Fire Capital Reserve Fund	**19,366**	98,836
Salt Spring Island Transit Capital Reserve Fund	**52,495**	42,680
Animal Care Legacy Operating Reserve Fund	**101**	99

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10. ACCUMULATED SURPLUS continued

	2020	2019
Highland/Fernwood Water Operating Reserve Fund	**2,818**	17,345
Beddis Water Operating Reserve Fund	**15,284**	10,679
Fulford Water Operating Reserve Fund	**18,256**	16,956
Cedar Lane Water Operating Reserve Fund	**26,328**	23,935
SSI Septage Composting Operating Reserve Fund	**14,850**	1,398
Ganges Sewer Operating Reserve Fund	**38,495**	41,360
Maliview Sewer Operating Reserve Fund	**6,848**	51,504
Magic Lake Estates Water Operating Reserve Fund	**118,424**	106,481
Lyall Harbour Boot Cove Operating Reserve Fund	**7,592**	12
Skana Water Operating Reserve Fund	**9,820**	8,604
Sticks Allison Water Operating Reserve Fund	**2,326**	1,299
Surfside Park Water Operating Reserve Fund	**27,842**	4,188
Magic Lake Sewer Operating Reserve Fund	**44,740**	30,744
Cedar Tuam Water Operating Reserve Fund	**11,838**	10,977
Durrance Road Fire Operating Reserve Fund	**2,211**	2,002
SGI Emergency Program Operating Reserve Fund	**111,361**	104,320
SSI Emergency Program Operating Reserve Fund	**31,628**	23,189
Nuisance & Unsightly Premises Operating Reserve Fund	**2,234**	15,264
Electoral Area Fire Services Operating Reserve Fund	**316,689**	257,382
Electoral Area Soil Deposits & Removal Operating Reserve Fund	**67,073**	62,948
Noise Control Operating Reserve Fund	**8,977**	2,494
Animal Care Services Operating Reserve Fund	**3,285**	3,223
SSI Transit Operating Reserve Fund	**244,072**	273,132
Electoral Area Elections Operating Reserve Fund	**76,873**	46,620
Stormwater Quality SSI Operating Reserve Fund	**53,385**	47,729
Stormwater Quality SGI Operating Reserve Fund	**6,693**	6,568
SSI Economic Development Operating Reserve Fund	**30,181**	31,284
SSI Transportation Operating Reserve Fund	**10,144**	5,000
Port Renfrew Sewer Operating Reserve Fund	**21**	-
Wilderness Mountain Water Operating Reserve Fund	**1,657**	-
Port Renfrew Water Operating Reserve Fund	**2,021**	-
SGI Electoral Area Admin Operating Reserve Fund	**47,981**	-
SGI Economic Development Operating Reserve Fund	**1,516**	-
SSI Pool and Park Land Operating Reserve Fund	**40,000**	-
Capital Region Housing Corporation	**9,210,685**	7,810,658
Total reserves	**141,413,419**	137,813,715
Accumulated Surplus	**$ 1,682,155,134**	$ 1,431,805,432

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11. CONTRACTUAL OBLIGATIONS

a) CAPITAL PROJECTS AND OPERATING CONTRACTS

At December 31, 2020, the District has outstanding commitments to capital projects and operating contracts totaling $69,132,520 (2019 - $144,162,453). The Core Area Wastewater Treatment Project accounts for $18,250,210 (2019 - $98,955,517) of the outstanding commitments.

The District entered into an agreement with a third party to design, build, finance, operate and maintain a Residuals Treatment Plant (RTP) for the District. Under the agreement, the District is obligated to make a lump sum payment of 50% of total capital costs once the RTP has achieved service commencement and the asset is accepted by the District. The remaining 50% of capital costs will be paid out monthly over a 20 year term. The estimated capital costs of this agreement is $126,782,789. The operating portion of this agreement is also for a 20 year period to be paid out monthly. The estimated operating costs of this agreement is $116,707,942. The first lump sum payment and start of the capital financing arrangement and monthly operating payments is expected to begin in 2021.

b) LONG TERM LEASES

The District rents facilities and leases machinery and equipment under long-term operating leases. Future minimum lease payments are as follows:

		2020		**2019**
2021	**$**	**2,810,964**	$	2,338,674
2022		**325,406**		143,980
2023		**318,308**		137,350
2024		**264,638**		101,950
2025		**261,441**		100,478
Total future minimum lease payments	**$**	**3,980,757**	$	2,822,432

The above noted future minimum lease payments include $308,503 (2019 - $1,687,807) for leases relating to the Core Area Wastewater Treatment Project.

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12. CONTRACTUAL RIGHTS

a) THIRD PARTIES AGREEMENTS

At December 31, 2020, the District has entered into a number of multi-year contracts with third parties totaling $23,619,027 (2019 - $29,887,372)

b) LONG TERM LEASES

The District has entered into various contracts for rental revenue. The estimated contractual rights under these contracts are as follows:

		2020		2019
2021	**$**	**1,616,097**	$	1,865,755
2022		**1,436,455**		1,752,142
2023		**1,395,412**		1,483,044
2024		**365,950**		453,926
2025		**26,596**		114,572
	$	**4,840,510**	$	5,669,439

13. CONTINGENCIES

a) LAWSUITS

In the normal course of operations, the District is faced with lawsuits for damages of a diverse nature. At year-end, the District's estimated exposure to each such liability is either not determinable or is not considered to be significant. Claims paid by the District as a result of litigation are reported as expenses. Liabilities are recorded upon a determination that a loss is likely and a determination can be made of the estimated amounts.

b) BUILDING ENVELOPE REMEDIATION (BER) - (CRHC)

A number of low income housing buildings are operated by the Capital Region Housing Corporation (CRHC) under agreements with BC Housing Management Commission (BCHMC). Prior to the signing of the new Umbrella Agreement in 2012, BCHMC provided funding for building envelope failure remediation for BCMHC and Homes BC buildings. In the event CRHC is unable to comply with agreement terms, BCHMC may require repayment of certain BER subsidies. Repayment would be funded by second mortgages.

Funding for future BER for all buildings except for buildings with no operating agreements is subject to future negotiations with BCHMC.

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14. BUDGET DATA

The budget data presented in these consolidated financial statements is based on the 2020-2024 Financial Plan Bylaw 4349 as approved by the Board on March 18, 2020. Interfund transfers and debt principal payments are removed from the budget, and the CRHC budget is added for presentation in the financial statements. Amortization is not contemplated in development of the budget and, as such, is not included. The chart below reconciles the budget surplus reported in the statement of operations to the budget surplus approved by the Board. The approved budget includes operating expenditures of $282.6 million for CRD, and $19.8 million for CRHC. The budget surplus approved by the Board is nil for CRD and $349,869 for CRHC.

	Total
Budget annual surplus (deficit)	**$ 71,064,153**
Deduct outflows for:	
Transfers to reserve funds	**(20,668,360)**
Transfers to capital funds	**(32,768,308)**
Transfers to equipment replacement fund	**(3,797,668)**
Debt principal payments	**(16,901,995)**
CRHC transfers to reserve funds	**(2,367,168)**
CRHC debt principal payments	**(5,092,006)**
Add inflows for:	
Transfers from reserve funds	**3,360,173**
Prior year net surplus	**7,385,966**
CRHC transfers from reserve funds	**135,082**
Annual surplus approved by the Board	**$ 349,869**

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15. GOVERNMENT TRANSFERS

The following government transfers have been included in revenues:

	2020	2019
Federal	**$ 42,855,140**	$ 106,952,746
Provincial	**142,109,163**	82,159,182
Local	**117,133,370**	115,975,852
	$ 302,097,673	$ 305,087,780

Federal Government transfers include $36,174,635 (2019 - $75,860,342) relating to the Core Area Wastewater Treatment Project and $4,200,000 (2019 - $30,000,000) relating to the Regional Housing First Program (RHFP). Provincial Government transfers include $124,000,000 (2019 - $62,000,000) relating to the Core Area Wastewater Treatment Project. Local Government transfers include tax levies collected by the Province and municipalities on behalf of the District.

16. PENSION PLAN

The District and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from the District.

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.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a $2,866 million funding surplus for basic pension benefits on a going concern basis.

The District paid $5,168,746 (2019 - $4,623,299) for employer contributions to the plan in fiscal 2020, while employees contributed $4,607,461 (2019 - $4,090,624) to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available later in 2022.

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.

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17. RELATED PARTY TRANSACTIONS

The Capital Regional Hospital District (CRHD) is a related party to the CRD. The Board of Directors for each entity is comprised of the same individuals. As legislated by the Hospital District Act, the officers and employees of the CRD are the corresponding officers and employees of the CRHD. The CRD and CRHD are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. During the year the CRHD purchased, at cost, $727,404 (2019 - $795,300) of administrative support and project management services from the CRD, of which $16,622 (2019 - $141,985) of project management services was capitalized.

The Regional Housing First Program (RHFP) is a partnership between the CRD, and the Provincial and Federal governments to provide capital funding to affordable housing projects in the region. The CRD, CRHC and CRHD will invest a combined $40 million towards projects. In 2018, a RHFP project management office was created to support the delivery of the program. During the year, the CRHD contributed $141,154 (2019 - $138,387) and the CRHC contributed $63,520 (2019 - $62,275) to the CRD, to cost share in administrative support and project management services.

On January 25, 2019, as part of the RHFP, the CRD purchased Millstream Ridge and entered into a 60-year prepaid lease in the amount of $33,250,194 and a 35-year operator agreement with the CRHC. The CRHC secured 35-year mortgage financing to fund the prepaid lease.

On November 2, 2020, as part of the RHFP, the CRD purchased West Park and entered into a 60-year prepaid lease in the amount of $29,430,822 and a 35-year operator agreement with the CRHC. The CRHC secured short-term capital financing from BCHMC to fund the prepaid lease. This short-term financing was converted to a 35-year mortgage subsequent to year end.

On November 20, 2020, as part of the RHFP, the CRD purchased Spencer Close and entered into a 60-year prepaid lease in the amount of $28,419,513 and a 35-year operator agreement with the CRHC. The CRHC secured short-term capital financing from BCHMC to fund the prepaid lease. The short-term financing was converted to a 35-year mortgage subsequent to year end.

18. GVLRA - CUPE LONG-TERM DISABILITY TRUST

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association (GVLRA) representing a number of employers and the Canadian Union of Public Employees (CUPE) representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The employers and employees each contribute equal amounts into the Trust. The District paid $379,157 (2019 - $351,329) for employer contributions and District employees paid $379,157 (2019 - $351,329) for employee contributions to the plan in fiscal 2020. Based upon most recent information, at December 31, 2019, the total plan provision for approved and unreported claims was $19,081,300 with a net surplus of $4,244,806.

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19. SEGMENTED REPORTING

The District is a diversified regional government that provides a wide range of services to its stakeholders. For management reporting purposes, the District's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

District services are provided by departments and their activities are reported within these funds. Certain functions have been separately disclosed as segmented information, along with accounting for the services they provide as follows:

Water Services:

Water Services operations include responsibility for the supply of wholesale water to the core municipalities, distribution to the Saanich Peninsula, the Westshore Communities, and Sooke. This segment also includes accountability for a number of local water service areas in Port Renfrew, Saltspring Island, and the Southern Gulf Islands.

Sewer Services:

Sewer Services operations include responsibility for the design, build, and operation of sewage collection, treatment, and disposal systems in the District. This includes the accountability for liquid waste in the core area and a number of local sewer service areas in Port Renfrew, Saltspring Island, and the Southern Gulf Islands.

Environmental Health Services:

Environmental Health Services operations are responsible for solid waste management and related environmental assessment and regulatory programs. The department provides municipal solid waste disposal and recycling services.

Recreation and Cultural Services:

Recreation and Cultural Services operations provide a wide variety of facilities and programs to residents of the capital region. Regional Parks is responsible for establishing and protecting a network of regional parks. Three recreation centers are operated in Sooke, Sidney, and Ganges. There are a number of parks and recreation programs located throughout the Southern Gulf Islands.

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19. SEGMENTED REPORTING continued

General Government Services:

General Government Services operations are responsible for providing the functions of Corporate Services (Financial Services, GIS & Information Technology, Business Development, Risk Management, Payroll, Arts Development, and Facilities Management), Administration (Human Resources and Corporate Communications), and Planning and Protective Services.

Capital Region Housing Corporation:

The CRHC is a wholly-owned subsidiary of the Capital Regional District. It was incorporated under the laws of British Columbia Company in 1982 and its principal activity is the provision of rental accommodation for citizens of the District. The CRHC operates properties with 1,773 housing units.

The following page provides additional Segmented Information. The accountings policies used in these segments are consistent with those followed in preparation of the financial statements as disclosed in Note 1.

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19. SEGMENTED REPORTING continued

Year ended December 31, 2020

	Water Services	Sewer Services	Environmental Health Services	Recreation and cultural services	General government services	Capital Region Housing Corporation	2020
Revenue							
Government transfers	$ 3,737,922	$213,889,255	$ 913,120	$ 32,504,597	$ 47,574,036	$ 3,478,743	**$ 302,097,673**
Sale of services	51,428,174	2,081,443	20,792,646	2,187,141	1,225,818	-	**77,715,222**
Other revenue	7,028,032	4,167,173	7,610,159	3,938,605	8,386,399	-	**31,130,368**
Affordable housing - rental income	-	-	-	-	-	17,037,803	**17,037,803**
Actuarial adjustment of long-term debt	3,143,110	1,434,028	(1,269,736)	(1,157,042)	3,046,238	-	**5,196,598**
	65,337,238	221,571,899	28,046,189	37,473,301	60,232,491	20,516,546	**433,177,664**
Expenses							
Salaries, wages and benefits	14,481,694	-	2,652,149	12,936,801	35,812,437	2,992,564	**68,875,645**
Contract for services and consultants	2,350,596	2,442,092	8,611,890	484,106	4,820,329	3,364,299	**22,073,312**
Repairs and maintenance	87,477	202,976	2,286,475	574,273	631,927	949,822	**4,732,950**
Supplies	1,220,187	597,492	151,983	837,320	1,920,021	138,677	**4,865,680**
Utilities	1,082,054	973,807	95,590	771,326	512,387	1,451,945	**4,887,109**
Amortization of tangible capital assets	12,448,939	5,181,516	2,330,904	3,815,771	4,506,182	5,494,521	**33,777,833**
Interest on debt	3,781,544	3,757,920	122,760	503,409	6,779,646	2,127,930	**17,073,209**
Other expenses	1,364,937	12,609,153	5,649,025	6,971,125	(1,282,485)	1,230,469	**26,542,224**
	36,817,428	25,764,956	21,900,776	26,894,131	53,700,444	17,750,227	**182,827,962**
Annual Surplus	$ 28,519,810	$195,806,943	$ 6,145,413	$ 10,579,170	$ 6,532,047	$ 2,766,319	**$ 250,349,702**

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19. SEGMENTED REPORTING continued

Year ended December 31, 2019

	Water Services	Sewer Services	Environmental Health Services	Recreation and cultural services	General government services	Capital Region Housing Corporation	2019
Revenue							
Government transfers	$ 5,409,720	$185,971,666	$ 906,678	$ 30,480,817	$ 72,823,103	$ 9,495,796	**$ 305,087,780**
Sale of services	48,801,557	1,942,493	20,522,659	4,519,620	1,333,542	-	**77,119,871**
Other revenue	3,951,108	2,834,086	7,993,296	4,421,240	9,472,535	-	**28,672,265**
Affordable housing - rental income	-	-	-	-	-	15,700,820	**15,700,820**
Actuarial adjustment of long-term debt	2,834,615	1,361,750	(225,617)	(1,043,398)	1,886,055	-	**4,813,405**
	60,997,000	192,109,995	29,197,016	38,378,279	85,515,235	25,196,616	**431,394,141**
Expenses							
Salaries, wages and benefits	14,083,882	106,046	2,544,434	14,194,127	32,083,432	2,171,900	**65,183,821**
Contract for services and consultants	2,295,661	1,279,041	7,940,400	562,906	4,830,354	2,978,748	**19,887,110**
Repairs and maintenance	82,878	277,789	2,458,522	558,746	763,404	1,031,410	**5,172,749**
Supplies	235,265	661,811	160,636	867,794	1,281,051	516,494	**3,723,051**
Utilities	1,081,896	899,824	81,253	810,332	483,916	1,387,271	**4,744,492**
Amortization of tangible capital assets	12,200,246	4,972,620	2,225,564	3,676,580	3,023,500	5,520,859	**31,619,369**
Interest on debt	3,925,256	4,706,600	204,900	583,331	6,691,687	2,209,671	**18,321,445**
Other expenses	1,841,979	11,277,712	5,820,191	7,307,025	1,552,529	722,459	**28,521,895**
	35,747,063	24,181,443	21,435,900	28,560,841	50,709,873	16,538,812	**177,173,932**
Annual Surplus	$ 25,249,937	$167,928,552	$ 7,761,116	$ 9,817,438	$ 34,805,362	$ 8,657,804	**$ 254,220,209**

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20. FINANCIAL RISKS AND CONCENTRATION OF RISK

The District is potentially exposed to credit risk, market and interest rate risk, liquidity risk, and foreign exchange risk from the District's financial instruments. Qualitative and quantitative analysis of the significant risks from the District's financial instruments is provided below by type of risk.

a) CREDIT RISK

Credit risk primarily arises from the District's cash and cash equivalents, accounts receivable and portfolio investments. The risk exposure is limited to their carrying amounts at the date of the statement of financial position.

Accounts receivable primarily consist of amounts receivable from government organizations, residents and financial institutions. To reduce the risk, the District regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2020, the amount of allowance for doubtful debts was nil (2019 - nil). The District historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

b) MARKET AND INTEREST RATE RISK

Market risk is the risk that changes in market prices and inputs, such as interest rates, will affect the District's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

The District manages market risk by holding cash balances with top rated Canadian Schedule I financial institutions. The portfolio investments are managed following the investment policy which is approved by the District's Board of Directors. The District periodically reviews its investments and is satisfied that the portfolio investments are being managed in accordance with the investment policy.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The District's investments are disclosed in Note 2 and changes in the fair value of investments have parallel changes in unrealized gains or losses until realized on disposal. The District's mortgage interest rates are fixed rate mortgages and are subject to interest rate risk upon renewal. The interest rate risk is mitigated by the subsidy assistance received from BCHMC and CMHC which is based on mortgage principal and interest payments.

There has been no change to the interest rate risk exposure from 2019.

c) LIQUIDITY RISK

Liquidity risk is the risk that the District will not be able to meet its financial obligations as they become due. The District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financial activities to ensure that its financial obligations are met.

d) FOREIGN EXCHANGE RISK

The District has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments are short-term in nature and do not give rise to significant foreign currency risk.

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21. SUBSEQUENT EVENT

a) CORE AREA WASTEWATER TREATMENT PROJECT

In 2021, the Certificate of Service Commencement for the Residuals Treatment Facility is expected to be complete which will trigger a one-time capital payment of $63.4 million and the start of subsequent monthly capital and operating payments which will continue to December 2040. The monthly capital payments have an imbedded financing rate of approximately 6% and will be approximately $5.5 million annually.

The transaction will result in an increase in tangible capital assets of approximately $126.8 million derived from the initial $63.4 million capital payment plus the principal portion for long-term debt of approximately $63.4 million. Monthly, the interest portion of the long-term debt combined with operating and maintenance payments will be expensed on the Statement of Operations. The monthly operating and maintenance payments are determined based on actual volumes of residuals processed at the facility.

b) CAPITAL REGION HOUSING CORPORATION

On March 22, 2021, the District purchased the residential property, Hockley House, for $31.0 million and then entered into a 60 year, $23.8 million prepaid lease agreement and 35 year operating agreement of the property with the CRHC. The CRHC obtained short-term financing from BCHMC to fund the prepaid lease of Hockley House from the CRD. The financing will be converted to a 35-year mortgage after being placed with a lender by BCHMC.

On April 14, 2021, the CRHC's Board authorized the Corporation's staff to enter into a prepaid lease agreement with the CRD in the amount of $10.1 million for an affordable housing project in the region. The estimated total housing project costs for the CRD is $17 million.

22. COMPARATIVE INFORMATION

Certain 2019 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

23. COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian federal and provincial governments enacting emergency measures to combat the spread of the virus. The economic conditions and the District's response to the pandemic did not have a material impact on the District's operating results and financial position in 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the District is not known at this time.

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Schedule of Remuneration & Expenses: Employees

For the year ended December 31, 2020

NAME	Position	Salary	Expenses	Total
ACHUFF, MICHAEL	Environmental Science Officer 2	76,894	-	76,894
ACOSTA, GUILLERMO	Technical Services Technician 2	81,647	389	82,036
ADAMS, DOUGLAS	Environmental Science Officer 2	81,659	-	81,659
ALLAN, MARK	Utility Operator 4	87,605	-	87,605
ALSDORF, MELANIE	Manager, Program Services, PRC	122,300	312	122,612
ANDERSON, SAM	Utility Operator 2	77,477	1,605	79,082
ANDREWS, DAVE	Project Manager, CAWTP Construction	349,024	-	349,024
ARNET, JESSICA	Property Systems Officer	86,808	2,015	88,823
ARTHUR, DEREK	Technical Services Technician 3	89,569	109	89,678
ASPINALL, ANTHONY	Fitter	95,013	-	95,013
BADER, MATHEW	Financial Analyst 2	80,095	1,264	81,359
BANDRINGA, NATALIE	Research Planner	93,267	52	93,318
BARNARD, KEVIN	Environmental Science Officer 2	81,525	-	81,525
BARNES, DEVON	Sr Supv., Wildfire Sec. & Emerg Resp.	104,524	2,055	106,579
BARNES, MICHAEL	Sr. Mgr, Capital Health&Plng Strategies	140,700	2,367	143,066
BAYNES, CARISSA	Senior Property Manager	87,009	145	87,154
BENJAMIN, TOM	Business Systems Analyst	105,706	-	105,706
BENNETT, SCOTT	Manager, Technical Services	132,915	68	132,983
BETANZO, ADRIAN	Technical Services Technician 2	81,555	508	82,063
BEWLEY, GRAHAM	Waterworks/Wastewater Supervisor	126,857	637	127,494
BEZEAU, JEAN PAUL	GIS Technologist 2	85,717	-	85,717
BINKS, ROB	Field Supervisor, Water Operations	117,722	213	117,935
BIRD, ARON	Business Systems Analyst	87,079	-	87,079
BISSENDEN, LEIGH	Utility Operator 4	105,949	213	106,162
BLACKWELL, WARREN	Utility Operator 4	106,157	213	106,370
BLANEY, JENNIFER	Manager Water Quality Laboratory	122,301	597	122,897
BLUNDELL, GREG	Treatment Plant Operator 2	110,705	578	111,284
BOOTH, MONIQUE	Manager, Communication Services	118,574	364	118,938
BOYNE, NATHAN	Fire Warden Protection Assistant	92,842	115	92,957
BRADLEY, JAMES	Utility Operator 2	101,313	764	102,078
BRADLEY, JULIE	GVLRA Executive Director	118,469	-	118,469
BRENAY, JAMES	Utility Operator 3	76,889	104	76,992
BREWSTER, LORRAINE	Senior Manager, Panorama Recreation	144,497	2,778	147,275
BRIDGES, GEORGE	Utility Operator 2	92,473	213	92,686
BRIDGES, GORDIE	Utility Operator 4	107,911	120	108,031
BRIDGEWOOD, DAVID JOHN	Senior Financial Officer	90,297	998	91,295
BROWN, DONALD	Manager Bylaw Enforcement & Animal Care	132,818	184	133,002
BROWN, ROGER	Utility Operator 4	87,602	213	87,815
BUCKLAND, NIGEL	Watershed Technician 2	92,766	-	92,766
BURR, RICHARD	Local Utility Operator 2	95,028	1,392	96,420
BURRELL, MICHAEL	GIS Technologist 2	86,880	2	86,882
BURROWS, NIGEL	Mgr, Wildfire, Security & Emergency Resp	120,194	966	121,160
BURTON, THOMAS	Engineer 5	110,104	-	110,104
BUTTS, JOHN	Utility Operator 4	99,907	632	100,539
BYRCH, SHARON	Manager, Information Services	118,360	1,908	120,268

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NAME	Position	Salary	Expenses	Total
CAIN, CAMERON	Electrical & Instrumental Team Lead	132,932	1,599	134,531
CAMERON, ROSS	Manager, Risk and Insurance	130,136	-	130,136
CAMPBELL, KARLA	Senior Manager, SSI Administration	144,488	2,775	147,263
CANNEN, ROMULO	Systems Officer	98,819	-	98,819
CARBY, SHAWN	Senior Manager, Protective Services	144,497	1,972	146,469
CAREY, STEVEN	Manager Legal Services	131,492	3,125	134,617
CARLSON, RICHARD	Senior Heavy Duty Mechanic	109,358	-	109,358
CARMICHAEL, DOUG	GIS Technologist	76,515	6	76,522
CHAN, NELSON	Chief Financial Officer	251,859	1,899	253,758
CHAPMAN, JONATHAN	Electronics Technologist	84,559	-	84,559
CHYTILOVA, VANDA	Manager Enterprise Resource Planning	144,497	54	144,551
CLANCY, DAVE	Program Director, CAWTP	397,854	18,811	416,665
CONSTABEL, ANNETTE	Senior Manager, Watershed Protection	163,316	1,081	164,396
COWLEY, MALCOLM	Manager, Wastewater Eng & Planning	140,708	309	141,018
CRAIG, SARA	Web Technician	77,392	-	77,392
CRANWELL, MARK	Building Plumbing Inspector	88,903	2,157	91,059
CULHAM, CHRISTINE	Senior Manager, Regional Housing	130,160	429	130,589
CURNOW, STEVEN	Manager Watershed Protection Operations	122,309	693	123,002
CURTIS, MATTHEW	Manager Facilities & Operations	109,815	28	109,843
DALES, JASON	Field Supervisor Water Operations	134,828	104	134,932
DAVARIDOUST, FATEMEH	Senior Cost Engineer	129,038	-	129,038
DEANE, VICTOR	Manager Water Treatment & Operations	122,301	1,655	123,957
DEELSTRA, CHRISTY	Maintenance Management Coordinator	81,766	-	81,766
DELGADILLO LOPEZ, FRANCISCA	Manager, Strategic Planning	108,813	-	108,813
DILLABAUGH, NADINE	Manager, Human Resources & Org Dev	110,122	3,761	113,883
DOBOS, TONY	Assistant Bylaw Enforcement Officer	86,940	-	86,940
DOUILLARD, JAY	Research Planner	92,384	-	92,384
DREW, BRAD	Parks Facility Coordinator	87,457	1,912	89,369
DUNN, WENDY	Environmental Science Officer 2	81,690	580	82,270
DUPUIS, JESSICA	Environmental Science Officer 2	81,571	20	81,591
DURKIN, CHRISTOPHER	Industrial Mechanic	84,949	948	85,898
DUTHIE, TANYA	Manager, IWS Administration	79,883	1,371	81,254
EAM, SAMBO	Manager Financial Reporting	119,555	1,521	121,076
EARLE, HAYDEN	Field Supervisor, Water Operations	137,418	418	137,835
EAST, ERICA	Maintenance Management Coordinator	89,366	-	89,366
EDWARDS, KELLY	GIS Technologist 2	89,851	-	89,851
EDWARDS, RICHARD	Engineer 5	94,710	2,105	96,815
ELDER, ELENA	Senior Financial Advisor	108,162	1,052	109,214
ELLIOTT, DONALD	Manager First Nations Relations	131,914	40	131,954
ELLIOTT, NICOLE	Environmental Science Officer 3	99,414	-	99,414
FAFARD, DREW	Supervisor Technical Services	130,652	578	131,230
FALCONER, KEVIN	Utility Operator 4	87,571	104	87,675
FAST, PETER	Environmental Science Officer 2	77,390	1,709	79,099
FELLINGER, NICKI	Information Technician 5	91,512	7	91,519
FERNANDEZ, CARLOS	Electronics Technologist	137,557	667	138,224

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NAME	Position	Salary	Expenses	Total
FERRIS, ELIZABETH	Environmental Science Officer 4	97,709	1,362	99,071
FORBES, SARAH	GIS Technologist 2	87,020	12	87,032
FOSTER, ALLAN	Equipment Operator 3	77,364	-	77,364
FOWLER, DEANNA	Administrative Officer 1	78,155	-	78,155
FOWLES, ROBERT	Manager Construction & Capital Projects	107,150	50	107,201
FRANK, BEATRICE	Research Planner	91,658	628	92,286
FRANKLIN, PHILLIP	Mechanic 4 - Heavy Duty	95,094	-	95,094
FREDERICK, JOSHUA	Manager, Project Engineering	140,708	2,022	142,730
FUDGE, CRYSTAL	Utility Operator Team Lead	92,001	495	92,496
GANN, MARK	Forestry Crew 4	82,782	558	83,340
GARDNER, DAVID	Senior Operator 3 Team Leader	111,450	265	111,715
GARDNER, JAMES (TOBI)	Engineer 4	108,842	10	108,852
GAULTIER, LAUREN	Manager, HR Systems & Alignment	84,336	-	84,336
GIRARDET, JEFFERY	Water Maint. Op 4/Heavy Duty Equip. Op.	93,933	213	94,146
GORMAN, EMILIE	Deputy Corporate Officer	113,563	280	113,843
GORMAN, ROB	Network Analyst	122,795	90	122,885
GOSPER, DAMON	Engineer 5	121,846	1,055	122,901
GOVAN, JAMES	Facility Maintenance Supervisor	95,605	934	96,540
GRAVES, CHRISTOPHER	Engineer 5	117,321	268	117,589
GRAY, JASON	Recreation Program Coordinator 3	76,532	75	76,606
GRAY, ZOE	Mgr, Website & Multimedia Development	122,310	-	122,310
GREEN, DALE	Senior Environmental Science Officer	104,447	500	104,947
GREENO, MATTHEW	Environmental Analyst	77,030	39	77,068
GRIGG, SHARON	Manager of Operations	123,727	9	123,736
GULLEKSON, GEOFF	Electronics Technologist	111,477	399	111,876
HAAS, TIM	Supervisor Industrial Automation	146,448	682	147,129
HALL, FRASER	Technical Services Technician 4	92,939	603	93,542
HANCOCK, ADAM	Parks Operations Team Lead	109,904	-	109,904
HARRIS, DAVID	Mechanic 4 - Commercial Transport	96,485	-	96,485
HARRIS, GLENN	Sr Manager Environmental Protection	165,425	834	166,259
HARRIS, WILLIAM (KIRK)	Senior Parks Maintenance Worker	90,440	2,233	92,673
HARRISON, JEFFREY	Treatment Plant Operator 2	102,532	111	102,643
HAWTHORNE, SCOTT	Utility Operator Team Lead	114,858	674	115,532
HAYNES, LARRY (LEE)	Utility Operator 3	79,228	213	79,441
HEIDARYKHAGEPOOR, PARISA	Manager Project Controls	226,385	-	226,385
HEMUS, BURN	Operations Chargehand	79,043	-	79,043
HENDERSON, STEPHEN	Manager, Real Estate Services	140,700	2,470	143,170
HENNIGAN, DAVID	Sr Mgr, Information Technology & GIS	163,259	2,974	166,233
HESJEDAL, LEONARD	Landfill Maintenance Worker	77,522	-	77,522
HICKS, JOHN	Transportation Planner	110,737	723	111,460
HLIVA, ADAM	Field Supervisor, Waterworks/Wastewater	132,654	341	132,995
HOGARTH, JARROD	Utility Operator 3	80,512	365	80,877
HOGE, ANDREW	Manager, Corporate Finance & Treasury	126,261	2,199	128,460
HOGLUND, COLLEEN	Manager, Program Services SEAPARC	104,127	24	104,151
HOLMES, JENNIFER	Business Systems Support Technician	75,543	1,619	77,162

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NAME	Position	Salary	Expenses	Total
HOWARD, KEITH	Treatment Plant Operator	109,838	109	109,947
HOZACK, JOHN	Supervisor Hartland Maintenance & Ops	110,437	1,243	111,680
HUTCHESON, LARISA	GM, Parks & Environmental Services	221,179	1,411	222,590
INGRAHAM, ROBERT	Manager, Occupational Health and Safety	132,906	3,543	136,449
INNESS, JACOB	Weigh Scale Attendant	78,583	100	78,683
IRG, SHAYNE	Engineer 5	137,617	727	138,344
IRWIN, MARIE	Environmental Science Officer 3	92,755	41	92,796
JASINSKY, DENIS	Utility Operator Team Lead	81,608	7,583	89,190
JAY, GARY	Utility Operator Team Lead	134,824	213	135,037
JEFFERIES, ANDREW	Treatment Plant Operator 2	103,269	213	103,482
JENKINSON, CAROLYN	Manager, Executive Admin/Exec.Assist.	88,162	517	88,679
JESNEY, IAN	Sr Manager, Infrastructure Engineering	163,328	404	163,733
JO, KYU CHANG	Financial Analyst 4	86,181	998	87,178
JOBSIS, MARK	Business Systems Analyst	93,440	-	93,440
JOHANSSON, KENNETH	Manager,Business Analysis & Land Systems	122,958	181	123,139
JONES, BETHANY	Manager Financial Systems & Reporting	127,891	2,059	129,950
JONES, WAYNE	Utility Operator 4	95,034	213	95,247
KELLY, JARED	Engineer 5	118,676	-	118,676
KEMLE, KRISTIN	Property Manager 3	79,506	300	79,806
KHAN, USAMA	Network Analyst	123,894	-	123,894
KICKHAM, PETER	Manager Environmental Regulations	121,602	53	121,655
KILVERT, TODD	Technical Services Technician 2	81,600	508	82,108
KIM, KEVIN (SANG HYUN)	Manager Privacy and FOI	78,383	1,645	80,028
KING, MARTINE	Recreation Program Coordinator 3	78,392	57	78,450
KITSON, PAUL	Manager Major Capital Projects	95,441	50	95,491
KNOESTER, ERIC	Recreation Program Coordinator 3	76,686	299	76,985
KNOKE, STEPHEN	Manager SEAPARC Recreation	132,915	302	133,217
KOLIC, JOE	Electrician 2	133,770	280	134,050
KORNELSON, JAMES	Electrician 2	99,266	-	99,266
KOZAK, CRAIG	Treatment Plant Operator 2	105,307	477	105,784
KROENING, JAMES	Senior Operator 3 Team Leader	99,506	929	100,435
KRUGER, ALLAN	Senior Operator 2	110,731	447	111,178
KUZMAN, MICHAEL	Utility Operator 3	114,693	549	115,242
LACHANCE, RIANNA	Senior Manager Financial Services	164,624	1,893	166,517
LAM, JAMES	Manager, Community Arts	104,127	11	104,138
LAMBERT, KATHARINE (KATE)	Senior Property Manager	80,157	-	80,157
LAPHAM, ROBERT	Chief Administrative Officer	298,564	4,326	302,890
LATHIGEE, JONATHAN	Senior GIS Administrator	128,844	3,455	132,299
LAVIGUEUR, ERIC	Maintenance Management Coordinator	82,113	-	82,113
LAWRENCE, IAIN	Manager, Local Area Planning	132,915	178	133,093
LAZARO, DIANNE	Systems Officer	104,728	-	104,728
LEAHY, JEFFREY	Senior Manager, Regional Parks	163,329	327	163,656
LEE, PATRICIA	Senior Financial Officer	92,860	998	93,858
LEE, WENDY	Laboratory Coordinator	81,600	740	82,340
LEMMON, KIMBERLY	Senior Project Coordinator	71,322	3,943	75,266

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NAME	Position	Salary	Expenses	Total
LESPERANCE, BRUCE	Facility Maintenance Coordinator	89,360	300	89,660
LETOURNEAU, MARTIN	Stewardship & Diversion Attendant (Term)	75,553	-	75,553
LICK, STACEY	Senior CAD/GIS Technologist	86,967	-	86,967
LITTLEJOHN, WARREN	Senior Supervisor, Roads	107,397	693	108,090
LIU, ANDY	Manager, Environmental Engineering	140,708	2,143	142,851
LOCHER, HELENA	Payroll & Disbursements Supervisor	82,463	-	82,463
LOCKE, HENRY	Draftsperson 3	81,496	779	82,275
LORETTE, KEVIN	GM, Planning & Protective Services	219,451	338	219,789
LOWE, CHRIS	Environmental Science Officer 4	98,791	670	99,461
LUO, SEN	Systems Analyst	89,634	-	89,634
LYNK, TYLER	Utility Operator 3	79,546	345	79,891
LYON, GORDON	Utility Operator 3	80,150	213	80,363
LYONS, SHIRLEY	Environmental Science Officer 2	79,384	38	79,422
MACDONALD, MIEKO	Systems Officer	96,176	-	96,176
MACINTYRE, MICHAEL	Manager Park Operations	122,304	1,499	123,804
MACKIE, MICHAEL	Watershed Operator 2	86,466	-	86,466
MADILL, KEN	Project Manager, CAWTP Plant	245,352	-	245,352
MAGI, JOHN	Waterworks/Wastewater Supervisor	134,941	213	135,154
MAHER, KELLY	Utility Operator 3	89,227	949	90,176
MALONEY, JEFFREY	Senior Operator 3 Team Leader	113,620	463	114,083
MANN, MATT	Maintenance Management Coordinator	77,739	-	77,739
MANNING, ANTHONY	Electrician 2	98,915	678	99,593
MARQUIS, WILFRED	Senior Bylaw Officer	112,478	17	112,494
MARR, JOSEPH	Manager, Water Dis. Engineering&Planning	149,337	109	149,446
MARTIN, BENJAMIN	Engineer 5	110,558	1,478	112,036
MARTIN, DARREN	Database Administrator	159,202	-	159,202
MASON, SCOTT	Manager, Water Engineering & Planning	140,708	-	140,708
MATLO, MICHAEL	Building Inspector 3	92,145	1,110	93,255
MAY, STEPHEN	Sr Manager, Facilities Mgmt & Eng Serv	163,328	499	163,827
MCALOON, JAMES	Engineer Technician 2	81,000	115	81,115
MCCOUBREY, PATRICK	Security Chargehand	90,808	-	90,808
MCCRANK, MATTHEW	Sr Manager Wastewater Infrastructure Ops	163,315	599	163,914
MCDONOUGH, JEFF	Electrician 2	93,404	-	93,404
MCINTYRE, SHAWN	Industrial Mechanic	87,425	1,572	88,997
MCLORG, MICHAEL	GIS Technologist 2	86,868	-	86,868
MCPHERSON, SCOTT	Treatment Plant Operator 2	114,524	213	114,737
MCQUARRIE, CHRISTINE	Manager, Human Resources	132,906	679	133,585
MEDLAND, JOHN (MICHAEL)	Senior Financial Advisor	101,079	1,630	102,709
MEDLER, DEREK	Utility Operator 3	77,094	213	77,307
MENZIES, CURTIS	Utility Operator 3	77,094	213	77,307
MINARD, KAREN (CLAIRE)	Financial Analyst 4	82,102	-	82,102
MITTAL, MADHU	Engineer 5	110,682	529	111,211
MOCH, CHRISTOPH	Manager, Drinking Water Quality	132,915	1,031	133,946
MODAK, LISA	Information Technician 5	82,874	-	82,874
MOONEY, JOHN	Parks Operations Supervisor	115,710	2	115,712

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NAME	Position	Salary	Expenses	Total
MOORE, ALLAN	Systems Officer	98,494	5,889	104,383
MORBEY, NATHANIEL	Senior Financial Advisor	94,776	1,035	95,811
MORLEY, KRISTEN	GM, Corporate Services	210,823	168	210,990
MOSS, TRACEY	Manager Visitor Svcs & Community Devel	108,215	197	108,412
MULLETT, DAVID	Water Maint. Op 4/Heavy Duty Equip. Op.	97,739	104	97,843
MUNRO, BRAD	Engineering Technician 5	100,332	1,104	101,436
NAKATA, TONY	Engineer 3	99,203	473	99,675
NAVARRETE, MAURICIO	Building Services Maintenance Supervisor	105,837	88	105,925
NEILSON, CHRISTOPHER	Senior Manager Human Resources & Org Dev	181,037	2,174	183,211
NELSON, DOUGLAS	Watershed Operator/Equiptment Operator	109,713	-	109,713
NESTOR, CAMERON	Utility Operator 4	90,652	667	91,319
NG, AMANDA	Planning Assistant 2	78,959	688	79,647
NGUYEN, HUY	Aquatic Ecology Technician 3	78,956	114	79,070
O'DWYER, LANI	Technical Services Technician 3	88,976	143	89,119
OLSEN, KELLY	Manager, Safety	126,793	142	126,935
ORR, ANDY	Senior Manager, Corporate Communications	144,488	338	144,826
OVINGTON, DAN	Manager, SSI Parks & Recreation	122,300	368	122,669
PACHECO, JOE	Supervisor, Weigh Scale	93,749	6	93,754
PAGE, RYAN	Utility Operator 4	105,192	397	105,588
PAKVIS, JEAN	Information Technician 3	85,089	336	85,424
PARKER, DAVID	Manager, Systems Maintenance	122,309	273	122,582
PARKER, ROBERT	Senior Operator 3 Team Lead	128,696	2,240	130,936
PIVA, DANIEL	Laboratory Technician 2	76,916	1,018	77,934
POWERS, SCENI	Senior Financial Officer (Term)	98,214	1,201	99,415
PRENGER, NATHAN	Watershed Technician 2	86,120	1,643	87,763
PUSKAS, DALE	Manager, Capital Projects	140,700	109	140,809
QUAN, CARSON	Network Analyst	112,520	-	112,520
QUAYLE, KRISTIN	Information Technician 3	76,961	-	76,961
RANNS, JOHN T	Utility Operator 4	90,610	-	90,610
REES, PAT	Treatment Plant Operator	106,981	231	107,212
REILLY, JOHN	Mgr, Housing Planning, Policy&Programs	132,915	2,756	135,671
REIMER, JONATHAN	Manager Electoral Area Fire & Emerg Prgs	115,236	522	115,758
RICHARDS, COLIN	Watershed Operator/Equipment Operator	76,957	-	76,957
RILKOFF, JEREMIAH (JEREMY)	Financial Analyst 2	89,639	1,450	91,089
ROBBINS, TED	GM, Integrated Water Services	219,460	1,863	221,322
ROBERTS, ALISON	Information Technician 5	84,908	996	85,905
ROBERTSON, MARIE	Senior Supervisor, Watershed Operations	106,579	1,038	107,616
ROBSON, DAN	Manager, Saanich Pen. & Gulf Islands Ops	122,300	1,503	123,803
ROUANZOIN, MARIANNE	Administrative Coordinator 1	78,125	-	78,125
ROY, ROBERT	Manager Safety	95,638	843	96,481
ROY, STEPHEN	PRV/CV Mechanic	95,772	213	95,985
RUDOLPH, BARRI LYNN	Environmental Science Officer 2	78,980	-	78,980
RULJANCICH, SHANE	Chief Draftsperson	92,492	51	92,544
RYAN, BARRY	Technical Services Technician 3	87,683	508	88,191
SANDHAR, AMRIT	Engineering Technician 5	98,636	389	99,025

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NAME	Position	Salary	Expenses	Total
SAPRUNOFF, DAN	Environmental Science Officer 2	81,563	135	81,698
SAY, KIMBERLY	Recreation Program Coordinator 3	76,562	-	76,562
SCABER, TODD	Manager Water System Operations	122,309	482	122,791
SCHARBACH, DAVID	Engineer 5	110,736	375	111,110
SCHEUER, DARREN	Electronics Technologist	112,716	109	112,825
SCHUBERT, DAN	Maintenance Worker - Depot	86,047	-	86,047
SCHULTZ, GLENN (BRANDIN)	Manager Planning Resource Mgt & Dev	125,433	-	125,433
SCOTT, ELIZABETH	Deputy Project Director, CAWTP	287,316	25,013	312,329
SCOTT, SHARON	Engineer 4 (Senior Geoscientist)	104,387	977	105,364
SEMMENS, BENJAMIN	Manager Financial Planning & Performance	123,022	2,128	125,151
SHANNON, TODD	Parks Operations Supervisor	118,712	6	118,718
SHARP, ALLISON	Manager, Administrative Services	104,118	998	105,116
SHAW, RYAN	Systems Officer	122,229	-	122,229
SHEPPARD, RODNEY	Utility Operator 4	110,630	422	111,052
SHOEMAKER, ROBERT	Environmental Science Officer 1	76,759	100	76,859
SHUCK, ROBERT	Environmental Science Officer 3	91,159	2,863	94,023
SIMPSON, KEVIN	Environ,First Nations and Regulatory MGR	137,994	-	137,994
SINCLAIR, EMILY	Sr Manager Regional & Strategic Planning	140,274	1,220	141,493
SLADEN, TREVOR	Utility Operator 4	99,072	370	99,443
SMART, JAMES	Treatment Plant Operator 2	119,508	799	120,307
SMERYCHYNSKI, ANTHONY	Field Supervisor Wastewater	105,143	1,249	106,392
SMITH, RUSS	Senior Manager, Env. Resource Management	164,612	1,062	165,673
SMITH, VINCE	Industrial Mechanic	100,435	625	101,060
SMITHSON, MICHAEL	Electrician 2	93,898	441	94,339
SNEEK, JEFF	Welder	93,229	320	93,550
SOLOMON, MARC	Parks Operations Supervisor	118,954	7,093	126,047
SOUTHERN, EVAN	Director of Comm/Stakeholder Engagement	239,627	119	239,746
SPEED, MARC	Manager IT Security Architect	122,301	-	122,301
STARKE, JUSTINE	Manager Service Delivery SGI	109,719	1,748	111,467
STEWART, CAROLYN	Planner	92,564	258	92,822
STEWART, NATHAN	Administrative Officer 2	84,269	756	85,024
STOCK, MARY	Manager, Human Resources	132,906	1,209	134,115
STOKES, CHASE	Environmental Science Officer 2	81,364	1,436	82,800
STORIE, ROB	Building Services Coordinator	112,889	53	112,942
STOTT, BRAD	Utility Operator 4	88,405	255	88,660
STOTT, TARA	Administrative Officer 1	76,629	718	77,347
STURDY, LUKE	Local Utility Operator Team Leader	147,667	1,066	148,733
SUNSHINE, MICHAEL	Manager Corporate Fleet	83,926	438	84,363
TAGGART, COLETTE	Environmental Science Officer 2	77,113	41	77,154
TATES, RON	Field Supervisor, Mechanical	106,685	9	106,695
TAYLOR, EMMA	Planner	81,179	1,592	82,771
TAYLOR, MICHAEL	Manager Building Inspection	97,479	886	98,365
TESCHKE, KYLE	Engineer 3 (AUX)	100,876	-	100,876
TIWANA, NAVJEET	Deputy Conveyance Manager	162,448	13,855	176,303
TO, ATHENA	Senior Financial Advisor	85,770	1,051	86,821

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NAME	Position	Salary	Expenses	Total
TRADEWELL, KELLY	Environmental Contaminants Officer	89,038	270	89,308
TUCKWELL, DAVID	Manager, Quality	184,098	-	184,098
TWORUSCHKA, DYLAN	Utility Operator 2	76,466	213	76,679
URQUHART, TRACY	Information Technician 3	76,591	114	76,705
USSERY, JOEL	Manager Resource Planning	132,915	620	133,535
VAN BUSKIRK, AMANDA	Human Resources Advisor	78,432	748	79,179
VAN NIEKERK, JAN	Sr Manager Customer & Technical Services	148,023	456	148,479
VIJANDRE, CARLO	Manager Asset Management	112,790	319	113,109
VINCENT, KIMBERLEY	Senior Financial Advisor	91,661	1,035	92,696
WALSH, STUART	Park Technician	77,594	17	77,611
WANG, ROBIN	Electronics Technologist	115,421	506	115,927
WANG, XUAN (CINDY)	Draftsperson 3	82,701	399	83,100
WARD, KAREN	Policy Analyst	76,581	-	76,581
WARDELL, ALAN	Construction Scheduler	157,874	-	157,874
WATKINS, TOM	Manager, ERM Policy and Planning	122,309	974	123,283
WATSON, CHRISTOPHER	Building Inspector 2	81,563	2,085	83,647
WATSON, JODY	Environmental Science Officer 4	98,538	135	98,673
WATTS, CATHERINE	Recreation Program Coordinator 3	78,384	2,725	81,109
WEAVER, MIKE	Field Supervisor Water Treatment Ops	147,282	674	147,955
WEIGHTMAN, JEFF	Research Planner	92,960	822	93,782
WERFL, BRYAN	Equipment Operator 3	77,517	-	77,517
WEST, ADAM	Facility Maintenance Worker 4	87,269	674	87,943
WESTON, JACQUELINE	Project Manager, Plant	188,910	785	189,695
WHIPP, CHAZ	Manager, Facilities	122,301	1,382	123,682
WHIPPS, STEVEN	Utility Operator 4	118,184	213	118,397
WIEBENGA, HARRY (IAN)	Manager Solid Waste Operations	111,914	2,765	114,679
WILSON, KRISTI	Demand Management Coordinator	86,852	195	87,047
WILSON, LYNN	Planner	93,520	1,004	94,524
WOOD, SOPHIE	Information Technician 3	78,205	13	78,218
WOODSEND, CAMERON	Equipment Operator 3	77,157	407	77,563
WU, PEI (EMMA)	Financial Advisor	90,211	1,512	91,723
WYATT, TREVOR	Water Maint Op 4/Heavy Duty Equip Op	89,803	213	90,016
XU, JING (ALLEN)	Manager Engineering SSI	131,660	5,294	136,954
XU, LIAOXIN	Manager Financial Services	113,763	1,569	115,332
ZAYONC, ALEXANDRIA	Purchaser	92,162	199	92,361
ZOU, BING	Financial Analyst 2	75,151	1,035	76,186
Total of Employees with remuneration of $75,000 or more		38,782,847	298,482	39,081,329
Total of Employees with remuneration of $75,000 or less		22,869,319	146,531	23,015,850
Total Employee Remuneration		61,652,166	445,013	62,097,179

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Capital Regional District

Schedule of Remuneration & Expenses: Directors & Alternate Directors

For the year ended December 31, 2020

NAME	Position	Salary	Allowances	Expenses	Total
ALTO BOND, MARIANNE	Alternate Director	$ 220	$ 110	$ -	$ 330
BATEMAN, JEFF	Alternate Director	513	257	-	770
BLACKWELL, DENISE	CRHD Chair	23,608	11,804	-	35,412
BRENT, PAUL	Alternate Director	733	367	-	1,100
BRICE, SUSAN	Board Director, Saanich	19,608	9,804	-	29,413
BROWNOFF, JUDITH	Alternate Director	587	293	-	880
COLLINS, LAUREL	Alternate Director	73	37	-	110
DESJARDINS, BARBARA	Board Director, Esquimalt	19,608	9,804	-	29,413
HAYNES, FREDERICK	Board Director, Saanich	17,615	8,808	-	26,422
HELPS, LISA	Board Director, Victoria	19,608	9,804	-	29,413
HICKS, MIKE	Electoral Area Director - JDF	46,911	23,456	1,655	72,022
HOLMAN, GARY	Board Director, SSI EA	43,671	21,836	1,555	67,061
HOWE, DAVID	Electoral Area Director - SGI	43,671	21,836	1,676	67,182
ISITT, BENJAMIN	Board Director, Victoria	20,195	10,098	-	30,293
KERR, RICHARD	Alternate Director	73	37	-	110
KOBAYASHI, DOUGLAS	Alternate Director	293	147	-	440
LOVEDAY, JEREMY	Board Director, Victoria	20,415	10,208	-	30,623
MABBERLEY, BEN	Alternate Director	440	220	346	1,006
MARTIN, ROBERT	Board Director, Colwood	17,541	8,771	-	26,312
MCNEIL SMITH, CLIFF	Board Director, Sidney	18,128	9,064	-	27,192
MERSEREAU, REBECCA	Board Director, Saanich	18,760	9,380	5	28,145
MURDOCH, KEVIN	Board Director, Oak Bay	17,615	8,808	-	26,422
ORR, GEOFF	Board Director, North Saanich	17,615	8,808	-	26,422
PALTIEL, NIALL	Alternate Director	147	73	-	220
PLANT, COLIN	CRD Board Chair	33,561	16,781	219	50,561
POTTS HALPIN, SARAH	Alternate Director	73	37	-	110
RANNS, JOHN	Board Director, Metchosin	17,541	8,771	288	26,600
RICHARDSON, MARY (ELIZABETH)	Alternate Director	73	37	73	183
ROESSINGH, KAREL	Alternate Director	73	37	-	110
SCREECH, DAVID	Board Director, View Royal	17,615	8,808	-	26,422
SEATON, LANNY	Board Director, Langford	17,615	8,808	-	26,422
STOCK, CELIA	Alternate Director	513	257	-	770
TAIT, MAJA	Board Director, Sooke	19,535	9,768	700	30,002
TAYLOR, EDWARD (NED)	Board Director, Saanich	18,275	9,138	-	27,412
THORNTON JOE, CHARLAYNE	Alternate Director	73	37	-	110
WILLIAMS, KENNETH	Board Director, Highlands	17,615	8,808	320	26,742
WINDSOR, RYAN	Board Director, Central Saanich	19,535	9,768	-	29,303
YOUNG, GEOFFREY	Board Director, Victoria	18,201	9,101	-	27,302
Total		**$ 547,949**	**$ 273,979**	**$ 6,836**	**$ 828,764**

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Schedule of Remuneration & Expenses: Committee & Commission Members

For the year ended December 31, 2020

NAME	Position	Salary	Allowances	Expenses	Total
BAIRD, GORDON	Water Commission	$ 513	$ 257	$ -	$ 770
BRAME, MEAGAN	Water Commission	367	183	-	550
CHAMBERS, NATALIE	Water Commission	513	257	-	770
DAY, CYNTHIA	Water Commission	73	37	-	110
DE VRIES, ZAC	Water Commission	367	183	-	550
DUNCAN, SARA	Water Commission	587	293	-	880
GRAHAM, CHRISTOPHER	Water Commission	440	220	-	660
HARPER, KAREN	Water Commission	1,100	550	-	1,650
JENSEN, STANLEY	Land Use Committee	367	183	-	550
KAHAKAUWILA, KYARA	Water Commission	733	367	-	1,100
LITTLE, MARIE TERESE	Water Commission	147	73	-	220
LOGAN, GORDIE	Water Commission	587	293	-	880
MCCONNELL, VERNON	Land Use Committee	513	257	160	930
MCINTYRE, ROY	Land Use Committee	367	183	282	832
MORRISON, TIMOTHY	Water Commission	660	330	-	990
NEY, TARA	Water Commission	73	37	-	110
PATERSON, ESTHER	Water Commission	73	37	-	110
RAMSAY, RONALD	Land Use Committee	513	257	-	770
RISVOLD, DALE	Land Use Committee	440	220	-	660
ROGERS, JOHN	Water Commission	660	330	-	990
SINCLAIR, GEORGE (SANDY)	Land Use Committee	513	257	-	770
ST PIERRE, MARCEL (TONY)	Water Commission	513	257	-	770
STEWART, NORMA	Water Commission	220	110	-	330
SZPAK, LILLIAN	Water Commission	1,173	587	-	1,760
WADE, ROGER	Water Commission	293	147	-	440
ZHELKA, ERIC	Water Commission	513	257	-	770
Total		**$ 12,320**	**$ 6,160**	**$ 442**	**$ 18,922**

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Capital Regional District

Schedule of Remuneration & Expenses: Project Board Members

For the year ended December 31, 2020

NAME	Position	Salary	Allowances	Expenses	Total
EATON, BRENDA	Project Board	$ 27,462		$ -	$ 27,462
FAIRBAIRN, DON	Project Board	47,654		5,181	52,835
HAYDEN, DANA	Project Board	28,962		15	28,977
HOWE, DAVID	Project Board	28,962		-	28,962
SMITH, COLIN	Project Board	28,962		-	28,962
STANLEY, JOHN (TIM)	Project Board	28,962		2,695	31,656
Total		**$ 190,962**	**$ -**	**$ 7,891**	**$ 198,853**

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Capital Regional District

Severance Agreements

For the year ended December 31, 2020

$NIL

There were no severance agreements paid between the Capital Regional District and its unionized employees during fiscal year 2020.

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Capital Regional District

Schedule of Payments to Suppliers for Goods and Services

For the year ended December 31, 2020

Vendor		Total
0848631 BC Ltd.	$	113,551
0950119 BC LTD		36,051
1212711 BC Ltd		60,060
6362222 Canada Inc.		258,798
Absolute Energy Inc.		53,776
Access SMT Holdings Ltd.		42,190
Acklands - Grainger Incorporated		91,306
ACME SUPPLIES LIMITED		116,195
Advanced Subsea Services		69,965
AECOM Canada Limited		83,769
Alco Building Management		39,044
Allteck Limited Partnership		52,220
Alpha Roofing & Cladding Inc		134,804
Alpha Wildlife Research & Managemen		48,272
Alpine Insulation Limited		31,500
Alpine Transmission & Auto Repair		186,403
ALS Canada Ltd		34,281
AMAZON		123,486
Andrew Sheret Limited		700,018
Aon Reed Stenhouse Inc.		856,498
Apex Steel & Gas Limited		69,038
APPLE		33,941
Aqua Irrigation		29,198
Aral Construction (2014) Ltd.		136,404
Arctic Decorating Inc.		133,849
Associated Engineering (BC) Ltd		729,304
Associated Fire Safety Equipment		47,174
Associated Sheet Metal Products		86,576
A-Tech Doors Inc.		41,851
Atlantic Industries Limited		78,550
ATS Traffic		52,615
Aura Cabinet Works Limited		276,870
Aurora Cascade Enterprises Ltd		197,203
Avensys Solutions Inc		29,968

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Vendor	Total
Bartlett Tree Experts	158,466
BC Housing Management Commission	4,213,560
BC HYDRO	3,774,450
BC Life (Pacific Blue Cross) #43746	327,186
BC Transit	332,014
Beacon Community Association	378,895
Bee-Clean Building Maintenance Inc	345,635
Belltech Electric	91,690
Ben Patterson	91,091
Ben Symons	31,603
Benton & Overbury (Victoria) Ltd	48,198
BEST BUY	32,967
Biologica Environmental Services	140,458
Black Press Ltd	100,811
Brenntag Canada Incorporated	333,662
Brent Jansen Plumbing &	39,108
Brigitte Prochaska	65,712
British Columbia Ferry Services	78,056
BTY Consultancy Group Inc	93,405
BullfrogControl.com Inc	74,450
Bunt & Associates Engineering Ltd.	35,348
Bunzl Cleaning & Hygiene	98,435
Bureau Veritas Canada (2019) Inc	502,528
Burley Cleaning	37,263
Butler Brothers Supplies Ltd	46,486
C3 Mainline Inspections Inc.	100,633
Caird Mechanical Contractors	156,938
Canadian AgriChar Inc.	30,608
Canadian Linen Supply	90,872
Canadian Springs	60,647
CANADIAN TIRE	42,432
Canreal Management Corporation ITF	51,276
Cansel Survey Equipment Inc.	38,689
Capital City Paving Limited	836,024
CARO Analytical Services	36,408
CBS Electrical Contractors Ltd.	132,692
CDW Canada	201,456
Ceangal Professional Consulting, In	201,176
Central Island Powerlines Ltd.	25,732
CentralSquare Canada Software Inc.	133,349
Centrix Control Solutions Limited	154,012

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Vendor	Total
Charter Telecom Inc.	367,754
Chartered Professional Accountants	25,989
Citizens Bank of Canada	374,760
City of Langford	518,504
City of Victoria	868,165
Coast Capital Savings Federal Credi	1,601,193
Coast Wholesale Appliances Ltd	48,104
Coastal Green & Clean	34,428
Colquitz Engineering Ltd	206,099
Columbia Fire & Safety Limited	37,438
Columbia Fuels	27,936
Columbia Promotions	48,399
Community Carpet Cleaning	44,590
Community Social Planning Council	85,529
Convergent Information Systems	26,796
Cook Street Castle Building Centre	33,811
Copcan Civil Ltd	1,535,193
Cornerstone Planning Group	61,968
Corporation of the City of Victoria	196,276
Corrosion Service Company Limited	38,257
Cottam Enterprises Ltd.	57,831
Cowichan Valley Regional District	59,221
Creative Door Service Ltd.	29,390
CREST Inc	2,080,733
Crystal Blue Pool Services	49,125
CUPE Local 1978	714,170
D B Birch Ltd.	149,513
Dacan Plumbing	42,013
Darktrace Limited	81,904
David Babbage	34,288
Davis Controls	38,548
Dead Boats Disposal Society	169,561
Depend-A-Dor Repairs & Installation	43,132
dHKarchitects Inc.	408,039
District of Central Saanich	363,155
District of North Saanich	311,731
District of Saanich	5,265,006
DL's Bins Ltd	2,378,604
Don Mann Excavating Limited	15,268,540
Downs Construction Limited	120,412
DPOC Neopost Canada Ltd.	42,000

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Vendor	Total
Draycor Construction Limited	802,851
Driftwood Brewery	38,661
E B Horsman & Son	51,858
E.H. Emery Electric Ltd.	621,932
E2 Engineering Inc.	33,977
Eaton Industries (Canada) Company	369,653
Ecklundson Construction Ltd.	117,428
Eco-Counter Inc	36,797
Ecofish Research Ltd.	63,560
E-Comm, Emergency Communications	314,948
Elite Security & First Aid Services	52,498
Ellice Recycle Limited	32,431
EMA Canada Inc.	170,506
Emco Corporation	1,207,563
Emterra Environmental	5,900,364
Envirosystems Inc.	365,861
Esri Canada Limited	101,765
EST Environmental Technologies	36,680
Evoqua Water Technologies Ltd	152,293
Excel Contracting Limited	168,713
Express Custom Trailer Mfg	60,889
Falcon Equipment Limited	30,652
Finishing Touch Painting Ltd	53,631
Finning (Canada)	258,182
First National Financial LP	231,000
Fisher Scientific Co.	53,184
Fitness Experience	235,753
Fix Auto Collision Westshore	31,340
Footprints Security Patrol Ltd	55,286
Forest Technology Systems	132,674
Fortis BC-Natural Gas	387,789
Futura Properties Ltd	159,233
Gablecraft RB Homes LP	36,292
Garden City Tree and Landscape	218,021
Gateway Mechanical Services Inc	514,322
GeoAdvice Engineering Inc.	113,444
Geocycle Canada Inc.	882,000
GeoVerra Inc.	36,917
GFL Environmental Inc	1,002,230
GHD Limited	49,418
Glass-Smith & Company Limited	33,030

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Vendor	Total
Goldstream Rock Products Ltd	108,913
Gord's Stonework	190,177
Gosco Holdings Inc.	45,652
GRAND & TOY	50,030
Granicus Inc.	46,877
Graphic Office Interiors Limited	223,338
Great West Life Assurance	231,888
Greater Victoria Labour Relations	81,973
Greenlight Ventures Ltd	34,356
Gregg Distributors LP	96,686
Griff's Lawn & Garden Care	32,875
Gulf Island Community Arts Council	34,256
Gulf Islands Septic Limited	70,510
Gulf Pacific ITF - Creekside Mall	50,047
GVLRA/CUPE Long Term Disabliltiy	692,458
Hach Sales & Service Canada Ltd	73,568
Harbour Resource Partners LP	51,142,195
Hardal Management Inc	48,492
Hartland Resource Management Genera	181,186
Hatch Ltd	43,903
Hatfield Consultants Limited	175,864
Hayward Gordon ULC	26,018
Hazmasters Inc.	165,404
HDR Corporation	94,152
Heavy Metal Marine	190,741
Heightsafe Fall Protection Systems	29,507
HELIJET	48,711
Helix IT	31,909
Herold Engineering Limited	182,283
Hoel Contracting Ltd.	1,739,253
Home Depot Credit Services	32,426
Hoskin Scientific Limited	71,459
Houle Electric Limited	115,305
Hub Fire Engines & Equipment Ltd	150,682
Hughes Painting	122,447
Hunterston Homes Limited	185,145
Iconix Waterworks LP	359,767
IEL Projects Ltd.	1,338,406
Indigenomics Institute	34,678
Infosat Communications LP	31,879
Info-Tech Research Group Inc.	47,334

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Vendor	Total
Innov8 Digital Solutions Inc	155,507
Innova Strategy Group Ltd.	41,751
Innovyze	29,172
Insurance Corporation of BC (ICBC)	293,894
Integrated Operations Group	106,138
Integrated Sustainability Consultan	33,830
ISCO Canada Inc	79,651
Island Arts Centre Society	30,000
Island Asphalt Company	94,429
Island Floor Centre Ltd	246,166
Island Key Computer Limited	730,891
Island Temperature Controls Ltd	313,219
Island Tractor & Supply Ltd	85,479
Island Window Coverings Limited	71,293
IslandEarth Landscape Services Ltd.	421,189
Islanders Working Against Violence	144,000
iTel Networks Inc	33,945
IWA - FI Pension & Ltd Plans	217,576
J E Anderson & Associates	77,560
J J Plumbing & Heating	38,442
Jacob Bros. Construction Inc.	7,840,629
James Frederick Akerman	42,000
Jawl & Bundon LLP	40,709
Jenner Chevrolet Buick GMC	250,710
Jim Dent Construction Ltd	1,596,720
JLB Services Limited	28,792
Joe Newell Architects	43,445
John McCrea	76,008
Jones Bar B Que Inc.	34,086
Jumelle Consulting Inc.	31,894
K2 Services	35,111
Kal Tire	29,781
Kemp Lake Waterworks District	200,000
Kenaidan Contracting Ltd	13,206,944
Kerr Wood Leidal Associates Ltd	950,976
Key-2 Auto Parts & Engine Rebuilder	28,819
Kirk & Co. Consulting Ltd	51,755
KMS Tools & Equipment Ltd.	37,364
Knappett Projects Inc.	12,796,089
Knight Contracting Ltd.	772,851
KPMG LLP T4348	148,866

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Vendor	Total
KTI Limited	437,859
Lawson Lundell LLP	57,050
LFG Parts Supply, INC	28,836
Lightlever Systems Inc.	50,428
Lorax Environmental	28,886
Lordco Auto Parts Ltd	42,050
Luxton Construction Inc	65,445
Madrone Environmental Services Ltd	55,727
MarkR Management Inc.	39,727
Marsh Canada Limited	1,010,333
Matrix Staffing Group	28,403
Matullia Holdings Ltd Partnership	539,000
Mayne Island Early Childhood	71,000
Mayne Island Recycling Society	75,021
MCAP Financial Corporation	527,324
McElhanney Associates Land	28,928
McElhanney Consulting Services Ltd	298,486
McRae's Environmental Services	539,531
Melody Pender	35,773
Metro Mobile Radio Sales Inc.	29,297
MGM Mechanical Ltd.	181,931
Michael Carrothers	64,393
Michael Vernon	63,983
Microsoft Licensing, GP	420,169
Millennia Research Limited	483,810
Milner Electric & Mechanical	186,925
Milner Group Ventures Inc.	173,947
Minister of Finance	870,351
Moffatt & Nichol	40,847
Monk Office	136,099
Morrison Hershfield Limited	100,258
Motion Industries (Canada) Inc.	34,800
Mr. Plow Snow Removal Services	57,580
Murdoch de Greeff Inc.	27,313
N & N Courier	53,397
NAC Constructors Ltd	9,739,722
Nahanni Industries	33,868
Nash & Associates	40,111
National Car and Truck Rentals	56,075
National Process Equipment	37,834
Nautilus Environmental	133,844

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Vendor	Total
Nedco	43,844
Nick Langford Construction Ltd	25,011
North Salt Spring Waterworks	234,429
North West Environmental Group Ltd	78,182
Northwest Hydraulic Consultants	292,952
Norton Rose Fulbright Canada LLP	309,677
Omega Environmental Drilling L	38,923
On-Line Ventures Inc	198,982
Optrics Inc	41,068
Orca Health & Safety Consulting Inc	30,887
Orkin Canada Corporation	32,429
Osborne Electro-Mechanics Ltd	38,782
Pacific Audio Works Ltd.	65,155
Pacific Blue Cross	2,300,463
Pacific Coast Fire Equipment	109,405
Pacific Industrial & Marine Ltd.	369,489
Pacific Link Business Communication	26,576
Pacific NorthWest Raptors Ltd	140,235
Paladin Security Group Ltd	34,382
Panorama Leisure Centre	32,426
Paradigm Software LLC	43,979
Parkland Corporation	40,038
Parsons Inc.	1,013,426
PBX Engineering Ltd	75,472
Pearlman & Lindholm in trust	37,500
Pedre Contractors Limited	1,429,804
Pender Island Recreation &	28,000
Pender Islands Fire Protection	97,266
Peninsula Appliance Service	36,691
Peninsula Consumer Services Co-op	31,151
Peoples Trust Company	491,319
PerfectMind Inc.	51,043
Price's Alarm Systems Ltd.	76,195
Prices Lock & Safe	60,763
Protex Fence Services	79,908
Puma Utility Monitoring Inc	31,878
Quadient Canada Ltd.	133,860
R.E. Anderson	187,273
R.G. Excavating Ltd	45,413
Radio Works	54,565
Ralmax Contracting Ltd	2,328,993

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Vendor	Total
Ramsay Painting Ltd	160,225
Ramtech Environmental Products	67,922
RC Strategies Inc.	33,852
Receiver General for Canada	16,923,946
ReCollect Systems Inc.	25,972
Rectec Industries Inc	200,189
Red Cedar Cafe Association	119,980
Reshape Infrastructure Strategies	48,467
Revolution Environmental Solutions	25,753
ROBBINS PARKING	34,602
Rocky Mountain Phoenix	80,863
ROGERS	227,636
Rollins Machinery Limited	31,547
Rural Islands Economic Partnership	39,938
Ryzuk Geotechnical	92,207
SAE Custom Sheet Metal Ltd.	25,830
Salt Spring Island Farmland Trust	46,200
Salt Spring Island Services	29,505
SAP Canada Inc	938,773
Sara Stallard	27,285
Sasco Contractors Ltd	234,079
Saturna Community Club Recycling	37,802
Save-On-Septic Services Inc	143,162
School District #63 (Saanich)	40,333
Securiguard Services Ltd.	147,288
Seismic 2000 Construction Ltd	1,426,962
SGI Community Resource Centre	39,988
SGS AXYS Analytical Services Ltd	448,279
Shaw Cablesystems GP	98,708
Shell Canada Products	37,562
Sheringham Water Works Ltd	260,000
SHRED-IT INTERNATIONAL	36,016
SideLines Promotional Products Inc.	40,875
Simark Controls Limited	134,033
Simcic & Uhrich Architects	82,576
Slegg Building Materials	103,524
Smith Cameron Process Solutions	33,830
SNC-Lavalin Inc.	629,916
Softchoice LP	221,378
Solid Soil Solutions Ltd.	26,470
Sooke Region Communities Health	81,900

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Vendor	Total
Sooke Slinger Service Ltd	492,960
Sorensen Trilogy Structural Enginee	47,586
South Coast Surveying and	72,030
South Galiano Volunteer Fire	333,851
South Island Mechanical Ltd.	85,279
South Island Surfaces Ltd.	30,030
Southern Gulf Islands Tourism	40,000
Spartan Controls Ltd	37,440
Sperling Hansen Associates	84,877
SPI Health and Safety Inc	53,805
Spicers Canada ULC	52,667
SPR Traffic Services LP	424,272
Stantec Architecture Ltd.	42,195
Stantec Consulting Limited	6,132,866
STAPLES	25,402
STERICYCLE ULC	31,542
Sterling Fleet Outfitters	26,101
Steve Lawrence	34,695
Stewart McDannold Stuart	297,930
Stewart McDannold Stuart In Trust	2,475,778
Stone Pacific Contracting Ltd.	178,631
StoneCroft Engineering Ltd	31,664
Stonefly, Inc.	73,452
Strategic Moves	39,859
Strategic Resource Solutions	34,443
Strathcona Motors (2003) Ltd.	75,318
Suburban Motors	179,732
Summit Earthworkss	259,233
SuMo IT Solutions Inc.	133,030
Sunbelt Rentals, Inc	44,845
Suncor Energy Products	187,683
Sylvis Environmental Service Inc	35,700
Technical Safety BC	54,451
Telus	784,429
The Appian Way Traffic Data Service	39,900
The Corporation of the District of Saanich	100,000
THE HOME DEPOT	47,565
The Lock Doctor	28,017
The Manufacturers Life Insurance Co	270,731
The Salvation Army NRO Thrift Store	28,030
Thurber Engineering Ltd	136,853

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Vendor	Total
Top Line Roofing Ltd	193,725
Top Quality Coatings Ltd	47,101
Tower Fence Products Limited	254,038
Town of Sidney	2,978,185
Township of Esquimalt	129,264
Trail Appliances Ltd.	58,243
Tran Sign 2019 Ltd.	28,177
Trane Canada ULC T42324C	121,277
Tremcar Inc.	237,581
Trimble	56,128
Tri-X Excavating Ltd.	914,935
Trustees of the USW-Coastal Forest	28,648
T'Sou-ke Nation	37,818
Uline Canada Corporation	32,651
Unitech Construction Management	4,435,839
Unitech Construction Management Ltd	250,837
United Steelworkers, Local 1-1937	27,502
University of Victoria	143,879
University of Waterloo	25,000
Urban Matters	138,471
Urban Signs Inc.	36,679
Urban Systems Limited	141,391
Van Isle Water Services Limited	38,312
Veenstra Consulting	28,769
VI Rentals Ltd.	55,353
Victoria Flying Club	64,880
Victoria Mitsubishi	49,402
Victoria Mobile Radio Limited	239,122
Victoria Window Cleaning	77,134
Viridian Energy Co-operative	27,697
Vissers Sales Corp	41,095
VWR International Co	59,357
Walco Industries Ltd	63,975
Waste Connections of Canada Inc	45,215
Waste Management	291,791
Water Research Foundation	38,459
Waterhouse Environmental Services	136,807
Wayne's Tractor Services	99,619
WE Consultants & Benefits	48,607
Wesco Distribution Canada LP	82,075
West Bay Mechanical Limited	27,036

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Vendor			Total
West Coast Circuits Limited			56,190
West Coast Elevator Services Ltd.			46,925
West Coast Helicopters			26,082
West Shore Environmental Services			46,375
Westbrook Consulting Ltd			74,639
Westburne West			25,966
Western Tank & Lining Ltd			30,294
Westminster Lift Truck Services			52,977
WEX Canada Ltd.			288,498
Wholesale Fire & Rescue Limited			52,425
Williams Engineering			48,095
Willis Point Community Association			30,000
Windley Contracting Ltd			13,542,903
Wishbone Industries Limited			26,057
WSANEC Leadership Council Society			192,850
WSP Canada Inc			186,706
Total of aggregate payments exceeding $25,000		**$**	**259,456,798**
Consolidated total of payments of $25,000 or less		**$**	**10,264,599**
Consolidated total of grants exceeding $25,000	3,949,269		
Consolidated total of contributions exceeding $25,000	4,705,660		
Consolidated total of grants and contributions exceeding $25,000		**$**	**8,654,929**
Total Payments		**$**	**278,376,326**

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Capital Regional District

Schedule of Guarantee & Indemnity Agreements

For the year ended December 31, 2020

NIL

The Capital Regional District has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

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Capital Regional District

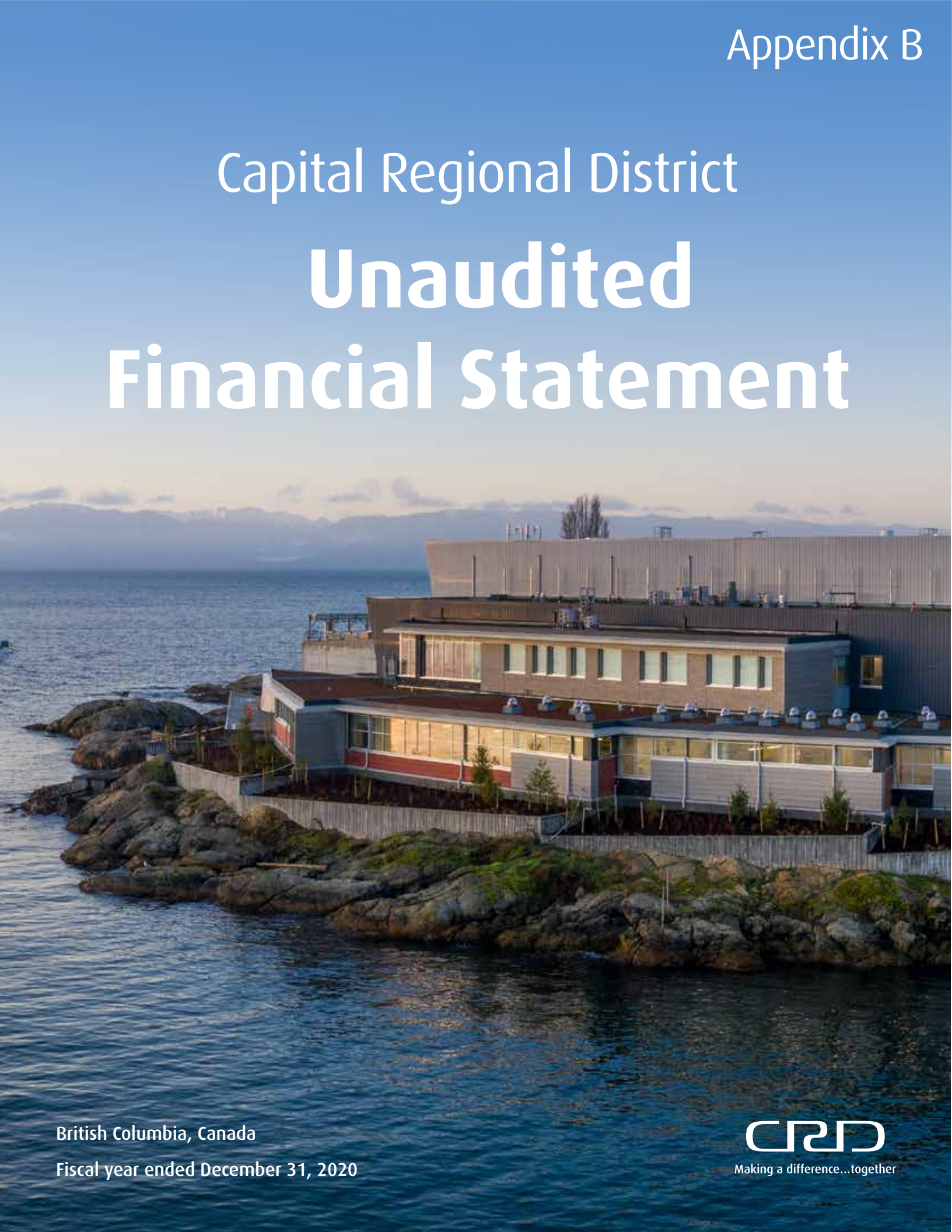
625 Fisgard Street
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Twitter: @crd_bc
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Appendix B

Capital Regional District

Unaudited Financial Statement



British Columbia, Canada

Fiscal year ended December 31, 2020

Making a difference...together

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Consolidated Debt Charges (Unaudited)

For the year ended December 31, 2020

	Principal Payments on Mortgages and Debenture Debt	Principal Payments on Long-Term Non-Debenture Debt	Interest on Mortgages and Long-Term Debt
GENERAL REVENUE FUND			
Issued by Municipal Finance Authority			
Member municipalities	$ 9,210,127	$ -	$ 6,129,375
Capital Regional District	3,966,591	-	1,312,586
Non-debenture-Capital Regional District	-	43,676	26,012
	13,176,718	43,676	7,467,973
SEWER REVENUE FUND			
Issued by Municipal Finance Authority	5,042,679	-	3,720,277
Non-debenture-Capital Regional District	-	24,410,000	158,004
	5,042,679	24,410,000	3,878,280
WATER REVENUE FUND			
Issued by Municipal Finance Authority	6,814,919	-	3,816,178
Non-debenture-Capital Regional District	-	-	-
	6,814,919	-	3,816,178
HOUSING GENERAL REVENUE FUND			
Mortgages Payable	5,092,006	-	2,127,930
	$ 30,126,322	$ 24,453,676	$ 17,290,361

Interest on Temporary Borrowings	Accrued Debt Charges	2020	2019
$ -	$ -	$ 15,339,502	$ 14,905,917
-	(61,943)	5,217,234	3,532,506
-	-	69,688	-
-	(61,943)	20,626,425	18,438,423
-	(120,359)	8,642,597	6,919,472
	-	24,568,004	115,471,310
-	(120,359)	33,210,600	122,390,783
-	(34,633)	10,596,463	10,770,179
-	-	-	-
-	(34,633)	10,596,463	10,770,179
	-	7,219,936	7,403,019
$ -	$ (216,935)	$ 71,653,424	$ 159,002,403

Summary of Long-Term Debt (Unaudited)

For the year ended December 31, 2020

SUMMARY TOTAL LONG-TERM DEBT (Unaudited)

		Outstanding Dec 31/19
General Capital - Debenture	(Schedule B)	$ 34,214,031
General Capital - Non-Debenture	(Schedule B)	1,500,000
Sewer Capital - Debenture	(Schedule C)	100,658,330
Sewer Capital - Non-Debenture	(Schedule C)	20,410,000
Water Capital - Debenture	(Schedule D)	60,483,813
Water Capital - Non-Debenture	(Schedule D)	-
		217,266,174
Accrued actuarial valuation - CRD Debt		(2,815,190)
		214,450,984
Member Municipalities	(Schedule B)	152,970,007
CRD Total		**367,420,991**
CRHC Total		**79,927,288**
Consolidated Total		**$ 447,348,279**

2020				
Additions	**Principal**	**Actuarial**	**Total Debt Retirement**	**Outstanding Dec 31/20**
-	$ (3,966,591)	$ (659,459)	(4,626,050)	$ 29,587,981
227,000	(43,676)	-	(43,676)	1,683,324
-	(5,042,679)	(1,462,365)	(6,505,044)	94,153,286
4,000,000	(24,410,000)	-	(24,410,000)	-
5,100,000	(6,814,919)	(2,969,889)	(9,784,808)	55,799,005
-	-	-	-	-
9,327,000	(40,277,865)	(5,091,713)	(45,369,578)	181,223,596
		(104,885)	(104,885)	(2,920,075)
9,327,000	(40,277,865)	(5,196,598)	(45,474,463)	178,303,521
6,280,000	(9,210,127)	(3,170,223)	(12,380,350)	146,869,657
15,607,000	**(49,487,992)**	**(8,366,821)**	**(57,854,813)**	**325,173,178**
5,028,126	**(5,092,006)**	-	**(5,092,006)**	**79,863,408**
$ 20,635,126	**$ (54,579,998)**	**$ (8,366,821)**	**$ (62,946,819)**	**$ 405,036,586**

TOTAL OUTSTANDING DEBT	
General Capital (CRD and municipalities)	**$ 178,140,962**
Sewer Capital	**94,153,286**
Water Capital	**55,799,005**
less accrued actuarial valuation	**2,920,075**
CRD	**325,173,178**
CRHC	**79,863,408**
Total	**$ 405,036,586**

Long-Term Debt – General Capital Fund (Unaudited)

Issue Date	Bylaw	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
Regional Parks												
2017	4142	4198	142	2032	560,000	3.150%	498,879	-	30,109	1,834	31,943	466,936
2018	4142	4222	145	2033	4,000,000	3.150%	3,784,934	-	215,066	6,452	221,518	3,563,416
Total Regional Parks					4,560,000		4,283,813	-	245,176	8,286	253,461	4,030,352
Port Renfrew Fire												
2009	3456	3634	106	2024	40,000	2.250%	16,015	-	1,998	959	2,957	13,058
Total Port Renfrew Fire					40,000		16,015	-	1,998	959	2,957	13,058
Seaparc Golf Course												
2017	4052	4175	141	2032	660,000	2.800%	587,963	-	35,486	2,161	37,647	550,316
Total Seaparc Golf Course					660,000		587,963	-	35,486	2,161	37,647	550,316
Peninsula Recreation - Swimming Pool												
2008	3388	3514	103	2023	5,200,000	2.650%	1,697,679	-	259,694	140,093	399,787	1,297,892
2008	3388	3547	104	2023	1,600,000	2.900%	522,362	-	79,906	43,105	123,011	399,351
2009	3388	3594	105	2024	2,198,000	2.250%	880,083	-	109,771	52,717	162,487	717,596
Total Peninsula Recreation - Swimming Pool					8,998,000		3,100,124	-	449,370	235,915	685,285	2,414,839
Peninsula Recreation - Community Recreation												
2017	4116	4175	141	2032	1,080,000	2.800%	962,122	-	58,068	3,536	61,604	900,518
Total Peninsula Recreation - Community Rec.					1,080,000		962,122	-	58,068	3,536	61,604	900,518
Solid Waste - Refuse Disposal												
2010	3518	3677	110	2025	2,500,000	1.280%	1,178,708	-	1,125,857	52,851	1,178,708	-
2011	3518	3769	116	2026	2,200,000	4.200%	1,187,629	-	109,870	40,495	150,365	1,037,264
Total Solid Waste - Refuse Disposal					4,700,000		2,366,337	-	1,235,727	93,346	1,329,073	1,037,264
Saltspring Island - Library												
2006	3308	3364	99	2021	350,000	1.750%	59,375	-	17,479	11,625	29,104	30,271
2011	3613	3800	117	2026	2,000,000	3.250%	1,079,663	-	99,883	36,813	136,696	942,967
2013	3613	3910	126	2028	100,000	3.850%	66,874	-	4,995	1,325	6,320	60,554
Total Saltspring Island - Library					2,450,000		1,205,912	-	122,357	49,764	172,121	1,033,791
Saltspring Island - Indoor Pool												
2005	3207	3258	92	2020	2,500,000	1.550%	216,204	-	124,852	91,352	216,204	-
2006	3207	3364	99	2021	400,000	1.750%	67,857	-	19,976	13,286	33,262	34,595
Total Saltspring Island - Indoor Pool					2,900,000		284,061	-	144,828	104,638	249,466	34,595
Gossip Island - Electrification												
2012	3579	3850	121	2027	715,000	2.900%	432,969	-	35,708	11,282	46,990	385,979
Total Gossip Island - Electrification					715,000		432,969	-	35,708	11,282	46,990	385,979
Galiano Island Public Building												
2013	3793	3910	126	2028	310,000	3.850%	207,309	-	15,482	4,108	19,589	187,720

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	Bylaw	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
Total Gossip Island - Electrification					310,000		207,309	-	15,482	4,108	19,589	187,720
Galiano Island Fire												
2013	3793	3910	126	2028	290,000	3.850%	193,934	-	14,483	3,842	18,326	175,608
Total Galiano Island Fire					290,000		193,934	-	14,483	3,842	18,326	175,608
North Galiano Fire												
2014	3844	3936	127	2029	280,000	3.300%	204,260	-	13,984	3,030	17,013	187,247
Total North Galiano Fire					280,000		204,260	-	13,984	3,030	17,013	187,247
East Sooke Fire												
2014	3863	3966	130	2029	1,800,000	3.000%	1,313,105	-	89,894	19,476	109,369	1,203,736
2016	3863	4114	139	2031	150,000	2.100%	125,072	-	8,065	748	8,813	116,259
Total East Sooke Fire					1,950,000		1,438,177	-	97,959	20,224	118,182	1,319,995
Land Banking and Housing												
2015	3715	4009	131	2030	9,413,000	2.200%	6,031,035	-	802,378	118,369	920,747	5,110,288
Total Land Banking and Housing					9,413,000		6,031,035	-	802,378	118,369	920,747	5,110,288
911 Call Answer												
2019	4119	4198	147	2034	7,000,000	2.660%	7,000,000	-	376,366	-	376,366	6,623,634
2019	4119	4318	149	2034	5,900,000	2.240%	5,900,000	-	317,222	-	317,222	5,582,778
Total 911 Call Answer					12,900,000		12,900,000	-	693,588	-	693,588	12,206,412
Total General - Debenture Debt					**51,246,000**		**34,214,031**	**-**	**3,966,591**	**659,459**	**4,626,050**	**29,587,981**
Non-Debenture Debt												
South Galiano Island Fire Hall					1,500,000		1,500,000	-	-	-	-	1,500,000
Equipment Financing Loan					227,000		-	227,000	43,676	-	43,676	183,324
Total General - Non-Debenture Debt					**1,727,000**		**1,500,000**	**227,000**	**43,676**	**-**	**43,676**	**1,683,324**
Total Debt - General					**$ 52,973,000**		**$ 35,714,031**	**$ 227,000**	**$ 4,010,267**	**$ 659,459**	**$ 4,669,726**	**$ 31,271,305**

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	Bylaw	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
Total Gossip Island - Electrification					310,000		207,309	-	15,482	4,108	19,589	187,720
Galiano Island Fire												
2013	3793	3910	126	2028	290,000	3.850%	193,934	-	14,483	3,842	18,326	175,608
Total Galiano Island Fire					290,000		193,934	-	14,483	3,842	18,326	175,608
North Galiano Fire												
2014	3844	3936	127	2029	280,000	3.300%	204,260	-	13,984	3,030	17,013	187,247
Total North Galiano Fire					280,000		204,260	-	13,984	3,030	17,013	187,247
East Sooke Fire												
2014	3863	3966	130	2029	1,800,000	3.000%	1,313,105	-	89,894	19,476	109,369	1,203,736
2016	3863	4114	139	2031	150,000	2.100%	125,072	-	8,065	748	8,813	116,259
Total East Sooke Fire					1,950,000		1,438,177	-	97,959	20,224	118,182	1,319,995
Land Banking and Housing												
2015	3715	4009	131	2030	9,413,000	2.200%	6,031,035	-	802,378	118,369	920,747	5,110,288
Total Land Banking and Housing					9,413,000		6,031,035	-	802,378	118,369	920,747	5,110,288
911 Call Answer												
2019	4119	4198	147	2034	7,000,000	2.660%	7,000,000	-	376,366	-	376,366	6,623,634
2019	4119	4318	149	2034	5,900,000	2.240%	5,900,000	-	317,222	-	317,222	5,582,778
Total 911 Call Answer					12,900,000		12,900,000	-	693,588	-	693,588	12,206,412
Total General - Debenture Debt					**51,246,000**		**34,214,031**	**-**	**3,966,591**	**659,459**	**4,626,050**	**29,587,981**
Non-Debenture Debt												
South Galiano Island Fire Hall					1,500,000		1,500,000	-	-	-	-	1,500,000
Equipment Financing Loan					227,000		-	227,000	43,676	-	43,676	183,324
Total General - Non-Debenture Debt					**1,727,000**		**1,500,000**	**227,000**	**43,676**	**-**	**43,676**	**1,683,324**
Total Debt - General					**$ 52,973,000**		**$ 35,714,031**	**$ 227,000**	**$ 4,010,267**	**$ 659,459**	**$ 4,669,726**	**$ 31,271,305**

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
MUNICIPALITIES											
Victoria											
2003	3026	79	2033	10,000,000	2.250%	6,439,210	-	150,514	178,040	328,554	6,110,656
2003	3026	80	2033	10,000,000	2.850%	6,439,210	-	150,514	178,040	328,554	6,110,656
2004	3026	81	2034	10,000,000	2.850%	6,752,118	-	150,514	162,394	312,909	6,439,209
2007	3467	102	2022	4,509,000	2.250%	1,125,421	-	225,184	135,343	360,528	764,893
2008	3515	103	2023	1,800,000	2.650%	587,658	-	89,894	48,494	138,388	449,270
2009	3515	105	2024	1,800,000	2.250%	720,722	-	89,894	43,171	133,065	587,657
2009	3595	105	2024	3,440,015	2.250%	1,377,389	-	171,798	82,505	254,303	1,123,086
2010	3515	110	2025	5,200,000	1.280%	2,451,714	-	259,694	109,931	369,625	2,082,089
2011	3770	115	2031	10,200,000	3.890%	7,020,109	-	470,159	-	470,159	6,549,950
2014	3770	130	2034	23,200,000	3.000%	18,980,160	-	779,097	168,794	947,890	18,032,270
2016	3770	139	2036	5,500,000	2.100%	4,867,336	-	204,686	18,980	223,666	4,643,670
2017	3770	142	2037	9,600,000	3.150%	8,874,740	-	357,271	21,758	379,029	8,495,711
Total Victoria				95,249,015		65,635,787	-	3,099,220	1,147,449	4,246,669	61,389,118
Central Saanich											
2010	3674	110	2025	1,000,000	1.280%	471,484	-	49,941	21,141	71,082	400,402
2011	3772	116	2026	1,333,333	4.200%	719,775	-	66,588	24,542	91,130	628,645
2015	4032	133	2040	8,523,540	2.750%	7,601,168	-	218,834	32,283	251,117	7,350,051
Total Central Saanich				10,856,873		8,792,427	-	335,363	77,966	413,329	8,379,098
Esquimalt											
2002	2999	78	2022	4,000,000	2.250%	874,085	-	120,970	156,296	277,266	596,819
2003	3092	80	2023	2,800,000	2.850%	796,703	-	84,679	100,165	184,844	611,859
2004	3198	85	2024	1,256,000	2.250%	436,343	-	37,985	40,983	78,967	357,376
2005	3293	95	2025	2,012,000	0.910%	769,360	-	73,965	43,492	117,457	651,903
2006	3369	99	2026	1,129,000	1.750%	498,612	-	37,914	25,215	63,129	435,483
2007	3464	102	2027	2,353,000	2.250%	1,165,691	-	79,018	47,492	126,510	1,039,181
2014	3969	130	2024	1,200,000	3.000%	658,644	-	99,949	21,654	121,603	537,041
Total Esquimalt				14,750,000		5,199,438	-	534,480	435,298	969,778	4,229,660
Saanich											
2003	3051	79	2028	1,500,000	2.250%	756,474	-	31,429	37,176	68,605	687,869
2005	3257	92	2020	3,341,000	1.550%	288,937	-	166,853	122,084	288,937	-
2005	3292	95	2020	2,320,000	1.800%	198,782	-	124,542	74,240	198,782	-
2006	3363	99	2021	4,505,000	1.750%	764,213	-	224,985	149,635	374,620	389,593
2007	3466	102	2022	2,306,300	2.250%	575,640	-	115,179	69,226	184,406	391,234
2010	3726	111	2025	1,797,000	3.350%	826,610	-	126,673	-	126,673	699,937
2010	3726	112	2025	1,150,000	1.280%	542,208	-	57,432	24,311	81,743	460,465
2011	3771	114	2026	8,400,000	3.650%	4,482,106	-	573,536	-	573,536	3,908,570
2012	3853	121	2027	750,000	2.900%	454,162	-	37,456	11,833	49,289	404,873
2014	3968	130	2024	2,400,000	3.000%	1,315,845	-	199,898	43,309	243,207	1,072,638

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
MUNICIPALITIES											
2014	3968	130	2029	4,725,000	3.000%	3,448,343	-	235,971	51,124	287,095	3,161,248
2016	4061	137	2031	8,064,600	2.600%	6,766,358	-	417,948	45,438	463,387	6,302,971
2017	4163	141	2032	2,800,000	2.800%	2,494,392	-	150,546	9,168	159,715	2,334,677
2017	4199	142	2032	3,695,800	3.150%	3,292,417	-	198,711	12,101	210,812	3,081,605
2018	4163	144	2028	836,630	3.410%	711,135	-	83,663	-	83,663	627,472
2019	4283	147	2034	4,605,000	2.660%	4,605,000		247,595	-	247,595	4,357,405
2019	4319	149	2034	6,565,000	2.240%	6,565,000		441,133	-	441,133	6,123,867
2020	4361	152	2025	695,000	0.910%	-	695,000	-	-	-	695,000
2020	4361	152	2035	650,000	0.910%	-	650,000	-	-	-	650,000
2020	4361	152	2035	950,000	0.910%	-	950,000	-	-	-	950,000
2020	4361	152	2035	335,000	0.910%	-	335,000	-	-	-	335,000
2020	4361	152	2035	650,000	0.910%	-	650,000	-	-	-	650,000
Total Saanich				63,041,330		38,087,622	3,280,000	3,433,551	649,647	4,083,198	37,284,424
Oak Bay											
2003	3095	80	2023	4,715,000	2.850%	1,341,588	-	142,594	168,671	311,264	1,030,324
Total Oak Bay				4,715,000		1,341,588	-	142,594	168,671	311,264	1,030,324
North Saanich											
2007	3465	102	2032	7,722,907	2.250%	4,936,488	-	185,442	111,457	296,899	4,639,589
2014	3938	127	2029	1,680,000	3.300%	1,225,566	-	83,901	18,177	102,078	1,123,488
Total North Saanich				9,402,907		6,162,054	-	269,343	129,634	398,977	5,763,077
Sidney											
2006	3359	99	2021	770,000	1.750%	130,620	-	38,455	25,575	64,030	66,590
2007	3414	101	2022	80,000	2.250%	19,968	-	3,995	2,401	6,397	13,571
2010	3676	110	2035	1,448,000	1.280%	1,080,044	-	34,769	14,718	49,488	1,030,556
2011	3801	117	2036	1,073,000	3.250%	835,597	-	25,765	9,496	35,261	800,336
2012	1958	118	2037	479,000	3.400%	388,154	-	11,502	3,634	15,135	373,019
2017	4200	142	2047	3,000,000	3.150%	2,871,992	-	63,058	3,840	66,898	2,805,094
2019	4284	147	2049	2,500,000	2.660%	2,500,000		52,548	-	52,548	2,447,452
2020	4346	150	2050	3,000,000	1.990%	-	3,000,000	-	-	-	3,000,000
Total Sidney				12,350,000		7,826,375	3,000,000	230,092	59,665	289,757	10,536,618
View Royal											
2011	3802	117	2026	2,445,000	3.250%	1,319,887	-	122,106	45,004	167,110	1,152,777
2014	3937	127	2034	5,490,000	3.300%	4,491,426	-	184,364	39,943	224,307	4,267,119
Total View Royal				7,935,000		5,811,313	-	306,470	84,947	391,417	5,419,896
Highlands											
2004	3153	81	2024	571,021	2.850%	198,378		17,269	18,632	35,901	162,477
2016	4115	139	2026	500,000	2.100%	365,191		43,615	4,044	47,660	317,531
Total Highlands				1,071,021		563,569	-	60,884	22,676	83,561	480,008

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
MUNICIPALITIES											
Colwood											
2009	3596	105	2022	733,000	2.080%	203,708	-	44,085	21,172	65,257	138,451
2009	3596	105	2022	963,000	2.080%	267,627	-	57,918	27,815	85,733	181,894
2009	3596	105	2023	720,000	2.200%	247,419	-	39,362	18,903	58,265	189,154
2009	3596	105	2024	3,396,000	2.250%	1,359,764	-	169,600	81,449	251,049	1,108,715
2012	3852	121	2038	3,710,323	2.900%	3,048,983	-	83,732	26,454	110,186	2,938,797
2016	4060	137	2046	4,501,000	2.600%	4,230,168	-	87,190	9,479	96,670	4,133,498
Total Colwood				14,023,323		9,357,669	-	481,888	185,272	667,160	8,690,509
Sooke											
2006	3360	99	2026	8,800,000	1.750%	3,886,446	-	295,519	196,542	492,062	3,394,384
2007	3413	101	2027	617,101	2.250%	305,719	-	20,723	12,455	33,179	272,540
Total Sooke				9,417,101		4,192,165	-	316,243	208,998	525,240	3,666,925
Total Municipal				**242,811,570**		**152,970,007**	**6,280,000**	**9,210,127**	**3,170,223**	**12,380,350**	**146,869,657**
Total General Debenture				**51,246,000**		**34,214,031**	**-**	**3,966,591**	**659,459**	**4,626,050**	**29,587,981**
				294,057,570		**187,184,038**	**6,280,000**	**13,176,718**	**3,829,682**	**17,006,400**	**176,457,639**
Total General Non-Debenture				**1,727,000**		**1,500,000**	**227,000**	**43,676**	**-**	**43,676**	**1,683,324**
Grand Total				**$ 295,784,570**		**$ 188,684,038**	**$ 6,507,000**	**$ 13,220,394**	**$ 3,829,682**	**$ 17,050,076**	**$ 178,140,962**

Long-Term Debt – General Capital Fund (Unaudited) continued

Long-Term Debt – Sewer Capital Fund (Unaudited) continued

Issue Date	Bylaw	Issue Bylaw	MFA\ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
Millstream Site Remediation												
2010	3513	3725	112	2025	288,234	1.280%	135,897	-	14,395	6,093	20,488	115,409
2012	3513	3817	118	2027	200,000	3.400%	121,111	-	9,988	3,156	13,144	107,967
2013	3513	3882	124	2028	600,000	3.150%	401,243	-	29,965	7,950	37,915	363,328
2013	3513	3910	126	2028	611,766	3.850%	409,114	-	30,552	8,106	38,658	370,456
Total Millstream Site Remediation					1,700,000		1,067,365	-	84,900	25,305	110,205	957,160
Septage/Composting - Saltspring Island												
2009	3564	3594	105	2024	280,000	2.250%	112,111	-	13,984	6,716	20,699	91,412
2009	3564	3634	106	2024	400,000	2.250%	160,163	-	19,976	9,594	29,570	130,593
2010	3564	3677	110	2025	650,000	1.280%	306,463	-	32,462	13,741	46,203	260,260
2013	3564	3910	126	2028	770,000	3.850%	514,930	-	38,455	10,203	48,657	466,273
Total Septage/Composting - SSI					2,100,000		1,093,667	-	104,876	40,253	145,130	948,537
Debt - NWT - Vortex / Siphon Upgrade												
2011	3532	3769	116	2021	60,350	4.200%	14,032	-	5,027	1,853	6,879	7,153
Total NWT - Vortex / Siphon Upgrade					60,350		14,032	-	5,027	1,853	6,879	7,153
Debt - NWT - Macaulay Point/Genset												
2007	3339	3412	101	2022	196,790	2.250%	49,117	-	9,828	5,907	15,735	33,382
Total NWT - Macaulay Point/Genset					196,790		49,117	-	9,828	5,907	15,735	33,382
Debt - LWMP Core - NET / ECI Sewer Upgrade												
2005	3205	3261	92	2020	3,000,000	1.550%	259,445	-	149,823	109,622	259,445	-
2005	3205	3291	95	2020	3,000,000	1.800%	257,043	-	161,046	95,998	257,043	-
2006	3205	3325	97	2021	2,000,000	1.750%	339,276	-	99,882	66,429	166,311	172,965
2006	3205	3364	99	2021	4,000,000	1.750%	678,550	-	199,764	132,858	332,622	345,928
Total LWMP Core - NET / ECI Sewer Upg					12,000,000		1,534,314	-	610,516	404,907	1,015,422	518,892
Debt - LWMP Core - NET / ECI Sewer Upgrade (Oak Bay invoice)												
2007	3205	3412	101	2022	7,000,000	2.250%	1,747,161	-	349,588	210,113	559,701	1,187,460
2007	3205	3457	102	2022	3,000,000	2.250%	748,785	-	149,823	90,049	239,872	508,913
2008	3205	3514	103	2023	1,000,000	2.650%	326,477	-	49,941	26,941	76,882	249,595
2008	3205	3547	104	2023	700,000	2.900%	228,533	-	34,959	18,859	53,817	174,716
Total LWMP Core-NET/ECI Sewer Upg					11,700,000		3,050,956	-	584,311	345,962	930,273	2,120,683
Debt - NWT Upgrade - Phase 1												
2005	2802	3258	92	2020	100,000	1.550%	8,650	-	4,994	3,654	8,650	-
Total NWT Upgrade - Phase 1					100,000		8,650	-	4,994	3,654	8,650	-
Debt - Craigflower PS Upgrade												
2005	3244	3291	95	2020	500,000	1.800%	42,840	-	26,841	16,000	42,840	-
2006	3244	3364	99	2021	400,000	1.750%	67,858	-	19,976	13,286	33,262	34,596
2008	3244	3514	103	2023	80,000	2.650%	26,118	-	3,995	2,155	6,151	19,967
Total Craigflower PS Upgrade					980,000		136,816	-	50,813	31,441	82,252	54,563

Issue Date	Bylaw	Issue Bylaw	MFA\ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
Debt- LWMP Core Treatment Facilities												
2008	3461	3547	104	2023	10,000,000	2.900%	3,264,769	-	499,411	269,409	768,820	2,495,949
Total LWMP Core Treatment Facilities					10,000,000		3,264,769	-	499,411	269,409	768,820	2,495,949
Debt - Core Sewage Integrated Treatment Facilities												
2010	3615	3677	110	2025	12,000,000	1.280%	5,657,803	-	599,293	253,688	852,981	4,804,822
Total Core Sewage Integrated Trtmnt. Facs.					12,000,000		5,657,803	-	599,293	253,688	852,981	4,804,822
Debt - Core Area WasteWater Treatment Program												
2013	3887	3910	126	2038	6,100,000	3.850%	5,128,448	-	146,473	38,862	185,335	4,943,113
2018	3887	4253	146	2043	15,000,000	3.200%	14,588,582	-	411,418	12,343	423,761	14,164,821
2019	4204	4282	147	2044	60,000,000	2.660%	60,000,000		1,645,672	-	1,645,672	58,354,328
Total Core Area WasteWater Trtmnt Pgrm.					81,100,000		79,717,030	-	2,203,563	51,205	2,254,768	77,462,262
Debt - Oak Bay - Humber/Rutland												
2007	3332	3412	101	2022	450,000	2.250%	112,316	-	22,474	13,507	35,981	76,335
Total Oak Bay - Humber/Rutland					450,000		112,316	-	22,474	13,507	35,981	76,335
Debt - Ganges Sewer (S.S.I.)												
2016	4007	4114	139	2036	350,000	2.100%	309,738	-	13,026	1,208	14,233	295,505
2017	4007	4198	142	2042	1,500,000	3.150%	1,416,482	-	41,142	2,506	43,647	1,372,835
2018	4007	4253	146	2038	1,800,000	3.200%	1,733,012	-	66,988	2,010	68,998	1,664,014
2019	4007	4318	149	2044	250,000	2.240%	250,000		6,857	-	6,857	243,143
Total Debt - Ganges Sewer (S.S.I.)					3,900,000		3,709,232	-	128,013	5,723	133,736	3,575,496
Debt - Maliview Sewer (S.S.I.)												
2006	2991	3364	99	2021	24,000	1.750%	4,069	-	1,199	797	1,996	2,073
Total Maliview Sewer (S.S.I.)					64,982		4,069	-	1,199	797	1,996	2,073
Debt - Magic Lake Estates (P.I.)												
2016	4048	4114	139	2026	745,000	2.100%	544,132	-	64,987	6,026	71,013	473,119
2017	4048	4198	142	2027	250,000	3.150%	205,730	-	21,808	1,328	23,136	182,594
2018	4048	4253	146	2028	535,000	3.200%	488,332	-	46,668	1,400	48,068	440,264
Total Debt - Magic Lake Estates (P.I.)					1,530,000		1,238,194	-	133,463	8,754	142,217	1,095,977
Total Sewer - Debenture Debt					**137,882,122**		**100,658,330**	**-**	**5,042,679**	**1,462,365**	**6,505,044**	**94,153,286**
Non Debenture Debt												
2014	3887	3888			17,700,000	Variable	6,410,000	-	6,410,000	-	6,410,000	-
2019	4204	4252			64,000,000	Variable	14,000,000	4,000,000	18,000,000		18,000,000	-
Total Sewer - Non Debenture Debt					**81,700,000**		**20,410,000**	**4,000,000**	**24,410,000**	**-**	**24,410,000**	**-**
Total Debt - Sewer					**$ 219,582,122**		**$ 121,068,330**	**$ 4,000,000**	**$ 29,452,679**	**$ 1,462,365**	**$ 30,915,044**	**$ 94,153,286**

Long-Term Debt – Sewer Capital Fund (Unaudited) continued

Long-Term Debt – Water Capital Fund (Unaudited) continued

Issue Date	Bylaw	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
Highland Water												
2009	3580	3634	106	2024	250,000	2.250%	100,101	-	12,485	5,995	18,480	81,621
2012	3580	3817	118	2027	150,680	3.400%	91,245	-	7,525	2,377	9,903	81,342
Total Highland water					400,680		191,346	-	20,010	8,372	28,383	162,963
Highland & Fernwood Water (SSI)												
2011	3754	3800	117	2026	500,000	3.250%	269,914	-	24,971	9,203	34,174	235,740
Total Highland water					500,000		269,914	-	24,971	9,203	34,174	235,740
Beddis Water												
2005	3193	3291	95	2020	325,500	1.800%	27,890	-	17,473	10,417	27,890	-
2013	3825	3882	124	2028	300,000	3.150%	134,260	-	24,987	6,630	31,617	102,643
2013	3825	3910	126	2023	70,000	3.850%	31,329	-	5,830	1,547	7,377	23,952
Total Beddis Water					695,500		193,479	-	48,291	18,593	66,884	126,595
Fulford Water												
2005	3203	3291	95	2020	573,000	1.800%	49,096	-	30,760	18,336	49,096	-
2012	3758	3817	118	2027	145,000	3.400%	87,805	-	7,241	2,288	9,529	78,276
2012	3758	3850	121	2027	25,000	2.900%	15,138	-	1,249	394	1,643	13,495
Total Fulford Water					743,000		152,039	-	39,250	21,018	60,268	91,771
Cedar Lane Water												
2009	3425	3634	106	2024	108,000	2.250%	43,242	-	5,394	2,590	7,984	35,258
Total Cedar Lane Water					108,000		43,242	-	5,394	2,590	7,984	35,258
Magic Lakes Water												
2010	3633	3677	110	2025	723,000	1.280%	340,884	-	36,107	15,285	51,392	289,492
2011	3633	3769	116	2026	250,000	4.200%	134,958	-	12,485	4,602	17,087	117,871
2012	3633	3850	121	2027	559,500	2.900%	338,805	-	27,942	8,828	36,770	302,035
2013	3633	3882	124	2028	1,002,500	3.150%	670,414	-	50,066	13,283	63,349	607,065
2013	3633	3882	126	2028	25,000	3.850%	16,717	-	1,249	331	1,580	15,137
Total Magic Lakes Water					2,560,000		1,501,778	-	127,849	42,329	170,178	1,331,600
Lyall Harbour/Boot Cove Water												
2009	3587	3634	106	2024	250,000	2.250%	100,101	-	12,485	5,996	18,481	81,620
2010	3587	3677	110	2025	180,000	1.280%	84,869	-	8,989	3,805	12,795	72,074
Total Lyall Harbour/Boot Cove Water					430,000		184,970	-	21,475	9,801	31,276	153,694
Skana Water-Mayne Island												
2007	3090	3457	102	2022	29,200	2.250%	7,289	-	1,458	876	2,335	4,954
Total Skana Water-Mayne Island					29,200		7,289	-	1,458	876	2,335	4,954
Fernwood Water												
2009	3581	3634	106	2024	100,000	2.250%	40,041	-	4,994	2,398	7,393	32,649
2010	3581	3677	110	2025	50,000	1.280%	23,574	-	2,497	1,057	3,554	20,020
2012	3581	3817	118	2027	45,000	3.400%	27,251	-	2,247	710	2,957	24,294
Total Fernwood Water					195,000		90,866	-	9,739	4,165	13,904	76,962
Surfside Park Water												
2005	3088	3258	92	2020	48,000	1.550%	4,153	-	2,397	1,756	4,153	-
2005	3088	3291	95	2020	20,000	1.800%	1,713	-	1,073	640	1,713	-
Total Surfside Park Water					68,000		5,866	-	3,470	2,396	5,866	-
Wilderness Mountain												
2012	3504	3817	118	2027	281,000	3.400%	170,161	-	14,033	4,434	18,467	151,694
Total Port Renfrew Snuggery Cove Water System					281,000		170,161	-	14,033	4,434	18,467	151,694

Issue Date	Bylaw	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2019 Previous Outstanding	Additions 2020	Principal 2020	Actuarial 2020	Debt Retirement 2020	December 31, 2020 Outstanding
Regional Water Supply												
2007	3419	3514	103	2023	7,000,000	2.650%	2,285,336	-	349,588	188,587	538,174	1,747,162
2007	3419	3547	104	2023	8,000,000	2.900%	2,611,815	-	399,529	215,527	615,056	1,996,759
2007	3451	3514	103	2022	60,000,000	2.600%	19,588,606	-	2,996,464	1,616,452	4,612,916	14,975,690
2009	3419	3594	105	2024	9,000,000	2.250%	3,603,615	-	449,470	215,855	665,325	2,938,290
2009	3419	3634	106	2024	1,000,000	2.250%	400,402	-	49,941	23,984	73,925	326,477
2010	3661	3725	112	2025	6,500,000	1.280%	3,064,643	-	324,617	137,414	462,031	2,602,612
2011	3661	3769	116	2026	1,500,000	4.200%	809,747	-	74,912	27,610	102,522	707,225
2012	3661	3817	118	2027	4,500,000	3.400%	2,724,978	-	224,735	71,001	295,736	2,429,242
2013	3661	3882	124	2028	1,700,000	3.150%	1,136,861	-	84,900	22,526	107,425	1,029,436
2015	3902	4009	131	2030	3,000,000	2.200%	2,344,680	-	155,475	22,936	178,411	2,166,269
2016	3902	4059	137	2031	1,500,000	2.600%	1,258,528	-	77,738	8,451	86,189	1,172,339
2018	3902	4222	145	2033	5,000,000	3.150%	4,731,167	-	268,833	8,065	276,898	4,454,269
Total Regional Water Supply					108,700,000		44,560,378	-	5,456,201	2,558,408	8,014,609	36,545,769
Juan De Fuca Water Distribution												
2012	3782	3817	118	2027	2,500,000	3.400%	1,513,875	-	124,853	39,444	164,297	1,349,578
2013	3782	3882	124	2028	4,500,000	3.150%	3,009,339	-	224,735	59,626	284,361	2,724,978
2014	3782	3936	127	2029	5,000,000	3.300%	3,647,513	-	249,706	54,099	303,805	3,343,708
2016	3981	4059	137	2031	2,000,000	2.600%	1,678,040	-	103,650	11,269	114,919	1,563,121
2018	3981	4222	145	2033	3,000,000	3.150%	2,838,700	-	161,300	4,838	166,138	2,672,562
2020	3981	4344	150	2035	5,100,000	1.990%	-	5,100,000	-	-	-	5,100,000
Total Juan De Fuca Water Distribution					17,000,000		12,687,467	5,100,000	864,243	169,277	1,033,520	16,753,947
Juan De Fuca Water Distribution - DCC												
2005	3164	3258	92	2020	1,500,000	1.550%	129,723	-	74,912	54,811	129,723	-
2005	3164	3291	95	2020	1,000,000	1.800%	85,681	-	53,682	31,999	85,681	-
2006	3164	3364	99	2021	500,000	1.750%	84,817	-	24,971	16,607	41,578	43,239
2007	3164	3412	101	2022	500,000	2.250%	124,797	-	24,971	15,008	39,979	84,818
Total Juan De Fuca Water Distribution-DCC					3,500,000		425,018	-	178,535	118,426	296,960	128,058
Total Water - Debenture Debt					**135,535,380**		**60,483,813**	**5,100,000**	**6,814,919**	**2,969,889**	**9,784,808**	**55,799,005**
Non Debenture Debt												
Total Water - Non Debenture Debt					**-**		**-**	**-**	**-**		**-**	**-**
Total Debt - Water					**$ 135,535,380**		**$ 60,483,813**	**$ 5,100,000**	**$ 6,814,919**	**$ 2,969,889**	**$ 9,784,808**	**$ 55,799,005**

Long-Term Debt – Water Capital Fund (Unaudited) continued

Revenue Funds Statement of Financial Position (Unaudited)

For the year ended December 31, 2020

	2020	2019
Financial Assets		
Cash and cash equivalents	**$ 151,859,416**	$ 161,280,743
Other investments - short term	**146,358,804**	77,299,907
Accounts receivable:		
AR - federal government	**2,054,747**	2,693,126
AR - provincial government	**127,979**	117,056
AR - local government	**2,664,266**	2,605,260
AR - trade/other	**12,257,770**	10,562,261
Due to/from own funds	**(254,717,017)**	(216,363,882)
Due to/from CRHD	**-**	42,481
Due to/from CRHC	**104,454**	21,538
Other assets:		
Prepaid - CRD	**386,136**	96,132
Municipal Finance Authority Debt Reserve Fund:		
Capital Regional District	**13,790,624**	14,304,251
Member Municipalities	**9,844,047**	9,855,169
	84,731,226	62,514,042
Financial Liabilities		
Accounts payable:		
AP and accrued liabilites - CRD	**36,038,086**	16,989,718
Due to/from CRHD	**701,170**	-
Other liabilities:		
Sick leave bank	**2,553,371**	2,140,124
Deferred revenue - CRD	**10,213,544**	9,303,790
Long-term debt:		
Municipal Finance Authority Debt Reserve Fund:		
Capital Regional District		
Cash deposits - Capital Regional District	**3,934,316**	4,037,743
Demand notes - Capital Regional District	**9,856,312**	10,266,508
Member municipalities:		
Cash deposits - Member Municipalities	**3,174,153**	3,138,303
Demand notes - Member Municipalities	**6,669,896**	6,716,866
Insurance reserves	**2,819,338**	2,642,635
	75,960,186	55,235,687
Net Financial Assets	**8,771,040**	7,278,355
Accumulated remeasurement (losses) / gains	**(98,933)**	83,455
Accumulated Surplus	**$ 8,672,107**	$ 7,361,810

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the year ended December 31, 2020

	Stmt #	2020	2019
General Revenue			
Legislative & General	8	**$ 468,328**	$ 475,142
IW Ops Int Recvy-Alloc Rcv -OPS ERF	8	**259,994**	60,000
EA Voters' List-Trsfr - Op Res Fund	8	**-**	-
GalianoComBldg A Exp-Interest - Internal	8	**183**	289
EA UBCM Conv Exp-Interest - Internal	8	**5,169**	2,832
EA Admin	8	**78,218**	95,780
Saturna Health Exp-Payments -3rdParties	8	**-**	8,000
Southern Gulf Islands Grants in Aid	9	**(252)**	(317)
Salt Spring Island Grants in Aid	9	**6,402**	(271)
Juan de Fuca Grants in Aid	9	**36,942**	31,545
CRD Grants in Aid	9	**1,435,511**	1,408,622
Animal Care	10	**-**	-
Building Inspection	10	**-**	-
Bylaw Enforcement	10	**-**	-
Noise Control	10	**-**	-
Soil Deposits	10	**-**	-
Nuisances & Unsightly Premises	10	**-**	-
Traffic Safety	10	**63,067**	38,013
CREST	10	**(836)**	(167)
Southern Gulf Islands Emergency Program	11	**28,000**	-
Juan de Fuca Emergency Program	11	**6,000**	-
Salt Spring Island Emergency Program	11	**6,000**	-
EA Emergency Program Coordinator	11	**14,486**	29,306
Regional Emergency Support	11	**-**	-
Juan de Fuca Search and Rescue	11	**(4,466)**	-
SSI Search and Rescue	11	**4,871**	2,220
Emergency Response Telephone Service	11	**(26,343)**	67,403
Hazardous Materials	12	**-**	-
Family Court Committee	12	**32**	46
Victim Assistance Program	12	**(76)**	601
Family Court Building	12	**-**	-
Salt Spring Island Street Lighting	12	**3,428**	2,262
Port Renfrew Street Lighting	12	**2,148**	1,943
Juan de Fuca House Numbering	12	**73**	46
Salt Spring Island House Numbering	12	**(30)**	(57)
Southern Gulf Islands House Numbering	12	**34**	22
North Galiano Island Fire Protection	13	**12,270**	21,654
Otter Point Fire Protection	13	**-**	-

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the year ended December 31, 2020

	Stmt #	2020	2019
Port Renfrew Fire Protection	13	**-**	-
Shirley Fire Protection	13	**-**	-
Willis Point Fire Protection	13	**14,582**	46,183
East Sooke Fire Protection	13	**21,059**	5,120
Durrance Rd Fire Protection	14	**-**	-
Malahat Fire Protection	14	**5**	139
Pender Island Fire Protection	14	**-**	-
South Galiano Island Fire Protection	14	**-**	-
Saturna Island Fire Protection	14	**(23)**	20
Electoral Area Fire Protection	14	**-**	-
EH PtRen Disp Exp-Allocation Recovery	15	**-**	-
EH SW Debt Int Recvy-Alloc Rcv-DebtSvceSW	15	**1,008,245**	944,754
Storm Water Quality Management Core	15	**-**	27,716
Storm Water Quality Management Southern Gulf Islands	15	**-**	-
Storm Water Quality Management Sooke	15	**-**	-
Storm Water Quality Management Salt Spring Island	15	**-**	-
Storm Water Quality Management Saanich Peninsula	15	**-**	3,519
Economic Development Commission Salt Spring Island	16	**-**	-
Economic Development Commission SGI	16	**1,700**	6,952
Electoral Area Community Planning	16	**-**	-
Reg Gr Mgmt Expense-Alloc - Intergov Rel	16	**45,001**	-
Reg Plan Gen Exp-Alloc Rcv-RPSGenEx	16	**197,639**	173,970
Geo Spatial Referencing	16	**-**	-
GIS Expenses-Alloc Rcv-GIS Needs	16	**-**	-
Climate Change Exp-Alloc-Ev Protection	16	**45,082**	51,153
RP MtMcDonald Tower-Alloc Rcv-Reg Parks	17	**-**	-
Panorama Administration	18	**5,152,364**	5,005,226
Panorama Ice Arena	18	**(1,178,788)**	(1,667,840)
Panorama Swimming Pool	18	**(1,558,688)**	(1,416,900)
Panorama Community Recreation Programs	18	**(1,472,442)**	(1,212,806)
Panorama Second Pool Service	18	**(683,025)**	(707,680)
Juan de Fuca Parks	19	**25**	25
Juan de Fuca Curling Rink	19	**(76)**	(76)
Juan de Fuca Public Building/Tech Wing	19	**873**	873
SEAPARC	20	**-**	-
Juan de Fuca Electoral Area Community Parks	21	**-**	-
Juan de Fuca Electoral Area Community Recreation	21	**-**	-
Salt Spring Island Community Recreation	22	**(1,334)**	-
Salt Spring Island Community Parks	22	**(55,938)**	-

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the year ended December 31, 2020

	Stmt #	2020	2019
Salt Spring Island Community Pool	22	-	-
Salt Spring Island Park Land and Community Recreation	22	-	-
Galiano Island Community Parks	23	-	-
Galiano Island Community Recreation	23	**4,454**	71
Mayne Island Community Recreation	23	**8,174**	2,892
Mayne Island Community Parks	23	**16,510**	18,167
Pender Island Community Recreation	23	-	-
North & South Pender Island Parks	23	**(615)**	896
Saturna Island Community Parks	23	-	-
Saturna Island Community Recreation	23	**6,361**	1,565
Vancouver Island Regional Library	24	**(46)**	(867)
TheatreRoyal Capital-Purchases-Equip	24	-	-
Theatre McPh Gen Exp-Purchases-Equip	24	-	-
Ske Reg Museum Exp-Interest - Internal	24	**44**	53
Library Victoria Exp-Interest - Internal	24	**9**	4
Salt Spring Island Library	24	-	-
Library SGI Expense-Interest - Internal	24	**1,735**	1,139
Galiano Island Library	24	-	-
Arts Dev Funding Adm-Alloc Rcv-ArtsMgr.Sp	24	-	-
Salt Spring Island Arts	24	**(125)**	267
Local Debt Services	25	-	-
Gossip Island Electricity	25	**79**	152
Regional Housing Adm-Alloc Rcv-Reg Hsg Mn	26	**3,487,934**	3,411,290
Southern Gulf Islands Small Craft Harbours	27	-	-
Salt Spring Island Small Craft Harbours	27	-	-
Salt Spring Island Transit and Transport	27	-	-
Sewer Revenue Funds			
Septage Disposal Facilities	28	**102,986**	105,507
Sep SSI Sep Exp-Deficit	28	-	(9,341)
Trunk Sewers and Sewage Disposal Operations and Maintenance	28	**120,627**	128,356
Trunk Sewers and Sewage Disposal Debt	28	**1,151,001**	226,004
Ganges Sewer System	28	-	-
Malaview Estates Sewer System	28	**(27,727)**	-
Magic Lake Estates Sewer System	28	-	-
Port Renfrew Sewer System	28	**(2,202)**	-
Water Revenue Funds			
Fernwood Water Supply	29	**1,201**	451
Magic Lake Estates Water Supply	29	-	-
Port Renfrew Water Supply	29	-	-

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the year ended December 31, 2020

	Stmt #	2020	2019
Saanich Peninsula Water Supply	29	**-**	-
Highland Water Supply	29	**32**	1,120
Port Renfrew Snuggery Cove Water Supply	29	**-**	8,034
Lyall Harbour/Boot Cove Water Supply	29	**(22,103)**	(33,573)
Sticks Allison Galiano Island Water Supply	29	**-**	-
Highland/Fernwood Water Supply	29	**(100,918)**	-
Skana Water Supply	30	**-**	-
Surfside Water Supply	30	**-**	-
Beddis Water Supply	30	**(13,650)**	-
Fulford Water Supply	30	**-**	-
Cedars of Tuam Supply	30	**-**	-
Cedar Lane Water Supply	30	**-**	-
Wilderness Mountain Water	30	**2,932**	(5,639)
Regional Water Supply	30	**-**	-
Regional Water Distribution	30	**-**	-
		$ 8,672,107	$ 7,361,810

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

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General Revenue Fund Statement of Operations (Unaudited)
General Government Services

For the year ended December 31, 2020

	Legislative & General	IW Ops Int Recvy-Alloc Rcv -OPS ERF	EA Voters' List-Trsfr - Op Res Fund	GalianoCom Bldg A Exp-Interest - Internal
Revenue				
Government transfers	$ 9,892,789	$ 3,957	$ 20,000	$ 122,684
Sale of services:				
Recreation revenue	112,217	-	-	-
Other sales	15	-	-	-
Other revenue from own sources:				
Interest earnings	171,966	-	3	82
Other revenue	2,131,200	4,244	500	-
Grants in lieu of taxes	380,187	-	58	38
Total Revenue	12,688,374	8,201	20,561	122,804
Expenses				
General administration	(10,019,687)	1,233,734	126	2,161
Other operating expenses	6,931,767	(13,712,165)	560	120,750
Salaries and wages	15,576,660	13,985,603	-	-
Recoveries	(3,388,373)	(2,711,878)	-	-
Total Expenses	9,100,367	(1,204,706)	686	122,911
Net Revenue (Expenses)	3,588,007	1,212,907	19,875	(107)
Transfers to own funds:				
Transfers to capital	1,052,752	439,716	-	-
Transfers to reserve	2,498,615	577,030	19,875	-
Transfers to ERF	352,454	415,211	-	-
Transfers from revenue	-	419,044	-	-
Transfers from reserve	309,000	-	-	-
Debt charges:				
Interest on short term debt	-	-	-	(1)
Annual Surplus (Deficit)	(6,814)	199,994	-	(106)
Accumulated surplus (deficit), beginning of year	475,142	60,000	-	289
Accumulated Surplus, end of year	$ 468,328	$ 259,994	$ -	$ 183

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
General Government Services
For the year ended December 31, 2020

EA UBCM Conv Exp-Interest - Internal	EA Admin	Saturna Health Exp-Payments - 3rdParties	2020 Budget	2020 Actual	2019 Actual
$ 13,886	$ 972,699	$ 5,686	**$ 10,594,460**	**$ 11,031,701**	$ 9,144,857
-	-	-	**294,695**	**112,217**	90,614
-	15	-	**-**	**30**	13,515
49	471	-	**208,467**	**172,571**	201,658
-	18,436	-	**2,598,384**	**2,154,380**	2,404,693
37	3,325	1,701	**385,346**	**385,346**	366,942
13,972	994,946	7,387	**14,081,352**	**13,856,245**	12,222,279
815	96,655	387	**(7,776,134)**	**(8,685,809)**	(6,817,632)
10,820	115,178	15,000	**13,456,281**	**(6,518,090)**	(5,075,571)
-	876,585	-	**32,682,760**	**30,438,848**	27,215,130
-	(197,559)	-	**(23,900,484)**	**(6,297,810)**	(5,905,755)
11,635	890,859	15,387	**14,462,423**	**8,937,139**	9,416,172
2,337	104,087	(8,000)	**(381,071)**	**4,919,106**	2,806,107
-	55,233	-	**611,770**	**1,547,701**	303,953
-	47,981	-	**748,134**	**3,143,501**	2,040,819
-	18,306	-	**445,742**	**785,971**	575,647
-	129	-	**-**	**(418,915)**	177
-	-	-	**(1,564,386)**	**(309,000)**	(122,414)
-	-	-	**19,712**	**-**	28,746
2,337	(17,562)	(8,000)	**(642,043)**	**169,848**	(20,821)
2,832	95,780	8,000	**642,043**	**642,043**	662,864
$ 5,169	$ 78,218	$ -	**$ -**	**$ 811,891**	$ 642,043

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Grants-In-Aid

For the year ended December 31, 2020

	Southern Gulf Islands Grants in Aid	Salt Spring Island Grants in Aid	Juan de Fuca Grants in Aid
Revenue			
Government transfers	$ 303,240	$ (193,403)	$ 509,859
Sale of services:			
Other revenue from own sources:			
Interest earnings	(548)	(53)	642
Other revenue	-	-	-
Grants in lieu of taxes	752	31	22
Total Revenue	303,444	(193,425)	510,523
Expenses			
General administration	3,026	2,357	1,626
Grants in aid	59,905	36,345	3,499
Other operating expenses	240,448	106,200	500,001
Total Expenses	303,379	144,902	505,126
Net Revenue (Expenses)	65	(338,327)	5,397
Transfers to capital	-	(345,000)	-
Debt charges:			
Interest on short term debt	-	-	-
Annual Surplus (Deficit)	65	6,673	5,397
Accumulated surplus (deficit), beginning of year	(317)	(271)	31,545
Accumulated Surplus (Deficit), end of year	$ (252)	$ 6,402	$ 36,942

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Grants-In-Aid

For the year ended December 31, 2020

CRD Grants in Aid	2020 Budget	2020 Actual	2019 Actual
$ -	**$ 118,047**	**$ 619,696**	$ 725,555
26,889	**36,500**	**26,930**	42,533
-	**-**	**-**	200
-	**805**	**805**	848
26,889	**155,352**	**647,431**	769,136
-	**7,009**	**7,009**	4,873
-	**1,587,622**	**99,749**	138,889
-	**-**	**846,649**	589,467
-	**1,594,631**	**953,407**	733,229
26,889	**(1,439,279)**	**(305,976)**	35,907
-	**-**	**(345,000)**	-
-	**300**	**-**	1,117
26,889	**(1,439,579)**	**39,024**	34,790
1,408,622	**1,439,579**	**1,439,579**	1,404,789
$ 1,435,511	**$ -**	**$ 1,478,603**	$ 1,439,579

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Protective Services - General A
For the year ended December 31, 2020

	Animal Care	Building Inspection	Bylaw Enforcement	Noise Control
Revenue				
Government transfers	$ 425,925	$ 408,797	$ -	$ 38,330
Sale of services:				
Recreation revenue	22,858	28,153	-	-
Other sales	464,398	30	37,299	-
Other revenue from own sources:				
Interest earnings	(549)	(1,268)	12,622	13
Other revenue	284,073	1,114,568	135,434	100
Grants in lieu of taxes	11,426	1,443	-	131
Total Revenue	1,208,131	1,551,723	185,355	38,574
Expenses				
General administration	68,593	123,665	29,274	1,343
Other operating expenses	286,786	283,096	(405,558)	30,796
Salaries and wages	784,200	1,010,114	452,546	-
Recoveries	-	(29,362)	-	-
Total Expenses	1,139,579	1,387,513	76,262	32,139
Net Revenue (Expenses)	68,552	164,210	109,093	6,435
Transfers to own funds:				
Transfers to capital	-	1,318	-	-
Transfers to reserve	-	267,139	-	6,435
Transfers to ERF	68,552	10,000	109,093	-
Transfers from own funds:				
Transfers from reserve	-	(114,247)	-	-
Debt charges:				
Interest on short term debt	-	-	-	-
Annual Surplus (Deficit)	-	-	-	-
Accumulated surplus (deficit), beginning of year	-	-	-	-
Accumulated Surplus (Deficit), end of year	$ -	$ -	$ -	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Protective Services - General A
For the year ended December 31, 2020

Soil Deposits	Nuisances & Unsightly Premises	Traffic Safety	CREST	2020 Budget	2020 Actual	2019 Actual
$ 5,534	$ 50,845	$ 71,112	$ 1,942,693	**$ 2,943,236**	**$ 2,943,236**	$ 2,877,670
-	-	-	-	**50,000**	**51,011**	62,693
-	-	-	-	**482,549**	**501,727**	492,167
26	(219)	1,018	(5,376)	**8,640**	**6,267**	159,284
-	-	-	-	**1,214,360**	**1,534,175**	1,287,386
-	178	3,305	99,926	**116,409**	**116,409**	118,763
5,560	50,804	75,435	2,037,243	**4,815,194**	**5,152,825**	4,997,963
647	1,774	3,222	6,994	**235,512**	**235,512**	217,593
1,990	62,351	47,159	2,030,918	**2,529,659**	**2,337,538**	2,321,543
-	-	-	-	**2,173,525**	**2,246,860**	2,138,706
-	-	-	-	**(71,875)**	**(29,362)**	(28,730)
2,637	64,125	50,381	2,037,912	**4,866,821**	**4,790,548**	4,649,112
2,923	(13,321)	25,054	(669)	**(51,627)**	**362,277**	348,851
-	-	-	-	**6,132**	**1,318**	4,059
2,923	-	-	-	**23,300**	**276,497**	23,330
-	-	-	-	**56,960**	**187,645**	266,350
-	13,321	-	-	**(114,247)**	**(127,568)**	-
-	-	-	-	**14,074**	**-**	18,242
-	-	25,054	(669)	**(37,846)**	**24,385**	36,870
-	-	38,013	(167)	**37,846**	**37,846**	976
$ -	$ -	$ 63,067	$ (836)	**$ -**	**$ 62,231**	$ 37,846

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Protective Services - General B

For the year ended December 31, 2020

	Southern Gulf Islands Emergency Program	Juan de Fuca Emergency Program	Salt Spring Island Emergency Program	EA Emergency Program Coordinator
Revenue				
Government transfers	$ 242,888	$ 85,204	$ 111,308	$ 142,746
Sale of services:				
Other sales	-	-	-	-
Other revenue from own sources:				
Interest earnings	367	22	(123)	372
Other revenue	-	-	-	4
Grants in lieu of taxes	1,949	114	87	491
Total Revenue	245,204	85,340	111,272	143,613
Expenses				
General administration	6,974	2,538	3,935	41,602
Other operating expenses	140,085	44,086	93,341	54,859
Salaries and wages	23,704	5,281	-	439,520
MFA reserve	-	-	-	-
Recoveries	-	-	-	(413,859)
Total Expenses	170,763	51,905	97,276	122,122
Net Revenue (Expenses)	74,441	33,435	13,996	21,491
Transfers to own funds:				
Transfers to capital	-	-	-	-
Transfers to reserve	46,441	11,880	7,996	36,311
Transfers to ERF	-	15,555	-	-
Transfers from own funds:				
Transfers from revenue	-	-	-	-
Transfers from reserve	-	-	-	-
Debt charges:				
Interest on short term debt	-	-	-	-
Interest on long term debt	-	-	-	-
Principal	-	-	-	-
Annual Surplus (Deficit)	28,000	6,000	6,000	(14,820)
Accumulated surplus (deficit), beginning of year	-	-	-	29,306
Accumulated Surplus (Deficit), end of year	$ 28,000	$ 6,000	$ 6,000	$ 14,486

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Protective Services - General B

For the year ended December 31, 2020

Regional Emergency Support	Juan de Fuca Search and Rescue	SSI Search and Rescue	Emergency Response Telephone Service	2020 Budget	2020 Actual	2019 Actual
$ 129,263	$ 63,603	$ 22,034	$ 20,231	**$ 817,277**	**$ 817,277**	$ 937,188
-	-	-	152,671	**195,750**	**152,671**	141,801
(279)	(680)	15	3,317	**2,650**	**3,011**	21,365
17,617	23,776	-	2,314,013	**2,335,440**	**2,355,410**	2,362,307
6,803	84	18	(30,079)	**(20,533)**	**(20,533)**	(23,579)
153,404	86,783	22,067	2,460,153	**3,330,584**	**3,307,836**	3,439,082
9,206	3,087	1,298	137,356	**205,996**	**205,996**	217,102
36,398	88,162	18,118	2,085,806	**2,671,482**	**2,560,855**	2,664,640
102,933	-	-	-	**652,767**	**571,438**	552,391
-	-	-	2,684	**1,400**	**2,684**	130,444
-	-	-	(782,757)	**(1,222,959)**	**(1,196,616)**	(1,293,219)
148,537	91,249	19,416	1,443,089	**2,308,686**	**2,144,357**	2,271,358
4,867	(4,466)	2,651	1,017,064	**1,021,898**	**1,163,479**	1,167,724
-	-	-	-	**-**	**-**	328,971
4,867	-	-	212	**29,380**	**107,707**	141,693
-	-	-	129,289	**105,928**	**144,844**	376,515
-	-	-	-	**-**	**-**	183
-	-	-	30,722	**(30,000)**	**(30,722)**	-
-	-	-	82	**3,570**	**82**	82,319
-	-	-	318,360	**318,360**	**318,360**	93,100
-	-	-	693,589	**693,589**	**693,589**	-
-	(4,466)	2,651	(93,746)	**(98,929)**	**(70,381)**	144,943
-	-	2,220	67,403	**98,929**	**98,929**	(46,014)
$ -	$ (4,466)	$ 4,871	$ (26,343)	**$ -**	**$ 28,548**	$ 98,929

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Protective Services - General C

For the year ended December 31, 2020

	Hazardous Materials	Family Court Committee	Victim Assistance Program	Family Court Building	Salt Spring Island Street Lighting
Revenue					
Government transfers	$ 312,698	$ 15,000	$ 271,200	$ -	$ 25,401
Sale of services:					
Other sales	-	-	-	-	-
Other revenue from own sources:					
Interest earnings	242	32	(167)	927	(9)
Other revenue	-	-	-	100,860	-
Grants in lieu of taxes	16,996	888	14,461	(4,065)	21
Total Revenue	329,936	15,920	285,494	97,722	25,413
Expenses					
General administration	10,089	216	4,971	6,208	1,257
Other operating expenses	209,516	15,718	281,200	66,256	22,990
Salaries and wages	9,923	-	-	-	-
Total Expenses	229,528	15,934	286,171	72,464	24,247
Net Revenue (Expenses)	100,408	(14)	(677)	25,258	1,166
Transfers to own funds:					
Transfers to reserve	-	-	-	25,258	-
Transfers to ERF	100,408	-	-	-	-
Transfers from reserve	-	-	-	-	-
Debt charges:					
Interest on short term debt	-	-	-	-	-
Annual Surplus (Deficit)	-	(14)	(677)	-	1,166
Accumulated surplus (deficit), beginning of year	-	46	601	-	2,262
Accumulated Surplus (Deficit), end of year	$ -	$ 32	$ (76)	$ -	$ 3,428

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Protective Services - General C

For the year ended December 31, 2020

Port Renfrew Street Lighting	Juan de Fuca House Numbering	Salt Spring Island House Numbering	Southern Gulf Islands House Numbering	2020 Budget	2020 Actual	2019 Actual
$ 3,763	$ 12,639	$ 9,265	$ 9,060	**$ 659,026**	**$ 659,026**	$ 600,319
3,017	-	-	-	**2,984**	**3,017**	2,087
29	(37)	(29)	(27)	**500**	**961**	3,237
279	-	-	-	**149,380**	**101,139**	226,299
46	17	-	82	**28,446**	**28,446**	29,241
7,134	12,619	9,236	9,115	**840,336**	**792,589**	861,183
404	713	573	539	**24,970**	**24,970**	22,484
6,525	11,879	8,636	8,564	**772,801**	**631,284**	736,840
-	-	-	-	**11,280**	**9,923**	12,299
6,929	12,592	9,209	9,103	**809,051**	**666,177**	771,623
205	27	27	12	**31,285**	**126,412**	89,560
-	-	-	-	**25,158**	**25,258**	83,741
-	-	-	-	**9,560**	**100,408**	14,271
-	-	-	-	**-**	**-**	(10,034)
-	-	-	-	**1,430**	**-**	2,597
205	27	27	12	**(4,863)**	**746**	(1,015)
1,943	46	(57)	22	**4,863**	**4,863**	5,878
$ 2,148	$ 73	$ (30)	$ 34	**$ -**	**$ 5,609**	$ 4,863

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Protective Services - Fire A
For the year ended December 31, 2020

	N. Galiano Island Fire Protection	Otter Point Fire Protection	Port Renfrew Fire Protection	Shirley Fire Protection
Revenue				
Government transfers	$ 201,713	$ 497,337	$ 87,133	$ 153,189
Sale of services:				
Recreation revenue	-	-	-	-
Other sales	-	-	57,990	-
Other revenue from own sources:				
Interest earnings	168	(848)	(7)	158
Other revenue	-	-	-	-
Grants in lieu of taxes	277	-	862	-
Total Revenue	202,158	496,489	145,978	153,347
Expenses				
General administration	5,451	10,787	4,364	3,619
Other operating expenses	59,361	283,359	71,933	48,521
Salaries and wages	71,001	3,613	25,546	5,141
MFA reserve	137	-	11	-
Total Expenses	135,950	297,759	101,854	57,281
Net Revenue (Expenses)	66,208	198,730	44,124	96,066
Transfers to own funds:				
Transfers to capital	3,541	11,987	-	-
Transfers to reserve	5,000	85,083	-	24,520
Transfers to ERF	18,180	101,660	41,226	71,546
Transfers from own funds:				
Debt charges:				
Interest on short term debt	-	-	-	-
Interest on long term debt	20,405	-	900	-
Principal	28,466	-	1,998	-
Annual Surplus (Deficit)	(9,384)	-	-	-
Accumulated surplus (deficit), beginning of year	21,654	-	-	-
Accumulated Surplus, end of year	$ 12,270	$ -	$ -	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - Fire A

For the year ended December 31, 2020

Willis Point Fire Protection	East Sooke Fire Protection	2020 Budget	2020 Actual	2019 Actual
$ 125,208	$ 406,755	**$ 1,471,335**	**$ 1,471,335**	$ 1,411,060
-	47,451	**55,070**	**47,451**	48,582
-	-	**57,990**	**57,990**	54,880
801	555	**2,820**	**827**	6,853
30,272	24,330	**56,695**	**54,602**	89,917
-	-	**1,139**	**1,139**	1,296
156,281	479,091	**1,645,049**	**1,633,344**	1,612,588
4,889	7,945	**37,055**	**37,055**	29,404
76,464	130,623	**840,376**	**670,261**	738,953
10,015	13,130	**147,103**	**128,446**	125,816
-	452	**600**	**600**	663
91,368	152,150	**1,025,134**	**836,362**	894,836
64,913	326,941	**619,915**	**796,982**	717,752
-	-	**34,302**	**15,528**	12,927
35,000	10,000	**120,180**	**159,603**	76,158
61,514	145,893	**327,313**	**440,019**	375,521
-	-	**4,198**	**-**	6,406
-	57,150	**78,455**	**78,455**	79,207
-	97,959	**128,424**	**128,423**	128,423
(31,601)	15,939	**(72,957)**	**(25,046)**	39,110
46,183	5,120	**72,957**	**72,957**	33,847
$ 14,582	$ 21,059	**$ -**	**$ 47,911**	$ 72,957

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Protective Services - Fire B
For the year ended December 31, 2020

	Durrance Rd Fire Protection	Malahat Fire Protection	Pender Island Fire Protection	South Galiano Island Fire Protection
Revenue				
Government transfers	$ 2,939	$ 61,430	$ 960,110	$ 378,803
Sale of services:				
Other revenue from own sources:				
Interest earnings	-	(5)	(1,459)	(572)
Other revenue	-	-	100	-
Grants in lieu of taxes	-	-	7,281	-
Total Revenue	2,939	61,425	966,032	378,231
Expenses				
General administration	239	2,338	29,537	7,928
Other operating expenses	2,531	59,221	797,452	74,232
Salaries and wages	-	-	-	109,331
MFA reserve	-	-	-	-
Total Expenses	2,770	61,559	826,989	191,491
Net Revenue (Expenses)	169	(134)	139,043	186,740
Transfers to own funds:				
Transfers to capital	-	-	-	42,741
Transfers to reserve	169	-	67,087	-
Transfers to ERF	-	-	71,956	118,447
Transfers from own funds:				
Transfers from reserve	-	-	-	-
Debt charges:				
Interest on short term debt	-	-	-	25,552
Interest on long term debt	-	-	-	-
Principal	-	-	-	-
Annual Surplus (Deficit)	-	(134)	-	-
Accumulated surplus (deficit), beginning of year	-	139	-	-
Accumulated Surplus (Deficit), end of year	$ -	$ 5	$ -	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - Fire B

For the year ended December 31, 2020

Saturna Island Fire Protection	Electoral Area Fire Protection	2020 Budget	2020 Actual	2019 Actual
$ 162,741	$ 142,190	**$ 1,708,213**	**$ 1,708,213**	$ 1,610,490
37	311	**1,660**	**(1,688)**	4,890
-	-	**300**	**100**	800
7,181	-	**14,462**	**14,462**	14,731
169,959	142,501	**1,724,635**	**1,721,087**	1,630,911
3,002	12,392	**55,436**	**55,436**	49,822
167,000	75,716	**1,240,144**	**1,176,152**	1,150,621
-	-	**110,000**	**109,331**	91,365
-	-	**20,100**	**-**	-
170,002	88,108	**1,425,680**	**1,340,919**	1,291,808
(43)	54,393	**298,955**	**380,168**	339,103
-	-	**12,970**	**42,741**	55,282
-	54,393	**83,603**	**121,649**	122,140
-	-	**151,651**	**190,403**	191,491
-	-	**(58,200)**	**-**	-
-	-	**11,390**	**25,552**	5,908
-	-	**46,280**	**-**	-
-	-	**51,420**	**-**	-
(43)	-	**(159)**	**(177)**	(35,718)
20	-	**159**	**159**	35,877
$ (23)	$ -	**$ -**	**$ (18)**	$ 159

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Environmental Health

For the year ended December 31, 2020

	EH PtRen Disp Exp-Allocation Recovery	EH SW Debt Int Recvy-Alloc Rcv-DebtSvceSW	Storm Water Quality Management Core	Storm Water Quality Management Southern Gulf Islands	Storm Water Quality Management Sooke
Revenue					
Government transfers	$ 32,855	$ -	$ 614,221	$ 44,488	$ 36,844
Sale of services:					
Refuse revenue	3,452	22,196,448	-	-	-
Recreation revenue	-	-	-	-	-
Other sales	-	15	-	-	-
Other revenue from own sources:					
Interest earnings	53	59,035	103	23	73
Other revenue	35,159	6,365,064	-	-	-
Grants in lieu of taxes	305	-	60,892	389	77
Total Revenue	71,824	28,620,562	675,216	44,900	36,994
Expenses					
General administration	3,419	2,480,961	10,732	1,655	1,407
Other operating expenses	75,977	22,405,280	682,467	43,245	21,604
Salaries and wages	-	2,650,295	1,500	-	-
MFA reserve	-	838	-	-	-
Recoveries	(15,330)	(7,082,020)	-	-	-
Total Expenses	64,066	20,455,354	694,699	44,900	23,011
Net Revenue (Expenses)	7,758	8,165,208	(19,483)	-	13,983
Transfers to own funds:					
Transfers to revenue	-	320,000	-	-	-
Transfers to capital	-	5,426	-	-	-
Transfers to reserve	4,704	6,134,803	8,233	-	13,983
Transfers to ERF	3,054	283,000	-	-	-
Transfers from own funds:					
Transfers from reserve	-	-	-	-	-
Debt charges:					
Interest on short term debt	-	(25,890)	-	-	-
Interest on long term debt	-	148,650	-	-	-
Principal	-	1,235,728	-	-	-
Annual Surplus (Deficit)	-	63,491	(27,716)	-	-
Accumulated surplus (deficit), beginning of year	-	944,754	27,716	-	-

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Environmental Health

For the year ended December 31, 2020

Storm Water Quality Management Salt Spring Island	Storm Water Quality Management Saanich Peninsula	2020 Budget	2020 Actual	2019 Actual
$ 22,502	$ 162,210	**$ 913,120**	**$ 913,120**	$ 906,678
-	-	**19,572,700**	**22,199,900**	21,326,362
-	-	**25,000**	**-**	28,125
-	-	**-**	**15**	-
38	8	**26,340**	**59,333**	73,651
-	-	**5,792,165**	**6,400,223**	6,276,726
18	5,399	**67,080**	**67,080**	63,887
22,558	167,617	**26,396,405**	**29,639,671**	28,675,429
630	2,354	**2,037,531**	**2,501,158**	2,028,004
16,864	168,023	**24,643,321**	**23,413,460**	21,305,867
354	-	**2,869,169**	**2,652,149**	2,544,434
-	-	**1,280**	**838**	1,397
-	-	**(7,097,021)**	**(7,097,350)**	(5,628,832)
17,848	170,377	**22,454,280**	**21,470,255**	20,250,870
4,710	(2,760)	**3,942,125**	**8,169,416**	8,424,559
-	-	**320,000**	**320,000**	320,000
-	-	**-**	**5,426**	4,349
4,710	759	**2,931,957**	**6,167,192**	6,394,338
-	-	**285,000**	**286,054**	287,000
-	-	**(4,431)**	**-**	(11,011)
-	-	**1,210**	**(25,890)**	14,271
-	-	**148,650**	**148,650**	204,900
-	-	**1,235,728**	**1,235,728**	234,723
-	(3,519)	**(975,989)**	**32,256**	975,989
-	3,519	**975,989**	**975,989**	-

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Planning and Development

For the year ended December 31, 2020

	Economic Development Commission Salt Spring Island	Economic Development Commission SGI	Electoral Area Community Planning	Reg Gr Mgmt Expense-Alloc - Intergov Rel	Reg Plan Gen Exp-Alloc Rcv-RPSGenEx
Revenue					
Government transfers	$ 77,028	$ 90,831	$ 672,654	$ 294,775	$1,168,232
Sale of services:					
Recreation revenue	-	-	-	-	-
Other sales	-	-	48,833	-	792
Other revenue from own sources:					
Interest earnings	(285)	(147)	(750)	703	2,930
Other revenue	-	-	27,697	-	1,485
Grants in lieu of taxes	61	579	887	20,915	60,526
Total Revenue	76,804	91,263	749,321	316,393	1,233,965
Expenses					
General administration	9,059	2,630	45,619	22,105	93,145
Other operating expenses	69,348	92,369	176,074	85,520	375,661
Salaries and wages	-	-	402,315	112,290	797,740
Recoveries	-	-	(17,415)	-	(160,470)
Total Expenses	78,407	94,999	606,593	219,915	1,106,076
Net Revenue (Expenses)	(1,603)	(3,736)	142,728	96,478	127,889
Transfers to own funds:					
Transfers to revenue	-	-	-	-	-
Transfers to capital	-	-	-	-	-
Transfers to reserve	8,397	1,516	97,728	66,477	132,220
Transfers to ERF	-	-	45,000	-	60,000
Transfers from own funds:					
Transfers from reserve	(10,000)	-	-	(15,000)	88,000
Debt charges:					
Interest on short term debt	-	-	-	-	-
Annual Surplus Deficit)	-	(5,252)	-	45,001	23,669
Accumulated surplus (deficit), beginning of year	-	6,952	-	-	173,970
Accumulated Surplus (Deficit), end of year	$ -	$ 1,700	$ -	$ 45,001	$ 197,639

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Planning and Development

For the year ended December 31, 2020

Reg Plan Gen Exp-Alloc Rcv-RPSGenEx	Geo Spatial Referencing	GIS Expenses-Alloc Rcv-GIS Needs	Climate Change Exp-Alloc-Ev Protection	2020 Budget	2020 Actual	2019 Actual
$1,168,232	$ 161,620	$ 63,702	$ 530,481	**$3,029,597**	**$3,059,323**	$3,114,266
-	9,600	-	-	**-**	**9,600**	21,200
792	-	-	-	**53,060**	**49,625**	53,620
2,930	25	83	473	**5,300**	**3,032**	14,731
1,485	-	-	-	**1,030**	**29,182**	101,803
60,526	8,675	3,146	25,642	**120,810**	**120,431**	116,091
1,233,965	179,920	66,931	556,596	**3,209,797**	**3,271,193**	3,421,711
93,145	42,508	8,250	8,252	**231,568**	**231,568**	211,013
375,661	53,156	132,340	421,662	**1,763,429**	**1,406,130**	1,358,502
797,740	-	333,690	94,469	**2,048,121**	**1,740,504**	1,469,360
(160,470)	-	(491,222)	-	**(669,110)**	**(669,107)**	(649,490)
1,106,076	95,664	(16,942)	524,383	**3,374,008**	**2,709,095**	2,389,385
127,889	84,256	83,873	32,213	**(164,211)**	**562,098**	1,032,326
-	-	1	-	**-**	**1**	1
-	-	-	-	**-**	**-**	102,280
132,220	-	-	38,284	**124,215**	**344,622**	607,258
60,000	84,256	83,872	-	**87,512**	**273,128**	150,114
88,000	-	-	-	**148,423**	**(113,000)**	(54,000)
-	-	-	-	**4,560**	**-**	18,478
23,669	-	-	(6,071)	**(232,075)**	**57,347**	208,195
173,970	-	-	51,153	**232,075**	**232,075**	23,880
$ 197,639	$ -	$ -	$ 45,082	**$ -**	**$ 289,422**	$ 232,075

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Regional Parks

For the year ended December 31, 2020

	RP MtMcDonald Tower-Alloc Rcv-Reg Parks	2020 Budget	2020 Actual	2019 Actual
Revenue				
Government transfers	$14,701,392	**$14,700,604**	**$14,701,392**	$12,888,469
Sale of services:				
Recreation revenue	92,299	**98,000**	**92,299**	109,971
Other sales	102	**500**	**102**	258
Other revenue from own sources:				
Interest earnings	(12,448)	**20,780**	**(12,448)**	24,488
Other revenue	473,623	**327,690**	**473,623**	478,001
Grants in lieu of taxes	667,940	**667,939**	**667,940**	660,233
Total Revenue	15,922,908	**15,815,513**	**15,922,908**	14,161,420
Expenses				
General administration	519,151	**519,150**	**519,151**	468,028
Other operating expenses	2,348,875	**2,171,522**	**2,348,875**	2,073,525
Salaries and wages	5,876,470	**6,325,960**	**5,876,470**	5,343,999
MFA reserve	977	**780**	**977**	1,081
Recoveries	(101,506)	**(76,779)**	**(101,506)**	(92,285)
Total Expenses	8,643,967	**8,940,633**	**8,643,967**	7,794,348
Net Revenue (Expenses)	7,278,941	**6,874,880**	**7,278,941**	6,367,072
Transfers to own funds:				
Transfers to capital	244,714	**237,200**	**244,714**	110,000
Transfers to reserve	6,370,411	**5,959,365**	**6,370,411**	5,809,617
Transfers to ERF	275,000	**275,000**	**275,000**	25,000
Transfers from reserve	-	**(10,500)**	**-**	-
Debt charges:				
Interest on short term debt	-	**25,000**	**-**	33,639
Interest on long term debt	143,640	**143,640**	**143,640**	143,640
Principal	245,176	**245,175**	**245,176**	245,176
Annual Surplus (Deficit)	-	**-**	**-**	-
Accumulated surplus (deficit), beginning of year	-	**-**	**-**	-

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

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General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Panorama Recreation Centre

For the year ended December 31, 2020

	Panorama Administration	Panorama Ice Arena	Panorama Swimming Pool	Panorama Community Recreation Programs	Panorama Second Pool Service
Revenue					
Government transfers	$ 4,996,313	$ -	$ -	$ 54,019	$ -
Sale of services:					
Recreation revenue	72,861	113,536	252,642	978,609	-
Other sales	605	274	500	588	-
Other revenue from own sources:					
Interest earnings	(4,686)	236	-	-	2,585
Other revenue	16,680	515,301	160,251	174,798	-
Grants in lieu of taxes	160,875	-	-	-	-
Total Revenue	5,242,648	629,347	413,393	1,208,014	2,585
Expenses					
General administration	(523,964)	316,385	316,385	316,384	-
Other operating expenses	984,443	927,694	933,780	1,183,034	-
Salaries and wages	2,173,953	137,910	384,314	898,078	-
MFA reserve	-	236	-	-	2,585
Recoveries	(2,551,876)	-	-	-	-
Total Expenses	82,556	1,382,225	1,634,479	2,397,496	2,585
Net Revenue (Expenses)	5,160,092	(752,878)	(1,221,086)	(1,189,482)	-
Transfers to own funds:					
Transfers to reserve	7,728	205,602	205,602	150,960	-
Transfers to ERF	-	132,000	132,000	132,000	-
Debt charges:					
Interest on short term debt	-	-	-	-	-
Interest on long term debt	-	30,240	-	-	233,655
Principal	-	58,068	-	-	449,370
Annual Surplus (Deficit)	5,152,364	(1,178,788)	(1,558,688)	(1,472,442)	(683,025)
Accumulated Surplus (Deficit), end of year	$ 5,152,364	$ (1,178,788)	$(1,558,688)	$(1,472,442)	$ (683,025)

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Panorama Recreation Centre

For the year ended December 31, 2020

2020 Budget	2020 Actual	2019 Actual
$ 5,001,347	**$ 5,050,332**	$ 4,839,599
3,149,864	**1,417,648**	3,056,666
25,500	**1,967**	42,095
11,770	**(1,865)**	19,282
1,341,376	**867,030**	1,427,534
160,875	**160,875**	170,910
9,690,732	**7,495,987**	9,556,086
425,190	**425,190**	365,473
5,833,491	**4,028,951**	5,175,489
5,199,618	**3,594,255**	4,917,867
17,770	**2,821**	3,121
(3,413,556)	**(2,551,876)**	(3,127,280)
8,062,513	**5,499,341**	7,334,670
1,628,219	**1,996,646**	2,221,416
418,932	**569,892**	1,010,908
396,000	**396,000**	396,000
13,028	**-**	14,051
292,820	**263,895**	293,019
507,439	**507,438**	507,438
-	**259,421**	-
$ -	**$ 259,421**	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Juan De Fuca Recreation Complex

For the year ended December 31, 2020

	Juan de Fuca Parks	Juan de Fuca Curling Rink	Juan de Fuca Public Building/Tech Wing
Revenue			
Sale of services:			
Other revenue from own sources:			
Grants in lieu of taxes	$ -	$ -	$ -
Expenses			
Transfers to own funds:			
Debt charges:			
Annual Surplus (Deficit)	-	-	-
Accumulated surplus (deficit), beginning of year	25	(76)	873
Accumulated Surplus (Deficit), end of year	$ 25	$ (76)	$ 873

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Juan De Fuca Recreation Complex

For the year ended December 31, 2020

2020 Budget	2020 Actual	2019 Actual
$ (822)	**$ -**	$ -
(822)	**-**	-
822	**822**	822
$ -	**$ 822**	$ 822

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Sooke Recreation Complex

For the year ended December 31, 2020

	SEAPARC	2020 Budget	2020 Actual	2019 Actual
Revenue				
Government transfers	$2,893,310	**$2,859,876**	**$2,893,310**	$2,777,899
Sale of services:				
Recreation revenue	486,583	**1,037,227**	**486,583**	833,058
Other sales	8,606	**12,380**	**8,606**	5,028
Other revenue from own sources:				
Interest earnings	(5,408)	**6,230**	**(5,408)**	6,096
Other revenue	289,251	**390,220**	**289,251**	363,308
Grants in lieu of taxes	5,043	**5,043**	**5,043**	5,024
Total Revenue	3,677,385	**4,310,976**	**3,677,385**	3,990,413
Expenses				
General administration	206,117	**205,940**	**206,117**	179,916
Grants in aid	80	**2,000**	**80**	400
Other operating expenses	704,951	**929,680**	**704,951**	711,251
Salaries and wages	2,096,295	**2,646,460**	**2,096,295**	2,359,733
MFA reserve	144	**150**	**144**	159
Recoveries	(2,620)	**(2,620)**	**(2,620)**	(2,590)
Total Expenses	3,004,967	**3,781,610**	**3,004,967**	3,248,869
Net Revenue (Expenses)	672,418	**529,366**	**672,418**	741,544
Transfers to own funds:				
Transfers to capital	4,909	**-**	**4,909**	60,000
Transfers to reserve	475,719	**325,000**	**475,719**	524,119
Transfers to ERF	90,000	**90,000**	**90,000**	90,000
Debt charges:				
Interest on short term debt	-	**10,400**	**-**	13,459
Interest on long term debt	18,943	**23,480**	**18,943**	18,480
Principal	82,847	**80,486**	**82,847**	35,486
Accumulated Surplus (Deficit), end of year	$ -	**$ -**	**$ -**	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Juan De Fuca Electoral Area

For the year ended December 31, 2020

	Juan de Fuca Electoral Area Community Parks	Juan de Fuca Electoral Area Community Recreation	2020 Budget	2020 Actual	2019 Actual
Revenue					
Government transfers	$ 186,996	$ 67,301	**$ 254,297**	**$ 254,297**	$ 258,110
Sale of services:					
Other revenue from own sources:					
Interest earnings	(354)	328	**150**	**(26)**	1,057
Other revenue	2,658	21,235	**20,500**	**23,893**	23,236
Grants in lieu of taxes	249	59	**308**	**308**	262
Total Revenue	189,549	88,923	**275,255**	**278,472**	282,665
Expenses					
General administration	10,137	3,820	**13,957**	**13,957**	12,307
Other operating expenses	59,992	24,835	**102,045**	**84,827**	88,930
Salaries and wages	91,267	48,832	**135,514**	**140,099**	135,498
Total Expenses	161,396	77,487	**251,516**	**238,883**	236,735
Net Revenue (Expenses)	28,153	11,436	**23,739**	**39,589**	45,930
Transfers to own funds:					
Transfers to capital	-	-	**-**	**-**	10,000
Transfers to reserve	15,271	-	**12,389**	**15,271**	10,000
Transfers to ERF	12,882	11,436	**11,000**	**24,318**	24,713
Debt charges:					
Interest on short term debt	-	-	**350**	**-**	1,217
Accumulated Surplus (Deficit), end of year	$ -	$ -	**$ -**	**$ -**	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Salt Spring Island Parks and Recreation

For the year ended December 31, 2020

	Salt Spring Island Community Recreation	Salt Spring Island Community Parks	Salt Spring Island Community Pool	Salt Spring Island Park Land and Community Recreation
Revenue				
Government transfers	$ 55,813	$ 380,308	$ 851,028	$ 690,130
Sale of services:				
Recreation revenue	63,209	-	116,188	-
Other sales	20	-	15	-
Other revenue from own sources:				
Interest earnings	(244)	(1,211)	39,862	53
Other revenue	-	37,978	1,000	10,679
Grants in lieu of taxes	36	306	680	529
Total Revenue	118,834	417,381	1,008,773	701,391
Expenses				
General administration	11,275	32,337	10,054	168,850
Other operating expenses	51,511	51,199	313,593	214,784
Salaries and wages	57,382	384,783	357,145	177,928
MFA reserve	-	-	435	-
Recoveries	-	-	-	-
Total Expenses	120,168	468,319	681,227	561,562
Net Revenue (Expenses)	(1,334)	(50,938)	327,546	139,829
Transfers to own funds:				
Transfers to reserve	-	-	(120,472)	(124,829)
Transfers to ERF	-	5,000	45,000	15,000
Debt charges:				
Interest on short term debt	-	-	(9,130)	-
Interest on long term debt	-	-	26,375	-
Principal	-	-	144,829	-
Annual Surplus (Deficit)	(1,334)	(55,938)	-	-
Accumulated Surplus (Deficit), end of year	$ (1,334)	$ (55,938)	$ -	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Salt Spring Island Parks and Recreation

For the year ended December 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	$ 1,972,384	**$ 1,977,279**	$ 1,915,030
	466,035	**179,397**	457,515
	-	**35**	34
	960	**38,460**	6,451
	132,800	**49,657**	149,028
	1,551	**1,551**	1,440
	2,573,730	**2,246,379**	2,529,498
	191,164	**222,516**	196,705
	935,840	**631,087**	759,550
	1,407,407	**977,238**	1,172,449
	960	**435**	1,050
	(350,735)	**-**	-
	2,184,636	**1,831,276**	2,129,754
	389,094	**415,103**	399,744
	169,140	**245,301**	152,082
	45,000	**65,000**	46,450
	3,750	**(9,130)**	10,633
	26,375	**26,375**	45,750
	144,829	**144,829**	144,829
	-	**(57,272)**	-
	$ -	**$ (57,272)**	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Southern Gulf Islands

For the year ended December 31, 2020

	Galiano Island Community Parks	Galiano Island Community Recreation	Mayne Island Community Recreation	Mayne Island Community Parks
Revenue				
Government transfers	$ 90,020	$ 35,894	$ 32,797	$ 81,263
Sale of services:				
Recreation revenue	-	-	-	-
Other sales	-	-	-	-
Other revenue from own sources:				
Interest earnings	(35)	59	105	420
Other revenue	300	-	-	11,344
Grants in lieu of taxes	30	16	26	62
Total Revenue	90,315	35,969	32,928	93,089
Expenses				
General administration	2,376	1,431	1,414	3,588
Other operating expenses	65,568	30,155	26,232	67,384
Salaries and wages	-	-	-	-
Total Expenses	67,944	31,586	27,646	70,972
Net Revenue (Expenses)	22,371	4,383	5,282	22,117
Transfers to own funds:				
Transfers to capital	-	-	-	-
Transfers to reserve	22,371	-	-	23,774
Debt charges:				
Interest on short term debt	-	-	-	-
Annual Surplus (Deficit)	-	4,383	5,282	(1,657)
Accumulated surplus (deficit), beginning of year	-	71	2,892	18,167
Accumulated Surplus (Deficit), end of year	$ -	$ 4,454	$ 8,174	$ 16,510

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services, Southern Gulf Islands

For the year ended December 31, 2020

Pender Island Community Recreation	North & South Pender Island Parks	Saturna Island Community Parks	Saturna Island Community Recreation	2020 Budget	2020 Actual	2019 Actual
$ 153,720	$ 58,653	$ 17,554	$ 11,621	**$ 481,522**	**$ 481,522**	$ 476,960
-	-	-	-	**380**	**-**	500
510	-	-	-	**-**	**510**	1,775
293	197	(8)	65	**910**	**1,096**	3,165
-	-	288	-	**3,510**	**11,932**	10,423
1,040	557	1,011	323	**3,065**	**3,065**	2,987
155,563	59,407	18,845	12,009	**489,387**	**498,125**	495,810
3,664	2,306	1,267	759	**16,805**	**16,805**	13,878
66,802	58,612	15,843	6,454	**426,969**	**337,050**	375,513
-	-	-	-	**3,280**	**-**	3,053
70,466	60,918	17,110	7,213	**447,054**	**353,855**	392,444
85,097	(1,511)	1,735	4,796	**42,333**	**144,270**	103,366
-	-	-	-	**-**	**-**	68,172
85,097	-	1,735	-	**65,154**	**132,977**	37,665
-	-	-	-	**770**	**-**	1,432
-	(1,511)	-	4,796	**(23,591)**	**11,293**	(3,903)
-	896	-	1,565	**23,591**	**23,591**	27,494
$ -	$ (615)	$ -	$ 6,361	**$ -**	**$ 34,884**	$ 23,591

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services

For the year ended December 31, 2020

	Vancouver Island Regional Library	TheatreRoyal Capital-Purchases-Equip	Theatre McPh Gen Exp-Purchases-Equip	Ske Reg Museum Exp-Interest - Internal	Library Victoria Exp-Interest - Internal
Revenue					
Government transfers	$ 304,078	$ 580,000	$ 750,000	$ 192,963	$ 30,589
Sale of services:					
Other sales	-	-	-	-	-
Other revenue from own sources:					
Interest earnings	(1,016)	(209)	1,094	(7)	(1)
Other revenue	-	-	-	-	-
Grants in lieu of taxes	280	-	35,843	315	82
Total Revenue	303,342	579,791	786,937	193,271	30,670
Expenses					
General administration	5,147	18,622	32,745	3,861	825
Other operating expenses	297,374	81,169	316,671	189,419	29,840
Salaries and wages	-	-	-	-	-
MFA reserve	-	-	-	-	-
Recoveries	-	-	-	-	-
Total Expenses	302,521	99,791	349,416	193,280	30,665
Net Revenue (Expenses)	821	480,000	437,521	(9)	5
Transfers to own funds:					
Transfers to capital	-	100,000	84,000	-	-
Transfers to reserve	-	407,004	353,521	-	-
Transfers from own funds:					
Transfers from reserve	-	-	-	-	-
Debt charges:					
Interest on short term debt	-	(27,004)	-	-	-
Interest on long term debt	-	-	-	-	-
Principal	-	-	-	-	-
Annual Surplus (Deficit)	821	-	-	(9)	5
Accumulated surplus (deficit), beginning of year	(867)	-	-	53	4
Accumulated Surplus (Deficit), end of year	$ (46)	$ -	$ -	$ 44	$ 9

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Recreation and Cultural Services

For the year ended December 31, 2020

Salt Spring Island Library	Library SGI Expense-Interest - Internal	Galiano Island Library	Arts Dev Funding Adm-Alloc Rcv-ArtsMgr.Sp	Salt Spring Island Arts	2020 Budget	2020 Actual	2019 Actual
$ 660,235	$ 200,278	$ 60,616	$2,682,706	$ 116,005	**$5,577,470**	**$5,577,470**	$5,425,117
-	-	-	-	-	**-**	**-**	5,000
658	35	77	(3,196)	(327)	**1,167**	**(2,892)**	6,224
3,560	-	-	-	-	**213,900**	**3,560**	2,893
502	1,553	19	185,665	76	**224,335**	**224,335**	227,743
664,955	201,866	60,712	2,865,175	115,754	**6,016,872**	**5,802,473**	5,666,977
13,237	3,571	1,615	52,287	1,957	**133,867**	**133,867**	124,649
444,077	197,699	22,694	2,507,174	114,189	**4,249,413**	**4,200,306**	4,089,831
-	-	-	252,443	-	**289,616**	**252,443**	261,527
653	-	76	-	-	**60,740**	**729**	806
-	-	-	(13,220)	-	**(13,220)**	**(13,220)**	(12,760)
457,967	201,270	24,385	2,798,684	116,146	**4,720,416**	**4,574,125**	4,464,053
206,988	596	36,327	66,491	(392)	**1,296,456**	**1,228,348**	1,202,924
-	-	-	-	-	**184,000**	**184,000**	181,000
9,657	-	8,910	66,491	-	**740,021**	**845,583**	790,681
-	-	-	-	-	**(12,000)**	**-**	-
-	-	-	-	-	**6,384**	**(27,004)**	8,429
74,975	-	11,935	-	-	**240,810**	**86,910**	86,910
122,356	-	15,482	-	-	**137,837**	**137,838**	137,838
-	596	-	-	(392)	**(596)**	**1,021**	(1,934)
-	1,139	-	-	267	**596**	**596**	2,530
$ -	$ 1,735	$ -	$ -	$ (125)	**$ -**	**$ 1,617**	$ 596

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Fiscal Services

For the year ended December 31, 2020

	Local Debt Services	Gossip Island Electricity	2020 Budget	2020 Actual	2019 Actual
Revenue					
Government transfers	$5,339,503	$ 57,079	**$14,900,304**	**$15,396,582**	$14,963,340
Other revenue from own sources:					
Interest earnings	64,367	195	**64,793**	**64,562**	70,741
Total Revenue	5,403,870	57,274	**14,965,097**	**15,461,144**	15,034,081
Expenses					
General administration	-	661	**661**	**661**	952
Other operating expenses	-	63	**100**	**63**	48
MFA reserve	64,366	180	**64,700**	**64,546**	70,549
Total Expenses	64,366	904	**65,461**	**65,270**	71,549
Net Revenue (Expenses)	5,339,504	56,370	**14,899,636**	**15,395,874**	14,962,532
Debt charges:					
Interest on short term debt	-	-	**120**	**-**	116
Interest on long term debt	6,129,376	20,735	**6,094,968**	**6,150,111**	6,240,145
Principal	9,210,128	35,708	**8,804,700**	**9,245,836**	8,722,219
Annual Surplus (Deficit)	-	(73)	**(152)**	**(73)**	52
Accumulated surplus (deficit), beginning of year	-	152	**152**	**152**	100
Accumulated Surplus (Deficit), end of year	$ -	$ 79	**$ -**	**$ 79**	$ 152

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Land Bank and Housing

For the year ended December 31, 2020

	Regional Housing Adm-Alloc Rcv-Reg Hsg Mn	2020 Budget	2020 Actual	2019 Actual
Revenue				
Government transfers	$ 2,542,541	**$ 2,576,194**	**$ 2,542,541**	$ 2,673,337
Sale of services:				
Recreation revenue	36,168	**35,130**	**36,168**	45,836
Other revenue from own sources:				
Interest earnings	78,249	**33,792**	**78,249**	95,932
Other revenue	128,000	**63,000**	**128,000**	63,000
Grants in lieu of taxes	137,233	**137,233**	**137,233**	130,167
Total Revenue	2,922,191	**2,845,349**	**2,922,191**	3,008,272
Expenses				
General administration	86,763	**86,763**	**86,763**	65,771
Other operating expenses	1,354,707	**4,716,061**	**1,354,707**	435,032
Salaries and wages	924,614	**1,101,223**	**924,614**	661,983
MFA reserve	2,164	**2,190**	**2,164**	2,393
Recoveries	(622,156)	**(739,746)**	**(622,156)**	(442,538)
Total Expenses	1,746,092	**5,166,491**	**1,746,092**	722,641
Net Revenue (Expenses)	1,176,099	**(2,321,142)**	**1,176,099**	2,285,631
Transfers to own funds:				
Transfers to capital	43,992	**49,440**	**43,992**	6,936
Transfers to reserve	42,000	**-**	**42,000**	-
Transfers to ERF	4,000	**4,000**	**4,000**	2,000
Debt charges:				
Interest on short term debt	-	**2,745**	**-**	3,596
Interest on long term debt	207,086	**231,586**	**207,086**	207,086
Principal	802,377	**802,377**	**802,377**	802,377
Annual Surplus (Deficit)	76,644	**(3,411,290)**	**76,644**	1,263,636
Accumulated surplus (deficit), beginning of year	3,411,290	**3,411,290**	**3,411,290**	2,147,654
Accumulated Surplus (Deficit), end of year	$ 3,487,934	**$ -**	**$ 3,487,934**	$ 3,411,290

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)
Small Craft Harbours, Transit and Transport

For the year ended December 31, 2020

	Southern Gulf Islands Small Craft Harbours	Salt Spring Island Small Craft Harbours	Salt Spring Island Transit and Transport	2020 Budget	2020 Actual	2019 Actual
Revenue						
Government transfers	$ 273,347	$ 31,283	$ 399,749	**$ 704,379**	**$ 704,379**	$ 664,990
Sale of services:						
Recreation revenue	78,953	-	-	**84,000**	**78,953**	84,303
Other sales	-	-	125,358	**220,009**	**125,358**	222,244
Other revenue from own sources:						
Interest earnings	385	76	(313)	**1,830**	**148**	5,801
Other revenue	2,360	-	-	**7,000**	**2,360**	7,532
Grants in lieu of taxes	5,211	41	311	**5,563**	**5,563**	5,707
Total Revenue	360,256	31,400	525,105	**1,022,781**	**916,761**	990,577
Expenses						
General administration	7,758	1,405	29,993	**42,222**	**39,156**	38,263
Other operating expenses	137,799	9,270	424,052	**701,746**	**571,121**	620,767
Salaries and wages	-	-	-	**1,560**	**-**	-
Total Expenses	145,557	10,675	454,045	**745,528**	**610,277**	659,030
Net Revenue (Expenses)	214,699	20,725	71,060	**277,253**	**306,484**	331,547
Transfers to own funds:						
Transfers to reserve	214,699	20,725	105,236	**286,453**	**340,660**	350,316
Transfers from reserve	-	-	(34,176)	**(10,000)**	**(34,176)**	(20,873)
Debt charges:						
Interest on short term debt	-	-	-	**800**	**-**	2,104
Annual Surplus (Deficit)	-	-	-	**-**	**-**	-
Accumulated surplus (deficit), beginning of year	-	-	-	**-**	**-**	-
Accumulated Surplus (Deficit), end of year	$ -	$ -	$ -	**$ -**	**$ -**	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

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Sewer Revenue Fund Statement of Operations (Unaudited)

For the year ended December 31, 2020

	Septage Disposal Facilities	Sep SSI Sep Exp-Deficit	Trunk Sewers and Sewage Disposal Operations and Maintenance	Trunk Sewers and Sewage Disposal Debt	Ganges Sewer System
Revenue					
Government transfers	$ 229,755	$ 348,805	$ 11,806,324	$ 38,730,151	$ 54,128
Sale of services:					
Other sales	104,819	609,937	-	-	920,914
Other revenue from own sources:					
Interest earnings	2,169	(529)	(25,434)	154,244	(1,532)
Other revenue	9,450	2,476	560,478	185,592	540
Grants in lieu of taxes	11,030	411	496,101	1,113,572	172
Total Revenue	357,223	961,100	12,837,469	40,183,559	974,222
Expenses					
General administration	12,613	21,503	229,796	303,520	29,970
Other operating expenses	215,406	726,452	12,887,792	3,823,877	671,594
Salaries and wages	-	-	-	(2,249)	-
MFA reserve	-	554	-	30,862	835
Recoveries	-	-	(173,889)	(840,000)	-
Total Expenses	228,019	748,509	12,943,699	3,316,010	702,399
Net Revenue (Expenses)	129,204	212,591	(106,230)	36,867,549	271,823
Transfers to own funds:					
Transfers to revenue	-	-	-	571,158	-
Transfers to capital	115,734	-	-	26,837,723	-
Transfers to reserve	-	39,461	901,424	22,000	57,700
Transfers to ERF	15,991	-	237,845	705,918	-
Transfers from own funds:					
Transfers from revenue	-	-	-	(320,000)	-
Transfers from capital	-	-	-	(6,410,000)	-
Transfers from reserve	-	-	(1,237,770)	-	(31,693)
Debt charges:					
Interest on short term debt	-	(4,817)	-	(47,064)	3
Interest on long term debt	-	63,730	-	3,497,687	117,800
Principal	-	104,876	-	11,085,130	128,013
Annual Surplus (Deficit)	(2,521)	9,341	(7,729)	924,997	-
Accumulated surplus (deficit), beginning of year	105,507	(9,341)	128,356	226,004	-
Accumulated Surplus (Deficit), end of year	$ 102,986	$ -	$ 120,627	$ 1,151,001	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Sewer Revenue Fund Statement of Operations (Unaudited)

For the year ended December 31, 2020

Malaview Estates Sewer System	Magic Lake Estates Sewer System	Port Renfrew Sewer System	2020 Budget	2020 Actual	2019 Actual
$ -	$ 698,611	$ 61,680	**$51,915,983**	**$ 51,929,454**	$47,213,753
146,742	250,307	48,724	**1,914,407**	**2,081,443**	1,942,493
109	(655)	(174)	**53,593**	**128,198**	138,085
643	574	28	**517,205**	**759,781**	818,744
-	743	1,055	**1,623,084**	**1,623,084**	1,437,663
147,494	949,580	111,313	**56,024,272**	**56,521,960**	51,550,738
5,698	23,188	3,764	**631,023**	**630,052**	302,659
182,415	531,671	109,751	**20,179,547**	**19,148,958**	14,844,064
-	783	-	**1,774,170**	**(1,466)**	106,046
7	332	-	**280,629**	**32,590**	636,088
-	(10,424)	-	**(1,548,684)**	**(1,024,313)**	(166,130)
188,120	545,550	113,515	**21,316,685**	**18,785,821**	15,722,727
(40,626)	404,030	(2,202)	**34,707,587**	**37,736,139**	35,828,011
-	-	-	**-**	**571,158**	-
5,173	110,000	-	**17,324,420**	**27,068,630**	28,187,956
36,000	119,927	-	**7,354,473**	**1,176,512**	968,988
-	-	-	**943,763**	**959,754**	213,373
-	-	-	**(320,000)**	**(320,000)**	(320,000)
-	-	-	**-**	**(6,410,000)**	(11,100,000)
(55,691)	-	-	**(1,066,926)**	**(1,325,154)**	(411,914)
-	-	-	**351,077**	**(51,878)**	773,219
420	40,640	-	**4,547,256**	**3,720,277**	3,158,859
1,199	133,463	-	**6,024,050**	**11,452,681**	14,690,353
(27,727)	-	(2,202)	**(450,526)**	**894,159**	(332,823)
-	-	-	**450,526**	**450,526**	783,349
$ (27,727)	$ -	$ (2,202)	**$ -**	**$ 1,344,685**	$ 450,526

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Water Revenue Fund Statement of Operations (Unaudited)

For the year ended December 31, 2020

	Fernwood Water Supply	Magic Lake Estates Water Supply	Port Renfrew Water Supply	Saanich Peninsula Water Supply	Highland Water Supply
Revenue					
Government transfers	$ 16,139	$ 568,517	$ 58,327	$ -	$ 30,512
Sale of services:					
Other sales	-	349,477	60,432	7,140,898	-
Other revenue from own sources:					
Interest earnings	78	(1,527)	139	(8,161)	142
Other revenue	-	9,184	25,192	-	-
Grants in lieu of taxes	-	473	527	-	-
Total Revenue	16,217	926,124	144,617	7,132,737	30,654
Expenses					
General administration	821	24,529	5,401	93,232	876
Other operating expenses	-	654,752	135,697	6,203,756	-
Salaries and wages	-	757	-	-	-
MFA reserve	53	659	-	-	108
Total Expenses	874	680,697	141,098	6,296,988	984
Net Revenue (Expenses)	15,343	245,427	3,519	835,749	29,670
Transfers to own funds:					
Transfers to capital	-	-	-	-	-
Transfers to reserve	-	42,775	3,519	785,749	-
Transfers to ERF	-	-	-	50,000	-
Transfers from own funds:					
Transfers from capital	-	-	-	-	-
Transfers from reserve	-	-	-	-	-
Debt charges:					
Interest on short term debt	(371)	(5,358)	-	-	-
Interest on long term debt	5,225	80,161	-	-	10,748
Principal	9,739	127,849	-	-	20,010
Annual Surplus (Deficit)	750	-	-	-	(1,088)
Accumulated surplus (deficit), beginning of year	451	-	-	-	1,120
Accumulated Surplus (Deficit), end of year	$ 1,201	$ -	$ -	$ -	$ 32

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Water Revenue Fund Statement of Operations (Unaudited)

For the year ended December 31, 2020

Port Renfrew Snuggery Cove Water Supply	Lyall Harbour/Boot Cove Water Supply	Sticks Allison Galiano Island Water Supply	Highland/Fernwood Water Supply	2020 Budget	2020 Actual	2019 Actual
$ (8,034)	$ 131,030	$ 5,000	$ 56,822	**$ 858,314**	**$ 858,313**	$ 891,278
-	104,757	50,034	339,242	**7,855,647**	**8,044,840**	7,792,351
-	(709)	(114)	(616)	**1,830**	**(10,768)**	12,720
-	343	154	5,259	**15,200**	**40,132**	29,465
-	697	-	-	**1,697**	**1,697**	1,599
(8,034)	236,118	55,074	400,707	**8,732,688**	**8,934,214**	8,727,413
-	7,672	2,877	16,822	**152,230**	**152,230**	132,226
-	168,390	47,234	411,124	**7,327,153**	**7,620,953**	7,204,271
-	-	-	-	**-**	**757**	974
-	118	-	130	**2,080**	**1,068**	1,220
-	176,180	50,111	428,076	**7,481,463**	**7,775,008**	7,338,691
(8,034)	59,938	4,963	(27,369)	**1,251,225**	**1,159,206**	1,388,722
-	-	-	-	**-**	**-**	27,847
-	17,500	7,200	66,590	**854,680**	**923,333**	981,968
-	-	-	-	**50,000**	**50,000**	50,000
-	-	-	-	**-**	**-**	(18,849)
-	-	(2,237)	(34,262)	**(40,000)**	**(36,499)**	(44,612)
-	(1,334)	-	-	**18,400**	**(7,063)**	20,469
-	10,827	-	16,250	**140,124**	**123,211**	153,735
-	21,475	-	24,971	**204,053**	**204,044**	219,105
(8,034)	11,470	-	(100,918)	**23,968**	**(97,820)**	(941)
8,034	(33,573)	-	-	**(23,968)**	**(23,968)**	(23,027)
$ -	$ (22,103)	$ -	$ (100,918)	**$ -**	**$ (121,788)**	$ (23,968)

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Water Revenue Fund Statement of Operations (Unaudited)

For the year ended December 31, 2020

	Skana Water Supply	Surfside Water Supply	Beddis Water Supply	Fulford Water Supply	Cedars of Tuam Supply
Revenue					
Government transfers	$ 23,070	$ 27,843	$ 72,240	$ 66,359	$ -
Sale of services:					
Other sales	43,651	80,352	164,428	149,201	35,307
Other revenue from own sources:					
Interest earnings	(16)	1,332	5,070	9,252	14
Other revenue	155	340	271	616	69
Total Revenue	66,860	109,867	242,009	225,428	35,390
Expenses					
General administration	2,841	4,603	9,247	8,380	2,239
Other operating expenses	51,794	62,699	163,408	162,973	31,475
Salaries and wages	-	-	-	-	-
MFA reserve	9	11	181	201	-
Recoveries	-	-	-	-	-
Total Expenses	54,644	67,313	172,836	171,554	33,714
Net Revenue (Expenses)	12,216	42,554	69,173	53,874	1,676
Transfers to own funds:					
Transfers to capital	-	-	-	-	-
Transfers to reserve	10,101	38,604	17,796	7,280	3,676
Transfers to ERF	-	-	-	-	-
Transfers from own funds:					
Transfers from reserve	-	-	-	(6,393)	(2,000)
Debt charges:					
Interest on short term debt	-	(253)	(1,268)	(2,232)	-
Interest on long term debt	657	732	18,004	15,969	-
Principal	1,458	3,471	48,291	39,250	-
Annual Surplus (Deficit)	-	-	(13,650)	-	-
Accumulated surplus (deficit), beginning of year	-	-	-	-	-
Accumulated Surplus (Deficit), end of year	$ -	$ -	$ (13,650)	$ -	$ -

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Water Revenue Fund Statement of Operations (Unaudited)

For the year ended December 31, 2020

Cedar Lane Water Supply	Wilderness Mountain Water	Regional Water Supply	Regional Water Distribution	2020 Budget	2020 Actual	2019 Actual
$ 11,951	$ 52,114	$ -	$ 4,300	**$ 265,322**	**$ 257,877**	$ 328,430
49,091	83,178	34,298,539	0,370,312	**54,334,174**	**55,274,059**	52,379,489
10	(284)	118,311	52,738	**38,080**	**186,427**	98,487
242	201	437,876	272,269	**189,400**	**712,039**	258,970
61,294	135,209	34,854,726	0,699,619	**54,826,976**	**56,430,402**	53,065,376
3,211	5,487	1,915,746	438,117	**2,132,178**	**2,389,871**	1,654,237
43,997	110,852	4,562,744	1,910,285	**36,636,370**	**17,100,227**	16,582,813
-	-	14,072,282	408,655	**16,406,031**	**14,480,937**	14,082,908
30	72	30,390	56,535	**87,930**	**87,429**	40,010
-	-	(5,550,104)	-	**(25,439,873)**	**(5,550,104)**	(5,106,415)
47,238	116,411	15,031,058	2,813,592	**29,822,636**	**28,508,360**	27,253,553
14,056	18,798	19,823,668	7,886,027	**25,004,340**	**27,922,042**	25,811,823
-	(15,000)	11,098,693	6,195,765	**14,308,074**	**17,279,458**	15,074,497
6,232	1,640	-	-	**76,826**	**85,329**	79,365
-	-	299,294	213,945	**513,239**	**513,239**	525,415
-	-	-	(218,786)	**(273,660)**	**(227,179)**	(265,299)
-	-	(37,522)	13,705	**36,613**	**(27,570)**	(21,647)
2,430	9,554	3,007,000	638,620	**3,726,729**	**3,692,966**	3,799,314
5,394	14,033	5,456,203	1,042,778	**6,610,880**	**6,610,878**	6,625,817
-	8,571	-	-	**5,639**	**(5,079)**	(5,639)
-	(5,639)	-	-	**(5,639)**	**(5,639)**	-
$ -	$ 2,932	$ -	$ -	**$ -**	**$ (10,718)**	$ (5,639)

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Capital Funds Statement of Financial Position (Unaudited)

As at December 31, 2020

	General Capital	Water Capital	Sewer Capital	2020	2019
Financial Assets					
Receivables:					
Accounts receivable	$ 26,693,683	$ 47,269,974	$ 81,157,353	**$ 155,121,010**	$ 122,814,202
Debt recoverable from other authorities					
Debentures:					
District of Sooke	3,666,923	-	-	**3,666,923**	4,192,163
City of Colwood	8,690,504	-	-	**8,690,504**	9,357,664
Town of Esquimalt	4,229,661	-	-	**4,229,661**	5,199,439
District of Highlands	480,006	-	-	**480,006**	563,567
District of North Saanich	5,763,077	-	-	**5,763,077**	6,162,054
District of Oak Bay	1,030,324	-	-	**1,030,324**	1,341,588
District of Saanich	39,784,431	-	-	**39,784,431**	40,587,623
Town of Sidney	8,036,621	-	-	**8,036,621**	5,326,377
City of Victoria	61,389,116	-	-	**61,389,116**	65,635,785
District of Central Saanich	8,379,098	-	-	**8,379,098**	8,792,427
Town of View Royal	5,419,897	-	-	**5,419,897**	5,811,314
	$ 173,563,341	$ 47,269,974	$ 81,157,353	**$ 301,990,668**	$ 275,784,203

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Capital Funds Statement of Financial Position (Unaudited)

As at December 31, 2020

	General Capital	Water Capital	Sewer Capital	2020	2019
Financial Liabilities					
Payables:					
Trade accounts and accrued liabilities	$ 1,785,531	$ 2,069,499	$ 7,914,576	**$ 11,769,606**	$ 18,873,402
Contractors holdbacks	619,999	274,349	74,922,858	**75,817,206**	76,889,837
CIAC developer advances for construction	-	536,769	-	**536,769**	488,095
	2,405,530	2,880,617	82,837,434	**88,123,581**	96,251,334
Debentures issued by Municipal Finance Authority	178,140,958	55,798,998	94,153,294	**328,093,250**	363,826,179
Non-debenture / bank loan	-	-	-	**-**	6,410,000
	178,140,958	55,798,998	94,153,294	**328,093,250**	370,236,179
	180,546,488	58,679,615	176,990,728	**416,216,831**	466,487,513
Net Financial Assets (Liabilities)	(6,983,147)	(11,409,641)	(95,833,375)	**(114,226,163)**	(190,703,310)
Non-Financial Assets					
Tangible capital assets:					
Engineering structures	135,260,980	548,461,273	687,413,853	**1,371,136,106**	865,756,000
Buildings	239,110,560	8,267,300	38,948,244	**286,326,104**	174,100,932
Equipment	37,586,037	29,077,443	5,231,119	**71,894,599**	68,944,168
Vehicles	16,531,240	7,206,292	29,322	**23,766,854**	22,658,221
Land	149,513,969	84,197,357	16,710,087	**250,421,413**	243,914,398
Other assets	3,497,183	12,931,451	6,036,070	**22,464,704**	17,763,704
Assets WIP	16,161,022	10,841,988	64,160,323	**91,163,333**	499,142,655
	597,660,991	700,983,104	818,529,018	**2,117,173,113**	1,892,280,078
Inventory of supplies	-	1,018,898	-	**1,018,898**	1,057,672
Accumulated Surplus					
Capital funds	$ 590,677,844	$ 690,592,361	$ 722,695,643	**$2,003,965,848**	$1,702,634,440

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Statement of Financial Activities (Unaudited)

For the year ended December 31, 2020

	General Capital	Water Capital	Sewer Capital	2020	2019
Revenue					
Government transfers	$ 5,950,887	$ 43,752	$ 144,755,847	**$ 150,750,486**	$ 171,371,136
Developer contributions	-	5,706,166	-	**5,706,166**	3,345,898
Interest earnings	637,548	609,735	659,835	**1,907,118**	1,837,744
Other revenue	58,431,334	1,866,117	11,100,000	**71,397,451**	48,253,651
Capitalization of debt	4,669,725	9,784,814	12,915,044	**27,369,583**	28,280,223
Net Revenue	69,689,494	18,010,584	169,430,726	**257,130,804**	253,088,652
Transfers to own funds:					
Transfers to revenue	(150,000)	-	(6,410,000)	**(6,560,000)**	(11,199,060)
Transfers to reserve	(66,625)	(193,938)	(1,510,628)	**(1,771,191)**	(2,523,089)
Transfers to ERF	-	(47,112)	-	**(47,112)**	-
Transfers from own funds:					
Transfers from revenue	2,591,346	17,294,458	27,024,856	**46,910,660**	44,538,715
Transfers from capital	240,000	-	-	**240,000**	-
Transfers from reserve	14,029,554	1,929,813	8,535,139	**24,494,506**	18,748,764
Transfers from ERF	1,290,793	32,387	200,560	**1,523,740**	3,453,839
Decrease in inventory	-	11,677	-	**11,677**	19,582
Disposal of assets	(1,396,015)	(797,732)	(18,407,929)	**(20,601,676)**	(19,946,521)
Realized loss on sale of investments	-	-	-	**-**	(211,809)
Annual Surplus	86,228,547	36,240,137	178,862,724	**301,331,408**	285,969,073
Accumulated surplus, beginning of year	504,449,297	654,352,224	543,832,919	**1,702,634,440**	1,416,665,367
Accumulated Surplus, end of year	$ 590,677,844	$ 690,592,361	$ 722,695,643	**$2,003,965,848**	$1,702,634,440

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

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Statement of Capital Financing (Unaudited)

For the year ended December 31, 2020

	General Capital	Water Capital	Sewer Capital	2020	2019
Finances acquired:					
Unexpended funds at beginning of year	$ 39,783,470	$ 37,023,986	$ 46,006,743	**$ 122,814,199**	$ 76,387,752
Long-term debt incurred:					
Bank loan / MFA non-debenture loans	227,000	-	-	**227,000**	60,250,000
Debentures:					
Own portion	-	5,100,000	4,000,000	**9,100,000**	99,400,000
Member municipalities' portion	6,280,000	-	-	**6,280,000**	13,670,000
Transfer from member municipalities for their portion of long-term debt	9,210,127	-	-	**9,210,127**	8,686,508
Transfer from post capitalization	358,000	1,866,117	-	**2,224,117**	-
Transfer from current liability to equity - Skirt & Silver Creek	-	-	-	**-**	3,299,445
Transfers from own funds:					
Sewer Revenue Fund	-	-	27,024,856	**27,024,856**	28,187,956
General Revenue Fund	2,591,346	-	-	**2,591,346**	1,267,261
Water Revenue Fund	-	17,306,135	-	**17,306,135**	15,103,080
Reserve Funds	15,273,235	1,962,200	8,735,699	**25,971,134**	22,202,604
Capital Funds	240,000	-	-	**240,000**	-
Conditional grant from government	5,950,887	43,752	144,755,847	**150,750,486**	171,374,228
Contribution in aid	-	5,706,166	-	**5,706,166**	3,345,898
Interest earned	637,548	609,735	659,835	**1,907,118**	1,625,932
Other	57,850,334	-	-	**57,850,334**	33,603,860
Other - sale of land	-	-	11,100,000	**11,100,000**	11,250,000
Donations	223,000	-	-	**223,000**	100,350
Temporary borrowings and payables at end of year	2,405,527	2,880,680	82,837,432	**88,123,639**	96,251,330
	$ 141,030,474	$ 72,498,771	$ 325,120,412	**$ 538,649,657**	$ 646,006,204

These statements should be read in conjunction with the 2019 Audited Financial Statements and accompanying notes.

Statement of Capital Financing (Unaudited)

For the year ended December 31, 2020

	General Capital	Water Capital	Sewer Capital	2020	2019
Finances applied:					
Temporary borrowings and payables at beginning of year	$ 1,954,718	$ 2,835,495	$ 91,461,117	**$ 96,251,330**	$ 77,184,413
Expenditure for fixed assets	96,675,321	22,199,364	126,581,315	**245,456,000**	306,925,843
Transfers to own funds:					
General Revenue Fund	150,000	-	-	**150,000**	96,420
Sewer Revenue Fund	-	-	6,410,000	**6,410,000**	11,102,640
Reserve Funds	66,625	193,938	1,510,628	**1,771,191**	2,523,089
Capital Funds	-	-	-	**-**	3,092
Transfer to member municipalities for their portion of debentures	6,280,000	-	-	**6,280,000**	13,670,000
Payment of long-term debt on behalf of member municipalities	9,210,127	-	-	**9,210,127**	8,686,508
Debt paydown (per debt schedule)	-	-	24,410,000	**24,410,000**	114,290,000
Temporary loan paydown	-	-	(6,410,000)	**(6,410,000)**	(11,290,000)
Unexpended funds at end of year	26,693,683	47,269,974	81,157,352	**155,121,009**	122,814,199
	$ 141,030,474	$ 72,498,771	$ 325,120,412	**$ 538,649,657**	$ 646,006,204

These statements should be read in conjunction with the 2019 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	General Government Equipment Replacement Fund	Feasibility Study Reserve	Office Facilities & Equipment Replacement Fund
Opening balance	$ 5,540,905	$ 24,976	$ 7,623,364
Add			
Government transfers	-	40,000	-
Other revenue from own sources:			
Interest earnings	50,845	2,728	153,061
Other revenues	1,103	-	-
Transfers from own funds:			
Transfers from revenue	-	-	629,169
Transfers from reserve	-	-	141,796
Transfers from ERF	1,079,092	-	-
Total Revenue	1,131,040	42,728	924,026
Deduct			
Other operating expenses	-	37,967	-
Transfers to own funds:			
Transfers to capital	558,574	-	935,229
Transfers to reserve	9,170	-	35,846
Total Expenses	(567,744)	(37,967)	(971,075)
Change in Fund Balance	563,296	4,761	(47,049)
Accumulated Surplus, end of year	$ 6,104,201	$ 29,737	$ 7,576,315

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

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Reserve Funds Fire Protection Capital Reserves
Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	North Pender Island Fire Capital Reserve	Willis Point Fire & Recreation Capital Reserve	Shirley Fire Capital Reserve	East Sooke Fire Capital Reserve
Opening balance	$ 427,093	$ 123,888	$ 52,217	$ 43,893
Add				
Other revenue from own sources:				
Interest earnings	7,953	2,561	1,237	592
Transfers from own funds:				
Transfers from revenue	67,086	35,000	24,520	10,000
Transfers from ERF	-	-	-	-
Total Revenue	75,039	37,561	25,757	10,592
Deduct				
Transfers to own funds:				
Transfers to capital	22,948	-	-	30,000
Transfers to ERF	75,000	-	-	-
Total Expenses	97,948	-	-	30,000
Change in Fund Balance	(22,909)	37,561	25,757	(19,408)
Accumulated Surplus, end of year	**$ 404,184**	**$ 161,449**	**$ 77,974**	**$ 24,485**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Fire Protection Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	North Galiano Fire Capital Reserve	Fire Protection Equipment Replacement Fund	Port Renfrew Fire Capital Reserve	Otter Point Fire Capital Reserve
Opening balance	$ 61,119	$ 1,901,808	$ 45,814	$ 98,836
Add				
Other revenue from own sources:				
Interest earnings	1,215	19,256	875	447
Transfers from own funds:				
Transfers from revenue	5,000	-	-	85,083
Transfers from ERF	-	740,194	-	-
Total Revenue	6,215	759,450	875	85,530
Deduct				
Transfers to own funds:				
Transfers to capital	930	253,208	-	165,000
Transfers to ERF	-	-	-	-
Total Expenses	930	253,208	-	(165,000)
Change in Fund Balance	5,285	506,242	875	(79,470)
Accumulated Surplus, end of year	**$ 66,404**	**$ 2,408,050**	**$ 46,689**	**$ 19,366**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Protection General Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Southern Gulf Islands Emergency Capital Reserve	Salt Spring Island Emergency Capital Reserve	Family Court Building Capital Reserve	Protective General Equipment Replacement Fund
Opening balance	$ 202,916	$ 41,149	$ 240,649	$ 1,771,301
Add				
Other revenue from own sources:				
Interest earnings	3,996	785	4,394	16,455
Transfers from own funds:				
Transfers from revenue	41,442	-	25,258	-
Transfers from ERF	-	-	-	398,126
Total Revenue	45,438	785	29,652	414,581
Deduct				
Transfers to own funds:				
Transfers to capital	-	-	47,500	116,305
Transfers to reserve	-	-	-	60,000
Total Expenses	-	-	47,500	176,305
Change in Fund Balance	45,438	785	(17,848)	238,276
Accumulated Surplus, end of year	**$ 248,354**	**$ 41,934**	**$ 222,801**	**$ 2,009,577**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Transportation Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Southern Gulf Islands Small Craft Harbour Capital Reserve	Salt Spring Island Harbours Capital Reserve	Salt Spring Island Transportation Capital Reserve	Salt Spring Island Transit Capital Reserve
Opening balance	$ 466,134	$ 146,911	$ 1,394,164	$ 42,680
Add				
Other revenue from own sources:				
Interest earnings	16,662	2,903	13,450	815
Transfers from own funds:				
Transfers from revenue	214,699	20,725	91,236	9,000
Total Revenue	231,361	23,628	104,686	9,815
Deduct				
Transfers to own funds:				
Transfers to capital	207,000	2,194	1,445,500	-
Total Expenses	207,000	2,194	1,445,500	-
Change in Fund Balance	24,361	21,434	21,434	9,815
Accumulated Surplus, end of year	**$ 490,495**	**$ 168,345**	**$ 53,350**	**$ 52,495**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Recreation and Cultural Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Saturna Island Park Land Capital Reserve	Pender Island Park Land Capital Reserve	Saanich Peninsula Ice Arena Facility Capital Reserve	Regional Parks Capital Reserve
Opening balance	$ 3,136	$ 35,486	$ 3,185,858	$ 7,744,117
Add				
Other revenue from own sources:				
Interest earnings	60	678	58,512	177,421
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	-	-	562,164	6,361,911
Transfers from reserve	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	60	678	620,676	6,539,332
Deduct				
Other operating expenses	-	-	-	62
Transfers to own funds:				
Transfers to capital	-	-	338,000	3,771,940
Total Expenses	-	-	338,000	3,771,878
Change in Fund Balance	60	678	282,676	2,767,454
Accumulated Surplus, end of year	**$ 3,196**	**$ 36,164**	**$ 3,468,534**	**$ 10,511,571**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Recreation and Cultural Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Sooke Community Park Capital Reserve	Salt Spring Island Park Land Acquisition Capital Reserve	Saturna Island Parks & Recreation Capital Reserve	Sooke and EA Recreation & Facilities Capital Reserve
Opening balance	$ 556,126	$ 829,790	$ 79,605	$ 519,172
Add				
Other revenue from own sources:				
Interest earnings	10,486	16,036	1,287	7,826
Other revenues	44,850	15,000	-	-
Transfers from own funds:				
Transfers from revenue	15,271	-	1,735	470,719
Transfers from reserve	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	70,607	31,036	3,022	478,545
Deduct				
Other operating expenses	-	-	-	3,288
Transfers to own funds:				
Transfers to capital	40,000	-	18,617	399,999
Total Expenses	40,000	-	18,617	396,711
Change in Fund Balance	30,607	31,036	(15,595)	81,834
Accumulated Surplus, end of year	**$ 586,733**	**$ 860,826**	**$ 64,010**	**$ 601,006**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Recreation and Cultural Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Pender Island Parks & Recreation Capital Reserve	Galiano Island Parks & Recreation Capital Reserve	Royal Theatre Capital Reserve	Salt Spring Island Parks & Recreation Capital Reserve
Opening balance	$ 231,170	$ 80,482	$ 823,906	$ 282,225
Add				
Other revenue from own sources:				
Interest earnings	4,908	1,307	18,408	5,224
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	85,097	22,371	407,004	69,509
Transfers from reserve	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	90,005	23,678	425,412	74,733
Deduct				
Other operating expenses	-	-	-	-
Transfers to own funds:				
Transfers to capital	-	30,353	207,000	17,164
Total Expenses	-	30,353	207,000	17,164
Change in Fund Balance	90,005	(6,675)	218,412	57,569
Accumulated Surplus, end of year	**$ 321,175**	**$ 73,807**	**$ 1,042,318**	**$ 339,794**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Recreation and Cultural Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Mayne Island Park Land Capital Reserve	Salt Spring Island Parks Capital Reserve	Salt Spring Island Parks Service Area Capital Reserve	McPherson Theatre Capital Reserve
Opening balance	$ 99,633	$ 118,536	$ 1,354	$ 1,664,880
Add				
Other revenue from own sources:				
Interest earnings	1,510	2,263	26	33,179
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	23,774	55,320	-	353,521
Transfers from reserve	59	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	25,343	57,583	26	386,700
Deduct				
Other operating expenses	-	-	-	-
Transfers to own funds:				
Transfers to capital	31,000	-	-	194,000
Total Expenses	31,000	-	-	194,000
Change in Fund Balance	(5,657)	57,583	26	192,700
Accumulated Surplus, end of year	**$ 93,976**	**$ 176,119**	**$ 1,380**	**$ 1,857,580**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Recreation and Cultural Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Salt Spring Island Pool Facility Capital Reserve	Galiano Community Use Building Capital Reserve	Regional Parks Capital Reserve	SSI Library Building Capital Reserve
Opening balance	$ 294,023	$ 61,990	$ 1,067,017	$ 72,279
Add				
Other revenue from own sources:				
Interest earnings	3,404	1,183	20,369	1,200
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	80,472	8,910	-	9,657
Transfers from reserve	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	83,876	10,093	20,369	10,857
Deduct				
Other operating expenses	-	-	-	-
Transfers to own funds:				
Transfers to capital	149,553	-	-	20,000
Total Expenses	149,553	-	-	20,000
Change in Fund Balance	(65,677)	10,093	20,369	(9,143)
Accumulated Surplus, end of year	**$ 228,346**	**$ 72,083**	**$ 1,087,386**	**$ 63,136**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Recreation and Cultural Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Recreation & Cultural Equipment Replacement Fund
Opening balance	$ 1,502,713
Add	
Other revenue from own sources:	
Interest earnings	16,797
Other revenues	5,733
Transfers from own funds:	
Transfers from revenue	-
Transfers from reserve	-
Transfers from ERF	850,318
Total Revenue	872,848
Deduct	
Other operating expenses	-
Transfers to own funds:	
Transfers to capital	306,634
Total Expenses	306,634
Change in Fund Balance	566,214
Accumulated Surplus, end of year	**$ 2,068,927**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	S.P.W.W.S. Sewer Debt Capital Reserve	Sidney Treatment Plant Capital Reserve	Maliview Estates Sewer Capital Reserve	Magic Lake Estates Sewer System Capital Reserve
Opening balance	$ 3,676,176	$ 949,275	$ 18,933	$ 137,087
Add				
Government transfers	203,954	-	-	-
Other revenue from own sources:				
Interest earnings	38,272	18,121	637	3,472
Transfers from own funds:				
Transfers from revenue	337,732	-	26,000	106,668
Transfers from capital	1,738,770	-	-	-
Transfers from reserve	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	2,318,728	18,121	26,637	110,140
Deduct				
Transfers to own funds:				
Transfers to capital	2,358,147	-	-	(31,164)
Transfers to reserve	1,700,000	-	-	-
Total Expenses	4,058,147	-	-	(31,164)
Change in Fund Balance	(1,739,419)	18,121	26,637	141,304
Accumulated Surplus, end of year	**$ 1,936,757**	**$ 967,396**	**$ 45,570**	**$ 278,391**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Port Renfrew Sewer System Capital Reserve	Northwest Trunk Sewer Capital Reserve	Trunk Sewers & Sewage Disposal Facilities Capital Reserve	Northeast Trunk Sewer Capital Reserve
Opening balance	$ 19,828	$ 1,263	$ 8,834,808	$ 29,029
Add				
Government transfers	-	-	-	-
Other revenue from own sources:				
Interest earnings	410	24	96,624	554
Transfers from own funds:				
Transfers from revenue	-	-	-	-
Transfers from capital	-	-	305,677	-
Transfers from reserve	-	-	1,287	-
Transfers from ERF	-	-	-	-
Total Revenue	410	24	403,588	554
Deduct				
Transfers to own funds:				
Transfers to capital	(1,310)	-	4,981,822	-
Transfers to reserve	-	1,287	-	-
Total Expenses	(1,310)	1,287	4,981,822	-
Change in Fund Balance	1,720	(1,263)	(4,578,234)	554
Accumulated Surplus, end of year	**$ 21,548**	**$ -**	**$ 4,256,574**	**$ 29,583**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Ganges Sewer LSA Capital Reserve	Salt Spring Island Septage Capital Reserve	Sewer Equipment Replacement Fund	Cap Res Core Area WW
Opening balance	$ 754,283	$ 154,793	$ 4,386,368	$ -
Add				
Government transfers	-	-	-	-
Other revenue from own sources:				
Interest earnings	14,124	2,553	39,813	-
Transfers from own funds:				
Transfers from revenue	30,000	26,070	-	-
Transfers from capital	-	-	-	1,969
Transfers from reserve	-	-	-	1,287
Transfers from ERF	-	-	965,763	-
Total Revenue	44,124	28,623	1,005,576	3,256
Deduct				
Transfers to own funds:				
Transfers to capital	(60,878)	40,000	282,902	480
Transfers to reserve	-	-	-	-
Total Expenses	(60,878)	40,000	282,902	(480)
Change in Fund Balance	105,002	(11,377)	722,674	2,776
Accumulated Surplus, end of year	**$ 859,285**	**$ 143,416**	**$ 5,109,042**	**$ 2,776**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Water Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Saanich Peninsula Water Supply Capital Reserve	Magic Lake Estates Water System Capital Reserve	Lyall Harbour/Boot Cove Water Service Capital Reserve	Port Renfrew Sewer & Water Capital Reserve
Opening balance	$ 7,644,951	$ 754,542	$ 6,193	$ 72,955
Add				
Other revenue from own sources:				
Interest earnings	133,017	14,234	225	1,478
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	785,749	32,775	10,000	1,518
Transfers from capital	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	918,766	47,009	10,225	2,996
Deduct				
Transfers to own funds:				
Transfers to capital	875,000	(14,729)	(7,072)	(927)
Total Expenses	875,000	(14,729)	(7,072)	(927)
Change in Fund Balance	43,766	61,738	17,297	3,923
Accumulated Surplus, end of year	**$ 7,688,717**	**$ 816,280**	**$ 23,490**	**$ 76,878**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Water Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Cedars of Tuam Water Capital Reserve	Surfside Park Estates Water Capital Reserve	Skana Water Service Capital Reserve	Sticks Allison Water Capital Reserve
Opening balance	$ 13,155	$ 35,820	$ 77,042	$ 2,688
Add				
Other revenue from own sources:				
Interest earnings	283	809	1,450	104
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	925	15,000	9,062	4,000
Transfers from capital	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	1,208	15,809	10,512	4,104
Deduct				
Transfers to own funds:				
Transfers to capital	(2,004)	2,542	5,530	(3,750)
Total Expenses	(2,004)	2,542	5,530	(3,750)
Change in Fund Balance	3,212	13,267	4,982	7,854
Accumulated Surplus, end of year	**$ 16,367**	**$ 49,087**	**$ 82,024**	**$ 10,542**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Water Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Beddis Water Capital Reserve	Fulford Water Capital Reserve	Wilderness Mountain Capital Reserve	Cedar Lane Water Capital Reserve
Opening balance	$ 50,869	$ 89,131	$ 40,732	$ 92,334
Add				
Other revenue from own sources:				
Interest earnings	341	1,574	778	1,757
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	13,373	-	-	4,096
Transfers from capital	-	87	-	-
Transfers from ERF	-	-	-	-
Total Revenue	13,714	1,661	778	5,853
Deduct				
Transfers to own funds:				
Transfers to capital	50,039	17,390	(8,620)	23,753
Total Expenses	50,039	17,390	(8,620)	23,753
Change in Fund Balance	(36,325)	(15,729)	9,398	(17,900)
Accumulated Surplus, end of year	**$ 14,544**	**$ 73,402**	**$ 50,130**	**$ 74,434**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Water Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Water Equipment Replacement Fund	Highland Fernwood Water Capital Reserve
Opening balance	$ 4,126,977	$ 55,892
Add		
Other revenue from own sources:		
Interest earnings	39,720	2,642
Other revenues	40,472	-
Transfers from own funds:		
Transfers from revenue	-	47,210
Transfers from capital	-	-
Transfers from ERF	563,239	-
Total Revenue	643,431	49,852
Deduct		
Transfers to own funds:		
Transfers to capital	40,197	80,000
Total Expenses	40,197	80,000
Change in Fund Balance	603,234	(30,148)
Accumulated Surplus, end of year	**$ 4,730,211**	**$ 25,744**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Environmental Health Capital Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Solid Waste Capital Reserve	Port Renfrew Solid Waste Capital Reserve	Environmental Health Equipment Replacement Fund
Opening balance	$ 18,620,681	$ 67,364	$ 3,207,462
Add			
Other revenue from own sources:			
Interest earnings	281,475	1,332	28,655
Other revenues	-	-	13,133
Transfers from own funds:			
Transfers from revenue	1,727,373	4,704	-
Transfers from ERF	-	-	286,054
Total Revenue	2,008,848	6,036	327,842
Deduct			
Other operating expenses	11,281,092	-	-
Transfers to own funds:			
Transfers to capital	5,880,000	-	258,020
Total Expenses	17,161,092	-	258,020
Change in Fund Balance	(15,152,244)	6,036	69,822
Accumulated Surplus, end of year	**$ 3,468,437**	**$ 73,400**	**$ 3,277,284**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Electoral Area Elections Operating Reserve	Land Bank & Housing Operating Reserve
Opening balance	$ 46,620	$ 56,371
Add		
Other revenue from own sources:		
Interest earnings	1,207	1,076
Transfers from own funds:		
Transfers from revenue	19,876	42,000
Transfers from reserve	9,170	-
Total revenue	30,253	43,076
Deduct		
Other operating expenses	-	-
Transfers to revenue	-	-
Transfers to capital	-	-
Total expenses	-	-
Change in fund balance	30,253	43,076
Accumulated surplus, end of year	**$ 76,873**	**$ 99,447**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	ES HQ Admin Operating Reserve
Opening balance	$ 43,245
Add	
Other revenue from own sources:	
Interest earnings	826
Transfers from own funds:	
Transfers from revenue	-
Transfers from reserve	-
Total revenue	826
Deduct	
Other operating expenses	-
Transfers to revenue	-
Transfers to capital	-
Total expenses	-
Change in fund balance	826
Accumulated surplus, end of year	**$ 44,071**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	ES Protection Operating Reserve	ES Engineering Operating Reserve	ES Water Quality Operating Reserve
Opening balance	$ 758,097	$ 362,443	$ 171,579
Add			
Other revenue from own sources:			
Interest earnings	14,480	6,919	3,275
Transfers from own funds:			
Transfers from revenue	1,000	70,954	172,601
Transfers from reserve	-	-	-
Total revenue	15,480	77,873	175,876
Deduct			
Other operating expenses	-	-	-
Transfers to revenue	-	-	-
Transfers to capital	-	-	-
Total expenses	-	-	-
Change in fund balance	15,480	77,873	175,876
Accumulated surplus, end of year	**$ 773,577**	**$ 440,316**	**$ 347,455**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	IW ES Ops Operating Reserve	Leg&Gen Operating Reserve	Facility Mgmt Operating Reserve	HQ Facility Operating Reserve
Opening balance	$ 621,308	$ 680,615	$ 45,000	$ 35,000
Add				
Other revenue from own sources:				
Interest earnings	11,861	11,510	859	669
Transfers from own funds:				
Transfers from revenue	332,021	268,400	45,825	20,083
Transfers from reserve	-	1,535,136	-	-
Total revenue	343,882	1,815,046	46,684	20,752
Deduct				
Other operating expenses	-	534,572	-	-
Transfers to revenue	-	309,000	-	-
Transfers to capital	-	500,000	-	-
Total expenses	-	1,343,572	-	-
Change in fund balance	343,882	471,474	46,684	20,752
Accumulated surplus, end of year	**$ 965,190**	**$ 1,152,089**	**$ 91,684**	**$ 55,752**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	SGI EA Admin Operating Reserve
Opening balance	$ -
Add	
Other revenue from own sources:	
Interest earnings	-
Transfers from own funds:	
Transfers from revenue	47,981
Transfers from reserve	-
Total revenue	47,981
Deduct	
Other operating expenses	-
Transfers to revenue	-
Transfers to capital	-
Total expenses	-
Change in fund balance	47,981
Accumulated surplus, end of year	**$ 47,981**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Animal Care Services Operating Reserve	Animal Care Legacy Operating Reserve	Electoral Area Soil Deposits & Removal Operating Reserve	Emergency Response 911 Operating Reserve
Opening balance	$ 3,223	$ 99	$ 62,948	$ 87,691
Add				
Other revenue from own sources:				
Interest earnings	62	2	1,202	665
Transfers from own funds:				
Transfers from revenue	-	-	2,923	-
Transfers from reserve	-	-	-	-
Total revenue	62	2	4,125	665
Deduct				
Transfers to revenue	-	-	-	-
Transfers to reserve	-	-	-	88,356
Total expenses	-	-	-	88,356
Change in fund balance	62	2	4,125	(87,691)
Accumulated surplus, end of year	**$ 3,285**	**$ 101**	**$ 67,073**	**$ -**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Emergency Response 911 Projects Operating Reserve	HAZMAT Incident Response Operating Reserve	Noise Control Operating Reserve	Nuisance & Unsightly Premises Operating Reserve
Opening balance	$ 174,650	$ 33,941	$ 2,494	$ 15,264
Add				
Other revenue from own sources:				
Interest earnings	4,344	648	48	291
Transfers from own funds:				
Transfers from revenue	212	-	6,435	-
Transfers from reserve	88,356	-	-	-
Total revenue	92,912	648	6,483	291
Deduct				
Transfers to revenue	30,722	-	-	13,321
Transfers to reserve	-	-	-	-
Total expenses	30,722	-	-	13,321
Change in fund balance	62,190	648	6,483	(13,030)
Accumulated surplus, end of year	**$ 236,840**	**$ 34,589**	**$ 8,977**	**$ 2,234**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	SGI Emergency Program Operating Reserve	SSI Emergency Program Operating Reserve	Regional Emergency Program Operating Reserve	Building Inspection Operating Reserve
Opening balance	$ 104,320	$ 23,189	$ 86,610	$ -
Add				
Other revenue from own sources:				
Interest earnings	2,040	443	1,653	-
Transfers from own funds:				
Transfers from revenue	5,001	7,996	4,867	243,839
Transfers from reserve	-	-	-	60,000
Total revenue	7,041	8,439	6,520	303,839
Deduct				
Transfers to revenue	-	-	-	114,247
Transfers to reserve	-	-	-	-
Total expenses	-	-	-	114,247
Change in fund balance	7,041	8,439	6,520	189,592
Accumulated surplus, end of year	**$ 111,361**	**$ 31,628**	**$ 93,130**	**$ 189,592**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Emergency Planning Operating Reserve
Opening balance	$ -
Add	
Other revenue from own sources:	
Interest earnings	-
Transfers from own funds:	
Transfers from revenue	36,311
Transfers from reserve	-
Total revenue	36,311
Deduct	
Transfers to revenue	-
Transfers to reserve	-
Total expenses	-
Change in fund balance	36,311
Accumulated surplus, end of year	**$ 36,311**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Fire Protection Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Durrance Road Fire Operating Reserve	Electoral Area Fire Services Operating Reserve
Opening balance	$ 2,002	$ 257,382
Add		
Other revenue from own sources:		
Interest earnings	40	4,914
Transfers from own funds:		
Transfers from revenue	169	54,393
Total revenue	209	59,307
Deduct		
Total expenses	-	-
Change in fund balance	209	59,307
Accumulated surplus, end of year	**$ 2,211**	**$ 316,689**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Planning & Development Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Climate Action & Adapt Operating Reserve	GIS Data Maintenance Operating Reserve	JDF Community Planning Operating Reserve	Regional Growth Strategy Operating Reserve
Opening balance	$ 14,163	$ 1,728	$ 224,178	$ 1,343,697
Add				
Other revenue from own sources:				
Interest earnings	554	(2,959)	3,923	25,505
Transfers from own funds:				
Transfers from revenue	38,284	-	26,958	51,477
Total revenue	38,838	(2,959)	30,881	76,982
Deduct				
Transfers to own funds:				
Total expenses	-	-	-	-
Change in fund balance	38,838	(2,959)	30,881	76,982
Accumulated surplus, end of year	**$ 53,001**	**$ (1,231)**	**$ 255,059**	**$ 1,420,679**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Planning & Development Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Regional Planning Services Operating Reserve	SSI Econ Develop Operating Reserve	SGI Econ Develop Operating Reserve
Opening balance	$ 1,945,734	$ 31,284	$ -
Add			
Other revenue from own sources:			
Interest earnings	36,847	500	-
Transfers from own funds:			
Transfers from revenue	44,220	(1,603)	1,516
Total revenue	81,067	(1,103)	1,516
Deduct			
Transfers to own funds:			
Total expenses	-	-	-
Change in fund balance	81,067	(1,103)	1,516
Accumulated surplus, end of year	**$ 2,026,801**	**$ 30,181**	**$ 1,516**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational & Cultural Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Regional Parks Operating Reserve	Regional Parks Legacy Operating Reserve	Panorama Recreation Operating Reserve
Opening balance	$ 83,135	$ 14,375	$ 54,255
Add			
Other revenue from own sources:			
Interest earnings	1,650	275	1,075
Other revenues	-	500	-
Transfers from own funds:			
Transfers from revenue	8,500	-	7,729
Total revenue	10,150	775	8,804
Deduct			
Total expenses	-	-	-
Change in fund balance	10,150	775	8,804
Accumulated surplus, end of year	**$ 93,285**	**$ 15,150**	**$ 63,059**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational & Cultural Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Sooke & EA Rec Facilities Operating Reserve	Seaparc Legacy Operating Reserve	Arts and Culture Grants Operating Reserve	SSI Pool Park Land Op Rsv
Opening balance	$ 16,224	$ 1,894	$ 199,240	$ -
Add				
Other revenue from own sources:				
Interest earnings	346	37	3,804	-
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	5,000	-	66,491	40,000
Total revenue	5,346	37	70,295	40,000
Deduct				
Total expenses	-	-	-	-
Change in fund balance	5,346	37	70,295	40,000
Accumulated surplus, end of year	**$ 21,570**	**$ 1,931**	**$ 269,535**	**$ 40,000**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Operating Reserves
Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	East Coast Interceptor Operating Reserve	LWMP Core & WS Operating Reserve	LWMP Onsite Operating Reserve	LWMP Peninsula Operating Reserve
Opening balance	$ 268,296	$ 1,641,960	$ 109,413	$ 59,471
Add				
Other revenue from own sources:				
Interest earnings	4,279	24,467	2,089	876
Transfers from own funds:				
Transfers from revenue	-	-	-	15,600
Transfers from reserve	8,670	-	-	-
Total revenue	12,949	24,467	2,089	16,476
Deduct				
Transfers to own funds:				
Transfers to revenue	132,525	846,886	-	35,000
Total expenses	132,525	846,886	-	35,000
Change in fund balance	(119,576)	(822,419)	2,089	(18,524)
Accumulated surplus, end of year	**$ 148,720**	**$ 819,541**	**$ 111,502**	**$ 40,947**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Operating Reserves
Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	North East Trunk Sewer Operating Reserve	North East Trunk #2 Operating Reserve	North West Trunk Sewer Operating Reserve	S.P.W.W.S. Sewer Operating Reserve
Opening balance	$ 1,156,260	$ 334,094	$ 1,116,273	$ 460,448
Add				
Other revenue from own sources:				
Interest earnings	21,035	6,114	21,207	9,374
Transfers from own funds:				
Transfers from revenue	272,381	153,830	2,373	454
Transfers from reserve	-	7,491	55,910	47,438
Total revenue	293,416	167,435	79,490	57,266
Deduct				
Transfers to own funds:				
Transfers to revenue	100,824	48,000	74,534	-
Total expenses	100,824	48,000	74,534	-
Change in fund balance	192,592	119,435	4,956	57,266
Accumulated surplus, end of year	**$ 1,348,852**	**$ 453,529**	**$ 1,121,229**	**$ 517,714**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Magic Lake Sewer Operating Reserve	SSI Septage Composting Operating Reserve	Maliview Sewer Operating Reserve	Ganges Sewer Operating Reserve
Opening balance	$ 30,744	$ 1,398	$ 51,504	$ 41,360
Add				
Other revenue from own sources:				
Interest earnings	736	61	1,035	1,128
Transfers from own funds:				
Transfers from revenue	13,260	13,391	10,000	27,700
Transfers from reserve	-	-	-	-
Total revenue	13,996	13,452	11,035	28,828
Deduct				
Transfers to own funds:				
Transfers to revenue	-	-	55,691	31,693
Total expenses	-	-	55,691	31,693
Change in fund balance	13,996	13,452	(44,656)	(2,865)
Accumulated surplus, end of year	**$ 44,740**	**$ 14,850**	**$ 6,848**	**$ 38,495**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Port Renfrew Sewer Operating Reserve
Opening balance	$ -
Add	
Other revenue from own sources:	
Interest earnings	21
Transfers from own funds:	
Transfers from revenue	-
Transfers from reserve	-
Total revenue	21
Deduct	
Transfers to own funds:	
Transfers to revenue	-
Total expenses	-
Change in fund balance	21
Accumulated surplus, end of year	**$ 21**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Water Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Beddis Water Operating Reserve	Cedar Lane Water Operating Reserve	Fulford Water Operating Reserve	Highland/ Fernwood Water Operating Reserve
Opening balance	$ 10,679	$ 23,935	$ 16,956	$ 17,345
Add				
Other revenue from own sources:				
Interest earnings	182	257	413	355
Transfers from own funds:				
Transfers from revenue	4,423	2,136	7,280	19,380
Total revenue	4,605	2,393	7,693	19,735
Deduct				
Transfers to own funds:				
Transfers to revenue	-	-	6,393	34,262
Total expenses	-	-	6,393	34,262
Change in fund balance	4,605	2,393	1,300	(14,527)
Accumulated surplus, end of year	**$ 15,284**	**$ 26,328**	**$ 18,256**	**$ 2,818**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Water Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Lyall Harbour Boot Cove Operating Reserve	Magic Lake Estates Water Operating Reserve	Surfside Park Water Operating Reserve	Sticks Allison Water Operating Reserve
Opening balance	$ 12	$ 106,481	$ 4,188	$ 1,299
Add				
Other revenue from own sources:				
Interest earnings	80	1,943	50	64
Transfers from own funds:				
Transfers from revenue	7,500	10,000	23,604	3,200
Total revenue	7,580	11,943	23,654	3,264
Deduct				
Transfers to own funds:				
Transfers to revenue	-	-	-	2,237
Total expenses	-	-	-	2,237
Change in fund balance	7,580	11,943	23,654	1,027
Accumulated surplus, end of year	**$ 7,592**	**$ 118,424**	**$ 27,842**	**$ 2,326**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Water Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Skana Water Operating Reserve	Cedar of Tuam Water Operating Reserve	Wilderness Mt Water Operating Reserve	Port Renfrew Water Operating Reserve
Opening balance	$ 8,604	$ 10,977	$ -	$ -
Add				
Other revenue from own sources:				
Interest earnings	176	111	17	21
Transfers from own funds:				
Transfers from revenue	1,040	2,750	1,640	2,000
Total revenue	1,216	2,861	1,657	2,021
Deduct				
Transfers to own funds:				
Transfers to revenue	-	2,000	-	-
Total expenses	-	2,000	-	-
Change in fund balance	1,216	861	1,657	2,021
Accumulated surplus, end of year	**$ 9,820**	**$ 11,838**	**$ 1,657**	**$ 2,021**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Environmental Health Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Regional Source Control Operating Reserve	Saanich Peninsula Source Control Operating Reserve	Solid Waste Operating Reserve	Stormwater Quality Core Operating Reserve
Opening balance	$ 474,320	$ 48,986	$ 33,724,173	$ 68,696
Add				
Other revenue from own sources:				
Interest earnings	9,055	935	653,011	1,373
Transfers from own funds:				
Transfers from revenue	-	759	4,407,430	8,233
Transfers from reserve	-	-	-	-
Total revenue	9,055	1,694	5,060,441	9,606
Deduct				
Total expenses	-	-	-	-
Change in fund balance	9,055	1,694	5,060,441	9,606
Accumulated surplus, end of year	**$ 483,375**	**$ 50,680**	**$ 38,784,614**	**$ 78,302**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Environmental Health Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	Stormwater Quality Sannich Pen Operating Reserve	Stormwater Quality SGI Operating Reserve	Stormwater Quality SSI Operating Reserve	Stormwater Quality Sooke Operating Reserve
Opening balance	$ 27,114	$ 6,568	$ 47,729	$ 55,674
Add				
Other revenue from own sources:				
Interest earnings	518	125	945	1,190
Transfers from own funds:				
Transfers from revenue	-	-	-	13,983
Transfers from reserve	-	-	4,711	-
Total revenue	518	125	5,656	15,173
Deduct				
Total expenses	-	-	-	-
Change in fund balance	518	125	5,656	15,173
Accumulated surplus, end of year	**$ 27,632**	**$ 6,693**	**$ 53,385**	**$ 70,847**

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

Reserve Funds Transportation Operating Reserves Statement of Continuity (Unaudited)

For the year ended December 31, 2020

	SSI Transit Operating Reserve	SSI Transportation Operating Reserve
Opening balance	$ 273,132	$ 5,000
Add		
Other revenue from own sources:		
Interest earnings	5,116	144
Transfers from own funds:		
Transfers from revenue	(10,000)	5,000
Total revenue	(4,884)	5,144
Deduct		
Transfers to own funds:		
Transfers to revenue	24,176	-
Total expenses	24,176	-
Change in fund balance	(29,060)	5,144
Accumulated surplus, end of year	$ 244,072	$ 10,144

These statements should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes.

CRD | Capital Regional District

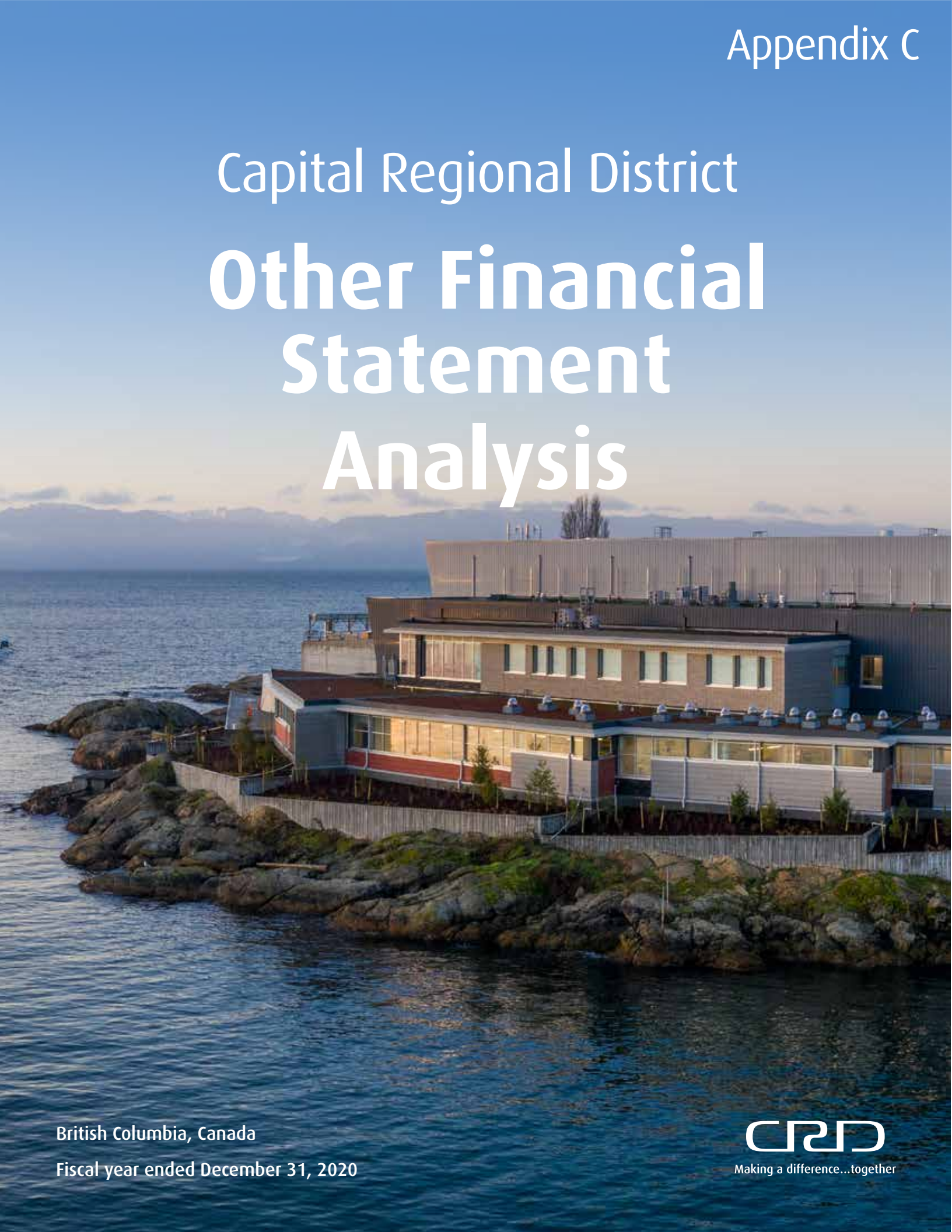
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Appendix C

Capital Regional District

Other Financial Statement Analysis



British Columbia, Canada

Fiscal year ended December 31, 2020

Making a difference...together

Appendix C: Other Financial Statement Analysis

The audit has now been completed. The 2020 Audited Financial Statements have been prepared by management in accordance with Canadian Public Sector Accounting Board (PSAB) Standards. Under PSAB regulations, governments are required to present five statements with explanatory notes. The first two statements are summarized in the staff report. This appendix provides a summary of the remaining statements.

3. Consolidated Statement of Change in Net Debt

The Statement of Change in Net Debt reconciles current to prior year and informs the reader of change drivers. Included in this statement are expenditures that could be incurred in year but not consumed during the period. Table 8 summarizes the primary drivers of changes in net debt for 2020:

Table 8 – Change in Net Debt Year over Year ($ millions)

Description	2020	2019
Annual Surplus	250.3	254.2
Acquisition of Tangible Capital Assets	(260.5)	(313.1)
Amortization	33.8	31.6
Contributed Tangible Capital Assets	(7.9)	(3.3)
Loss/Proceeds on assets	3.7	1.6
Inventory and Prepaid	(0.8)	(0.4)
Net Remeasurement Gain/(Loss)	1.5	0.8
Total change in net debt	**20.1**	**(28.6)**
Net debt, beginning of year	(100.4)	(71.9)
Net debt, end of year	**($80.3)**	**($100.5)**

Overall, the net debt position decreased by $20.0 million, primarily due to an annual surplus of $250.3 million, the net impact of a $260.5 million increase in tangible capital assets, $7.9 million increase in contributed assets, less $33.8 million in amortization, and other minor expenses or gains incurred during the period not yet realized.

4. Consolidated Statement of Remeasurement Gains and Losses

As required by PSAB standards, investments are carried at fair value and result in remeasurement gains or losses annually. Gains or losses remain unrealized until they are disposed, at which point they are recognized through the Statement of Operations.

Table 9 – Change in Remeasurement Gains and Losses Year over Year ($ millions)

Description	2020	2019
Accumulated Remeasurement Opening	(0.9)	(1.7)
Net Remeasurement Gains (Losses)	1.5	0.8
Accumulated Remeasurements End of Year	**$0.6**	**$(0.9)**

The $1.5 million net unrealized remeasurement gain for the year was a result of an increase in market value of investments held in the MFA bond fund and various term deposits. Although the gains are unrealized, they illustrate that the CRD's investment portfolio has performed positively over the year. The accumulated remeasurement gain at the end of 2020 is $0.6 million, up from the ($0.9) million remeasurement loss at the end of 2019.

5. Consolidated Statement of Cash Flows

The Statement of Cash Flows reports the sources and uses of cash during the period, and provides information about capital, investing, and financing activities.

Table 10 – Change in Cash and Cash Equivalents Year over Year ($ millions)

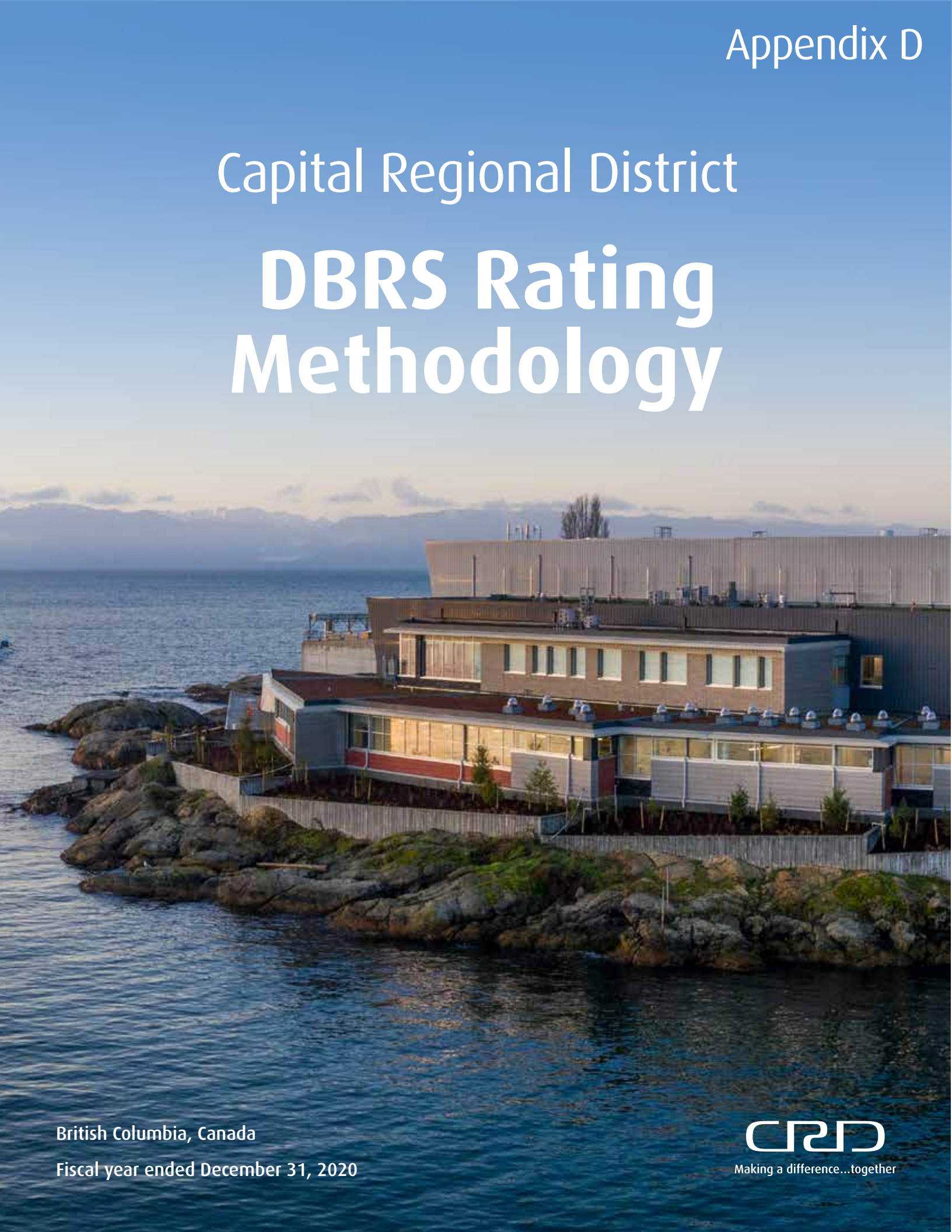
Description	2020	2019
Operating activities	281.4	296.4
Capital activities	(249.3)	(301.5)
Investing activities	(70.0)	54.9
Financing activities	30.3	64.6
Net change in cash & cash equivalents	**(7.6)**	**114.4**
Cash & cash equivalents, beginning of year	184.5	70.1
Cash and cash equivalents, end of year	**$176.9**	**$184.5**

Overall, the CRD's cash position decreased in 2020 by $7.6 million, driven by investing activities of $70.0 million and capital activities of $249.3 million. This was offset by the annual surplus of $250.3 million, which contributed to a $281.4 million change in cash from operating activities. In addition, financing activities (debt) increased cash by $30.4 million.

Appendix D

Capital Regional District

DBRS Rating Methodology



British Columbia, Canada

Fiscal year ended December 31, 2020

Making a difference...together

MORNINGSTAR | DBRS

Methodology

Rating Canadian Municipal Governments

DBRS Morningstar
May 2020

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2 Overview of the DBRS Morningstar Rating Process
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Scope and Limitations

This methodology represents the current DBRS Morningstar approach for rating Canadian municipal governments. It includes consideration of historical and expected business and financial risk factors as well as sector-specific issues, regional nuances, and other subjective factors and intangible considerations. DBRS Morningstar's approach incorporates a combination of both quantitative and qualitative factors. This methodology provides guidance regarding the DBRS Morningstar methods used in the sector and should not be interpreted with formulaic inflexibility, but rather should be understood in the context of the dynamic environment in which it is intended to be applied. The methods described herein may not be applicable in all cases; the considerations outlined in DBRS Morningstar methodologies are not exhaustive and the relative importance of any specific consideration can vary by issuer. In certain cases, a major strength can compensate for a weakness and, conversely, a single weakness can override major strengths of the issuer in other areas.

Introduction to DBRS Morningstar Methodologies

DBRS Morningstar publishes rating methodologies to give issuers and investors insight into the rationale behind DBRS Morningstar's rating opinions. In general terms, DBRS Morningstar ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. DBRS Morningstar ratings assess an issuer's ability to make timely payments on outstanding obligations (whether principal or interest), consistent with the terms of those obligations.

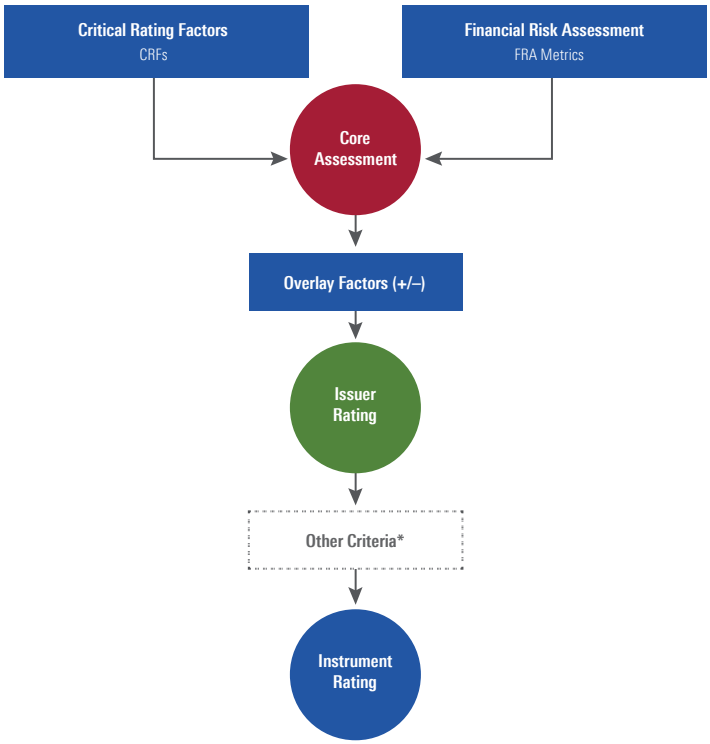
DBRS Morningstar operates with a stable rating philosophy; in other words, DBRS Morningstar strives to factor the impact of a cyclical economic environment into its ratings wherever possible, which minimizes rating changes caused by economic cycles. Rating revisions do occur, however, when more structural changes, either positive or negative, have occurred or appear likely to occur in the foreseeable future. DBRS Morningstar also publishes criteria, which are an important part of the rating process. Criteria typically cover areas that apply to more than one sector. Both methodologies and criteria are publicly available on DBRS Morningstar's website.

"DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings" is incorporated by reference into this methodology.

Overview of the DBRS Morningstar Rating Process

- As illustrated below, there are generally four key components to the DBRS Morningstar corporate rating process: (1) Critical Rating Factors (CRFs), (2) the Financial Risk Assessment (FRA), (3) overlay considerations, and (4) specific instrument considerations.
- The CRFs capture the major business risk aspects of the issuer and is determined by assessing each of the CRFs outlined in the industry-specific grid. The FRA pertains to financial soundness and is determined by assessing each of the FRA metrics. Throughout the FRA and CRF determination process, DBRS Morningstar performs a consistency check of these factors relative to the issuer's rated industry peers.
- The CRFs and FRA are then combined to derive the issuer's core assessment. For investment-grade credits, the CRFs will have greater weight than the FRA in determining the core assessment.
- The core assessment may then be adjusted up or down, as applicable, if any of the overlay factors is deemed applicable and material to the credit profile in order to arrive at the issuer rating, which represents DBRS Morningstar's assessment of the issuer's likelihood of default.
- The issuer rating is then used as the basis for specific instrument ratings, which may differ from the issuer rating due to seniority or, in the case of non-investment-grade issuers, expected recovery considerations. (See the "Rating the Specific Instrument and Other Criteria" section below.)

DBRS Morningstar Rating Analysis Process



* Depending on the instrument, "other criteria" may include *DBRS Criteria: Recovery Ratings for Non-Investment Grade Corporate Issuers* or *DBRS Morningstar Criteria: Preferred Share and Hybrid Security Criteria for Corporate Issuers*, for example. Please refer to the Rating the Specific Instrument and Other Criteria section below for a list of these criteria, as well as other criteria that may be applicable at any stage of the rating process.

Rating Canadian Municipalities—Overview

- This methodology applies to Canadian municipalities rated by DBRS Morningstar. Large local governments generally have a stable revenue base owing to well-defined though limited taxing powers, a basket of responsibilities for the provision of customary public services, developed and diverse economic and taxable assessment bases, and relatively supportive senior governments, which lend support to their credit ratings.
- Nonetheless, economic disparities, varying approaches to fiscal and financial management, capital investment requirements, and debt levels are only a few of the considerations that lead to differing credit quality among major Canadian cities. Overall, large Canadian municipalities currently rank solidly in the investment-grade category.
- While municipalities benefit from their relationship with senior governments, municipal governments are primarily rated based on their own merits, and DBRS Morningstar does not assume any implicit senior government support.

Critical Rating Factors

The table below presents the primary factors (and various subfactors) used by DBRS Morningstar in determining the overall critical rating assessment. Although they are important considerations in the determination of a municipality's rating, these factors only represent a portion of considerations factored into the assessment process, as explained throughout this methodology. While these CRFs are shown in general order of importance, depending upon a specific issuer's situation, this ranking can vary by issuer. The table is followed by a brief discussion of the characteristics of each factor.

Exhibit 1 Critical Rating Factors

	AAA	AA	A	BBB
Economic Structure				
The economic structure of a municipality constitutes a key consideration in the credit assessment of its government, as it is the primary determinant of the capacity of a government to raise the revenue necessary to deliver services and support its debt. This factor evaluates the municipality's economic diversification, volatility, growth potential, and propensity to create jobs and generate wealth.				
Economic Diversification and Volatility	• The economy is viewed as highly dynamic and comprises a broad mix of industries, with no undue reliance on any single sector, which helps reduce volatility and cyclicality in GDP growth.	• The economy is viewed as dynamic and boasts a relatively diversified mix of industries but may be influenced by a few large industries, resulting in average volatility overall.	• The economy may be relatively small or reliant on seasonal industries, with a limited number of key industries accounting for a substantial portion of economic activity, resulting in above-average volatility.	• The economy is relatively small or located far from a major urban centre, with one seasonal or challenged industry accounting for a substantial portion of economic activity.
Population and Taxable Assessment Growth	• Population and taxable assessment growth have been consistently above the provincial average over the last five to ten years.	• Population and taxable assessment growth are sound and fairly consistent with the provincial average year over year.	• Population and/or taxable assessment growth has been steadily below the provincial average or inconsistent in recent years.	• Population is small and/or has been steadily declining in recent years. Assessment growth has been limited.
Income and Wealth of Local Economy	• Income and taxable assessment per capita are above average relative to comparable issuers.	• Income and taxable assessment per capita are consistent with other comparable issuers.	• Income and taxable assessment per capita may be below the average of comparable issuers.	• Income and taxable assessment per capita are markedly below the average of comparable issuers, indicative of lower wealth levels and income potential.
Labour Market	• The labour force is highly skilled, and unemployment is below average. • The labour force is growing above the rate of population growth.	• The labour force is skilled, and unemployment is low and stable. • The labour force is growing in line with average population growth.	• The job market is somewhat dynamic, although the unemployment rate may be somewhat above average. • The labour force is growing below average population growth.	• The job market is less dynamic and is characterized by an unemployment rate that may be notably above the provincial average. • The labour force is growing notably below average population growth or contracting.
Fiscal Management				
The review of a municipality's fiscal management framework assesses the government's commitment to fiscal sustainability, volatility of fiscal performance, budget management and prudence, relative tax competitiveness, and the transparency, timeliness and quality of reporting. DBRS Morningstar evaluates municipal service responsibilities, revenue potential, expenditure management capacity, and the broader coherence of the strategies, policies, and political processes governing the allocation of public funds.				
	AAA	**AA**	**A**	**BBB**
Fiscal Sustainability and Performance	• Fiscal sustainability is a core political and administrative priority, with minimal reliance on one-time measures or sizable tax and fee increases to balance the budget. • Volatile or uncertain revenue sources account for a negligible share of the operating budget (<2%). • Consistent record of fiscal surpluses as measured by DBRS Morningstar.	• Fiscal sustainability is emphasized by the government, but reliance on one-time measures or sizable tax and fee increases may be exhibited periodically to balance the budget. • Volatile or uncertain revenue sources account for a low share of the operating budget (<5%) but may be rising gradually.	• Fiscal sustainability is an objective of the government, but reliance on one-time measures or sizable tax and fee increases to balance the budget is more frequent. • Volatile or uncertain revenue sources are moderate as a share of the operating budget (<10%) or are rising rapidly.	• Fiscal sustainability is not emphasized by the government, and reliance on one-time measures to achieve budget balance is high. • Volatile or uncertain revenue sources account for a material share of the operating budget (>10%) or are rising rapidly, and this poses greater risks to the budget framework.

		• Fiscal results, as measured by DBRS Morningstar, generally maintain a balanced position year over year.	• Fiscal results, as measured by DBRS Morningstar, may exhibit greater volatility because of a lower ability to manage in-year budgetary pressures.	• Fiscal results exhibit greater volatility and weakness because of a lower ability to manage in-year budgetary pressures. • Fiscal results, as measured by DBRS Morningstar, have generally been weaker and deficits more frequent.
Budget Management and Prudence	• Budgets are consistently balanced using very conservative assumptions and incorporating meaningful contingencies to help manage unforeseen events. • Demonstrated ability to address unexpected adverse budget deviations to protect fiscal balance. • Budget pressures are managed responsively through very tight expenditure controls or revenue-raising initiatives.	• Budget contingencies vary year to year, although assumptions are generally conservative. • Demonstrated ability to address most unexpected adverse budget deviations to protect fiscal balance. • Budget pressures are managed over time through generally prudent expenditure management or revenue-raising initiatives.	• Budget pressures tend to linger but are viewed as sustainable, although reliance on one-time funding and/or sizable tax increases to balance the budget is high. • Budget assumptions are considered to be adequately prudent, although the use of contingencies may be limited. • Reduced ability and/or willingness to manage budget pressures through meaningful expenditure restraint or revenue-raising initiatives.	• Budget pressures tend to linger and are viewed as potentially unsustainable, resulting in steady reliance on one-time funding and/or sizable tax increases to balance the budget. • Budget assumptions are considered to be less prudent, resulting in more significant variances and use of contingencies. • Limited ability and/or willingness to manage budget pressures through meaningful expenditure restraint or revenue-raising initiatives.
Tax Competitiveness	• Property taxes and user fees are low, providing ample room to raise taxes if necessary. • Political willingness to raise taxes and fees to cover inflationary operating pressures and future capital investment needs.	• Property taxes and user fees are in line with peers, providing moderate flexibility to raise taxes. • Political willingness to raise taxes and fees to cover inflationary operating pressures, but future capital investment needs may remain unfunded.	• Property tax and user-fee burdens may already be somewhat high, limiting the ability to further raise taxes and fees if needed. • Limited political willingness to raise taxes and fees to cover either inflationary operating pressures or capital investment.	• Tax and user-fee burdens are high, and delinquencies are building up. • Political resistance to raising taxes and fees to cover either inflationary operating pressures or capital investment.
Transparency and Reporting	• Fiscal management framework is very well developed and responsive, with detailed planning documents and clear presentation. • Budget documents are clearly comparable to reported financial results. • Transparency and timeliness in financial reporting are exemplary.	• Fiscal management framework is well developed, with detailed planning documents. • Budget documents are somewhat comparable to reported financial results. • Transparency is good, and financial reporting is timely.	• The fiscal management framework is well developed, but some key planning documents or reports may lack details. • Budget documents are somewhat comparable to reported financial results. • Transparency and timeliness of financial reporting are considered adequate.	• The fiscal management framework lacks structure. • Budget documents are not comparable with reported financial results. • Transparency and timeliness of financial reporting are weaker, with only limited planning documents.

Debt and Liquidity Management

The financial management strategy and practices of a municipal government, including the requirements and financing strategy for capital investment, sophistication of debt and liquidity practices, debt structure and maturity profile, and other unfunded liabilities are central considerations in the determination of a municipal government rating.

	AAA	AA	A	BBB
Capital Investment Outlook	• Capital investment requirements for the foreseeable future are manageable and are not expected to pressure debt materially.	• Capital investment requirements may be sizable, but they are not expected to put excessive pressure on debt.	• Significant capital investment requirements have the potential to lead to significant increases in debt going forward, although management may have been successful at containing upward pressure in recent years.	• Large current and future capital needs are expected to lead to rising debt.
Debt and Liquidity Management Practices	• Debt and liquidity management practices are highly sophisticated and very conservative.	• Debt and liquidity management practices are sophisticated and conservative.	• Debt and liquidity management practices are conservative but may lack formality or sophistication relative to those of frequent borrowers.	• Debt and liquidity management practices are lacking structure and sophistication relative to those of frequent borrowers.
Debt Structure and Maturity Profile	• The debt structure is very prudent, with low refinancing risk, a smooth maturity profile, and minimal unhedged exposure to interest rate reset risk and foreign currency fluctuations.	• The debt structure is prudent but may at times entail sizable refinancing needs, an uneven maturity profile, or modest exposure to interest rate reset risk.	• The debt structure is prudent but may at times entail sizable refinancing due to an uneven maturity profile or moderate exposure to interest rate reset risk.	• The debt structure is less prudent and at times entails sizable refinancing due to an uneven maturity profile or more material exposure to interest rate reset risk.
Pension and Benefits Liabilities	• Unfunded pension and postemployment benefit liabilities, if any, are low and being addressed.	• Unfunded pension and postemployment benefit liabilities may be sizable but are being addressed.	• Unfunded pension and postemployment benefit liabilities may be considerable and steadily growing.	• Unfunded pension and postemployment benefit liabilities may be considerable and steadily growing, leading to pressure on operating results.

Relations with Senior Governments

Relations with senior governments influence the rating of municipal governments, as municipalities receive substantial senior government funding for capital projects and the delivery of certain programs from provincial and federal sources, share their tax base with their provincial and federal counterparts, and are bound by the broader legislative and regulatory frameworks set by provincial and federal governments in areas such as revenue-generating powers and service responsibilities.

	AAA	AA	A	BBB
Municipal Legislative Framework	• The legislative framework defining municipal responsibilities and revenue-generating powers is supportive and fosters financial sustainability. • Adequate provincial monitoring is provided.	• The legislative framework defining municipal responsibilities and revenue-generating powers is supportive and fosters financial sustainability. • Adequate provincial monitoring is provided.	• The legislative framework defining municipal responsibilities and revenue-generating powers is rigid and may lack the guidelines necessary to foster financial sustainability. • Provincial monitoring is more limited.	• The legislative framework defining municipal responsibilities and revenue-generating powers is weak and lacks the guidelines necessary to foster financial sustainability. • Provincial monitoring is potentially insufficient.

Senior Government Funding	• Sizable and reliable funding support is provided by senior governments, particularly for major capital investments and social services.	• Senior government funding support is meaningful and relatively reliable but may display volatility depending on the economic and fiscal environment.	• Senior government funding support is somewhat less meaningful as a share of revenues and is less reliable and predictable. • Funding displays greater volatility depending on the economic and fiscal environment.	• Senior government funding support is viewed as unreliable or inadequate, with a higher level of volatility depending on the economic and fiscal environment.
Relations with Senior Governments	• Cooperative relationship with senior governments and record of supportive tax and program policy objectives. • Limited interference by senior governments in traditional areas of municipal responsibility.	• Reasonable level of cooperation with senior governments, although policy objectives may diverge in some areas. • Some interference by senior governments in traditional areas of municipal responsibility.	• Less cooperative relationships with senior governments. • Direct but infrequent interference by senior governments in traditional areas of municipal responsibility. • History of downloading of service responsibilities with little accompanying fiscal support from senior governments.	• Contentious relationships with senior governments. • Direct interference by senior governments in traditional areas of municipal responsibility. • History of downloading of service responsibilities with no accompanying fiscal support from senior governments.

Discussion of Critical Rating Factors

Economic Structure

- The economic structure of a municipality constitutes an important consideration in the credit assessment of its government, as it is the primary determinant of the capacity of a government to raise the revenue necessary to fulfill its service responsibilities and support its debt.
- A large and diversified economy that is well integrated into the provincial transportation network will generally tend to experience more consistent growth in GDP, a steady population, and taxable assessment growth over the longer term, and it will display better labour market outcomes than smaller, more isolated commodity-based or seasonal municipal economies.
- In the analysis of a suburban commuter municipality highly reliant on a neighbouring urban municipality for employment, DBRS Morningstar may consider some of the larger city's economic fundamentals, provided the municipality being rated is strongly integrated into its larger neighbour and is likely to retain this relationship over time because of its proximity, competitive taxes, and/or considerable availability of land for development, among other factors.

Fiscal Management

- DBRS Morningstar considers the political and administrative commitment to fiscal sustainability, as evidenced by public statements, strategy documents, political/administrative policies, processes, or commitments. Strategies employed to maintain fiscal balance are considered, with one-time measures, deferrals, reserve draws, or reliance on volatile or uncertain revenue sources (e.g., real estate/land transfer taxes) generally viewed as weaknesses in the municipal fiscal management framework. DBRS Morningstar analyzes the volatility of fiscal results, which provides an indication of the government's commitment to maintaining a sound fiscal position.

- DBRS Morningstar evaluates budget management practices and prudence, including the conservatism of assumptions contained within operating/capital budgets, the presence of budget contingencies, and other forms of flexibility to respond to in-year pressures. DBRS Morningstar compares recent years' fiscal results with original budget estimates, examining the frequency and extent of major budget deviations.
- The municipality's fiscal capacity and relative tax and user fee burden is considered in relation to peers locally and nationally, as well as the willingness of political and administrative leaders to respond to both operating and capital pressures considering available revenue tools and provincially mandated service responsibilities.
- DBRS Morningstar considers the timeliness, breadth, and transparency of municipal budgeting and financial reporting as an indicator of the quality of the municipal fiscal framework.

Debt and Liquidity Management

- The financial management strategy and practices of a municipal government, including the requirements and financing strategy for capital investment, sophistication of its debt and liquidity management practices, debt structure and maturity profile, and other unfunded liabilities are central considerations in the determination of a municipal government rating.
- DBRS Morningstar examines current and projected levels of capital investments, as investment in physical infrastructure is the primary driver of borrowing needs based on provincial government prohibitions on debt for operating purposes.
- The government's financial management strategy, including the level of sophistication of its borrowing practices and overall debt structure, helps assess the potential volatility of debt-servicing requirements.
- DBRS Morningstar assesses the composition and maturity structure of the debt stock and its sensitivity to changes in interest and exchange rates (if applicable) and considers the full range of factors that could affect the debt burden and related servicing requirements to assess overall affordability. (See Appendix 1 for DBRS Morningstar's definition of tax-supported and self-supported debt).
- Although pension and employee future benefit liabilities are not included in the calculation of tax-supported debt for municipal governments, they are considered in the analysis of debt affordability to the extent that they will drive future cash funding requirements.

Relations with Senior Governments

- While the creditworthiness of a Canadian municipality is primarily driven by the fundamentals of that municipality, relations with the provincial and federal government may also have an influence on the rating.
- Municipalities receive substantial senior government funding for capital projects and the delivery of certain programs, share their tax base with their provincial and federal counterparts, and are bound by the broader legislative and regulatory frameworks set by the provincial government for revenue-generating powers and service responsibilities. Given these linkages, a stronger provincial and federal government credit profile implies a higher level and consistency of funding support to municipal governments.
- Service responsibilities, revenue-generating powers, and all other determining features of the operating framework of municipalities are defined by provincial governments. As a result, the responsiveness of a provincial government to the realities faced by municipal governments, as well as the various constraints

or flexibilities provided through the legislated framework, may also have significant implications for the credit profile of municipalities, highlighting the importance of considering the dynamic between municipalities and their respective provincial governments.

- DBRS Morningstar considers the current state and history of intergovernmental relations between municipalities and senior governments. The degree of intergovernmental cooperation and policy alignment, including potential interference by senior governments in areas of traditional municipal responsibility or the downloading of services with or without accompanying fiscal support, can have implications for the municipal government's financial outlook.

Financial Risk Assessment Factors

Primary FRA Factors

- Recognizing that any analysis of financial metrics may be prone to misplaced precision, DBRS Morningstar has limited its matrix of the key metrics below to a small sample of critical ratios. For each of these ratios, DBRS Morningstar provides a range within which the issuer's financial risk would be considered as supportive for the rating category. However, the wide range of municipalities in existence throughout Canada, especially in terms of size, location, economic diversification, and wealth, makes any attempt at generalization challenging and potentially misleading. As such, the values provided below are for Canada's larger cities with populations exceeding 300,000, as their credit profiles are generally supported by diversified economies and sophisticated management frameworks.
- This rating methodology can be used for smaller municipalities, although unique strengths or weaknesses such as overreliance on a single industry or location in a shrinking, economically challenged region may distort the analysis and reduce the relevance of the guidelines significantly, requiring financial metrics considerably stronger than noted below for a rating category.
- Furthermore, the ratings in the matrix below should not be understood as the final rating for a large city with matching metrics. The final rating is a blend of both the operating risk and financial risk considerations in their entirety.
- DBRS Morningstar ratings are based heavily on future performance expectations, so while past metrics are important, any final rating will incorporate DBRS Morningstar's opinion on future metrics based on the best available projections and assumptions of a government's future debt burden.
- It is also not uncommon for a government's key ratios to move in and out of the ranges noted in the ratio matrix above. In the application of this matrix, DBRS Morningstar looks beyond the point-in-time ratio.

Exhibit 2 Canadian Municipal Government Financial Risk Assessment Metrics

Key Ratio	AAA	AA	A	BBB
Net tax-supported debt per capita ($)[1]	< 600	600 to 3,000	3,000 to 5,000	> 5,000
Net tax-supported debt as a percentage of taxable assessment (%)	< 0.5	0.5 to 2.0	2.0 to 6.0	> 6.0
Interest costs as a percentage of total revenues (%)	< 1.5	1.5 to 9.0	9.0 to 15.0	> 15.0
Net post–capital expenditure surplus (deficit) as a share of total revenues (five-year average; %)	> 5.0	5.0 to 0.0	0.0 to (5.0)	> (5.0)

1 Refer to Appendix 1 for an explanation of DBRS Morningstar adjustments to reported financial figures. DBRS Morningstar notes that this metric is adjusted periodically.

General Considerations in Evaluating a Canadian Municipal Government's Credit Profile

Fiscal Balance

- Fiscal results are viewed by DBRS Morningstar as an indicator of management proficiency and commitment to fiscal sustainability. A municipal government's operating balance (operating revenues excluding capital revenues minus program expenditures excluding amortization expense) is an indicator of fiscal flexibility, while the net post–capital expenditures (capex) surplus (deficit) (operating balance minus net capex) better reflects overall fiscal sustainability and the potential financing requirements in each year.
- DBRS Morningstar notes that Canadian municipalities are required under legislation to balance their operating budgets, although capital investment and accounting consolidation may at times translate into sizable post-capex deficits and upward pressure on debt and tax rates.
- DBRS Morningstar views operating deficits negatively but will generally discount them if they are the result of nonrecurring events rather than a structural imbalance that the government shows little initiative in addressing. DBRS Morningstar refers to this practice as rating through the cycle.

Revenues

- The primary source of revenue for municipal governments is residential, commercial, and industrial property taxation. Other sources include user fees for services such as water and waste management, senior government grants, and earnings from government enterprises.
- While property tax revenues are subject to seasonal fluctuations based on tax collection dates, these dynamics are well understood and accounted for by municipal governments. Because Canadian municipalities do not tax income or consumption, they generally benefit from a more stable revenue base than provincial governments, as property taxation is also generally insulated from economic and home price cyclicality.
- Emphasis is placed on the resilience of major revenue sources, reliance on provincial government transfers, and competitiveness of the city's tax rates relative to neighbouring jurisdictions. DBRS Morningstar considers overreliance on uncertain or volatile revenue sources (e.g., real estate transfer taxes) to be a weakness in the fiscal management framework.
- Constraints in revenue-generating powers such as legislated caps on certain property tax rates, political willingness to raise taxes, and structural weaknesses in the government's tax system are also considered, including the ability of municipal revenue tools to adequately address inflationary pressures such as salary and benefit escalation and long-term capital investment requirements.
- DBRS Morningstar may make certain adjustments to reported revenue figures to exclude nonrecurring items and ultimately better reflect the underlying fiscal situation of a municipality.

Expenditures

- Municipal government expenditures are also generally predictable and considerably less exposed to demand pressures relative to provincial governments. They also follow patterns that do not vary significantly year to year.
- DBRS Morningstar distinguishes between three major types of expenditures: service and program expenses; capital investments and debt servicing, with an emphasis placed on identifying major trends; and actual and potential areas of pressures and sources of rigidities.

- In its analysis of program expenditures, DBRS Morningstar focuses on the government's primary service responsibilities and the relationship between key expenditure items and factors such as demographics and economic conditions to identify potential sources of fiscal volatility and pressure. Analysts review major program responsibilities established by the provincial government, focusing on the coherence and sustainability of programs and expected cost implications in relation to external revenue sources, if any, such as senior government grants.
- Capital investment accounts for a considerable portion of municipal spending. Municipal governments have some flexibility to manage and partially defer capital spending in the near term in response to both internal budget pressures and external factors, including variability in senior government capital funding. This has contributed to the buildup of significant deferred maintenance deficits in most large Canadian municipalities. However, over the long term, capital investment requirements represent the key driver of debt growth for municipal governments, which are only permitted to borrow for capital purposes.
- DBRS Morningstar considers the capital investment requirements faced by the municipality, including for the state of good repair of public infrastructure and for growth-related investments. This typically includes major public transit infrastructure, roadways and bridges, and municipal water and sewer systems. Financing methods and accounting rules for capital spending are also reviewed to understand the debt implications of projected capital needs.
- Debt servicing is the most rigid expenditure category and can constitute a meaningful portion of a government's budget. Thus the stability and trend of a municipality's debt servicing requirements are important considerations

Balance Sheet and Financial Flexibility Considerations

- The sustainability of a municipality's debt burden and balance sheet flexibility are central considerations in the determination of a credit rating. DBRS Morningstar examines current and projected levels of indebtedness and considers the full range of factors that could affect the debt burden and related servicing requirements.
- The primary focus is on tax-supported debt, which includes financial obligations for which taxpayers are directly accountable. This concept captures tax-supported debt directly issued by the municipality as well as the financial obligations of any other related tax-supported organization that is within municipal jurisdiction (e.g., transit authorities).
- Debt is measured by DBRS Morningstar net of sinking funds and other quality assets set aside explicitly for debt-retirement purposes. The tax-supported debt figure is compared with the municipality's taxable assessment base and on a per-capita basis to assess debt affordability. (See Appendix 1 for DBRS Morningstar's definition of tax-supported debt.)
- Self-supporting debt, which is issued by or for commercial or potentially commercial municipal government enterprises or assets and serviced by a distinct revenue stream (e.g., electric utilities or water services), is analyzed separately by DBRS Morningstar for its affordability and is generally allocated a lesser weighting in the credit review. (See Appendix 1 for DBRS Morningstar's definition of self-supporting debt.)
- Because of the general stability and predictability of revenue and expenditures, liquidity is typically not a material source of concern for Canada's major municipalities, but DBRS Morningstar conducts an

assessment to identify potential liquidity vulnerabilities (see the Overlay Factors: Liquidity section for more information).

Blending the CRFs and FRA into an Issuer Rating

- The core assessment is a blend of the CRFs and FRA. In most cases, the CRFs will have greater weight than the FRA in determining the issuer rating.
- At the low end of the rating scale, however, particularly in the B range and below, the FRA and liquidity factors play a much larger role. The CRFs would, therefore, receive a lower weighting than it would at higher rating levels.
- In addition, DBRS Morningstar also takes into consideration the volatility of an issuer's FRA in arriving at the final rating. An issuer with more volatile credit metrics than its industry peers may be rated lower than it would otherwise be based on a blend of the CRFs and FRA. The lower rating reflects the higher risk, especially in a downturn, associated with the increased volatility.

Overlay Factors

Liquidity

- Given the stability and predictability of municipal government revenues and expenditures, combined with legislative requirements to balance operating budgets, liquidity is typically not a material source of concern for Canada's major municipalities.
- External financing requirements for capital investment and refinancing needs have the potential to create liquidity pressures, although DBRS Morningstar notes that Canadian municipalities generally benefit from (1) access to the lending programs of provincially created municipal finance agencies (Municipal Finance Authority of B.C., Infrastructure Ontario, Alberta Capital Finance Authority, etc.); (2) widespread of sinking funds to retire maturing bullet debentures, largely eliminating refinancing risk for many municipalities and resulting in significant pools of available liquidity; and (3) the ability to partially defer or curtail capital investment in the near term to preserve cash and reserves, which combine to further mitigate concerns with respect to liquidity.
- Nonetheless, similar to other rated sectors, DBRS Morningstar conducts a qualitative liquidity assessment based on four key liquidity determinants (i.e., liquid reserves, capex financing, refinancing needs (if any), and access to external financing) in order to identify potential vulnerabilities in an issuer's liquidity profile.
- Material deficiencies identified in the liquidity assessment may exert downward pressure on the rating.

Ownership of Valuable Municipal Corporations

- DBRS Morningstar considers material benefits generated by the municipal ownership of self-supporting corporations as fulfilling commercial mandates. Electricity-generating utilities are the most common type of valuable corporations owned by major Canadian municipalities. These entities often generate steady dividend streams that contribute positively to fiscal results and could be monetized, if needed, to significantly reduce debt. However, ownership of poorly performing corporations can represent a drain on municipal resources and potentially add to tax-supported debt obligations.

ESG Considerations

- Environmental, Social, and Governance (ESG) factors may affect a credit rating and/or the related credit analysis. The impact of ESG factors may vary across industries, sectors, or asset classes and is described in the *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings*. Where an ESG factor is material to a corporate rating, but is not otherwise addressed in a BRA/FRA factor or other overlay, DBRS Morningstar will reflect the impact of the ESG factor on the rating through this general ESG overlay.

Rating the Specific Instrument and Other Criteria

- The issuer rating (which is an indicator of the probability of default of an issuer's debt) is the basis for rating specific instruments of an issuer, where applicable. DBRS Morningstar uses a hierarchy in rating long-term debt that affects issuers that have classes of debt that do not rank equally. In most cases, lower-ranking classes would receive a lower DBRS Morningstar rating. For more detail on this subject, please refer to the general rating information contained in DBRS Morningstar's "Credit Ratings Global Policy."
- In addition to this methodology, the following criteria may be used from time to time in determining a rating.
- For a discussion of the relationship between short- and long-term ratings and more detail on liquidity factors, please refer to the DBRS Morningstar policy "Short-Term and Long-Term Rating Relationships" and *DBRS Morningstar Criteria: Commercial Paper Liquidity Support for Nonbank Issuers*.
- Guarantees and other types of support are discussed in *DBRS Morningstar Criteria: Guarantees and Other Forms of Support*.

Appendix 1: DBRS Morningstar Adjustments to Reported Financial Figures

In certain circumstances, DBRS Morningstar may adjust the financial results reported by a municipal government in order to (1) allow for a better comparison among peers, (2) capture all material tax-supported debt, (3) exclude debt deemed to be self-supporting within the reporting entity, and/or (4) present fiscal results that are more reflective of the impact of government activities on indebtedness. The most frequent adjustments relate to the following areas:

1. **Net Tax-Supported Debt:** In an effort to capture the full extent of debt obligations to the account of taxpayers, DBRS Morningstar sums the debt of all activities and entities supported in a significant fashion by tax proceeds, such as public transit, road investments, and general municipal services and operations. Tax-supported debt is measured by DBRS Morningstar net of sinking funds and other quality assets set aside explicitly for debt-retirement purposes.

   Tax-supported debt includes direct debt and other long-term capital obligations such as capital leases or liabilities arising from public-private partnership (also known as Alternative Financing and Procurement) contracts if these obligations are materially supported by tax proceeds.

2. **Self-Supporting Debt:** DBRS Morningstar considers certain debt or long-term capital obligations as self-supporting and separate from the tax-supported debt burden. Debt or long-term capital obligations are considered self-supporting provided that the services or assets have commercial value and are operated on a commercially sustainable basis, are highly unlikely to require government support, and are mostly (if not entirely) supported by user fees, a rate base, a levy, or an otherwise distinct revenue stream (e.g., toll revenue) dedicated to servicing and repaying the associated debt or long-term capital obligation. DBRS Morningstar believes that these services or assets could potentially be monetized to repay the related debt obligations if the municipality faced serious financial stress. These activities may include municipal electricity generation and distribution, water treatment/distribution, and tolled transportation and transit infrastructure. Based on the proportion of the direct debt or long-term capital obligation that is serviced and repaid through a user fee, rate base, levy, or otherwise distinct revenue stream, DBRS Morningstar may, on a case-by-case basis, treat that proportion of the obligation as self-supporting.

   In addition, DBRS Morningstar may consider debt leveraged against long-term senior government grants (e.g., federal fuel tax grants) to be self-supported and may therefore exclude such debt from tax-supported debt calculations provided (A) the grants fully cover debt servicing requirements of the related debt, (B) the term of the debt does not exceed the useful life of the assets being funded, (C) the municipality discloses the value of such debt in its financial statements, and (D) the

commitment from the senior government is secured in legislation or by established government policies.

3. **Capex Treatment:** DBRS Morningstar converts capex from an amortization basis to a pay-as-you-go basis to get fiscal results that are more reflective of the full extent of municipal government spending and of external financing needs for a given year.

4. **Nonrecurring Items:** Fiscal results sometimes include extraordinary items that introduce distortions in results and hinder year-over-year comparisons of results. These may include asset sales performed to boost revenues and balance budgets in challenging fiscal times, restructuring costs, or write-offs of tax receivables. DBRS Morningstar attempts to remove all material nonrecurring items from reported results in order to better understand the underlying fiscal position of a municipality.

Appendix 2: Key Financial Ratios

Exhibit 3 Key Financial Ratios

Net Tax-Supported Debt Per Capita	Net tax-supported debt ÷ Total population of the municipality (as reported in most recent census or population estimate) Where, net tax-supported debt is gross market debt outstanding, less • Self-supporting debt (see Appendix 1) • Dedicated debt retirement/sinking funds and debt reserves • Amounts recoverable from senior governments • Municipal government holdings of its own debt obligations (outside of sinking funds)
Net Tax-Supported Debt as a Percentage of Taxable Assessment	Net tax-supported debt (see definition above) ÷ Total residential, commercial, industrial, and farm assessment value (as reported by the municipality or provincial government)
Interest Costs as a Percentage of Total Revenues	Interest charges on market debt outstanding (net of interest earned on sinking funds) ÷ Total revenues (net of interest earned on sinking funds)
Net Post-Capex Surplus (Deficit) as a Share of Total Revenues (Five-Year Average)	Operating surplus (deficit), net of amortization expenses – Net capex (gross capex, minus capital revenues (senior government grants and developer contributions)) ÷ Total revenues

About DBRS Morningstar

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On July 2, 2019, Morningstar, Inc. completed its acquisition of DBRS. Combining DBRS' strong market presence in Canada, the U.S., and Europe with Morningstar Credit Ratings' U.S. footprint has expanded global asset class coverage and provided investors with an enhanced platform featuring thought leadership, analysis, and research. DBRS and Morningstar Credit Ratings are committed to empowering investor success, serving the market through leading-edge technology and raising the bar for the industry.

Together as DBRS Morningstar, we are the world's fourth-largest credit ratings agency and a market leader in Canada, the U.S., and Europe in multiple asset classes. We rate more than 2,600 issuers and 54,000 securities worldwide and are driven to bring more clarity, diversity, and responsiveness to the ratings process. Our approach and size provide the agility to respond to customers' needs, while being large enough to provide the necessary expertise and resources.



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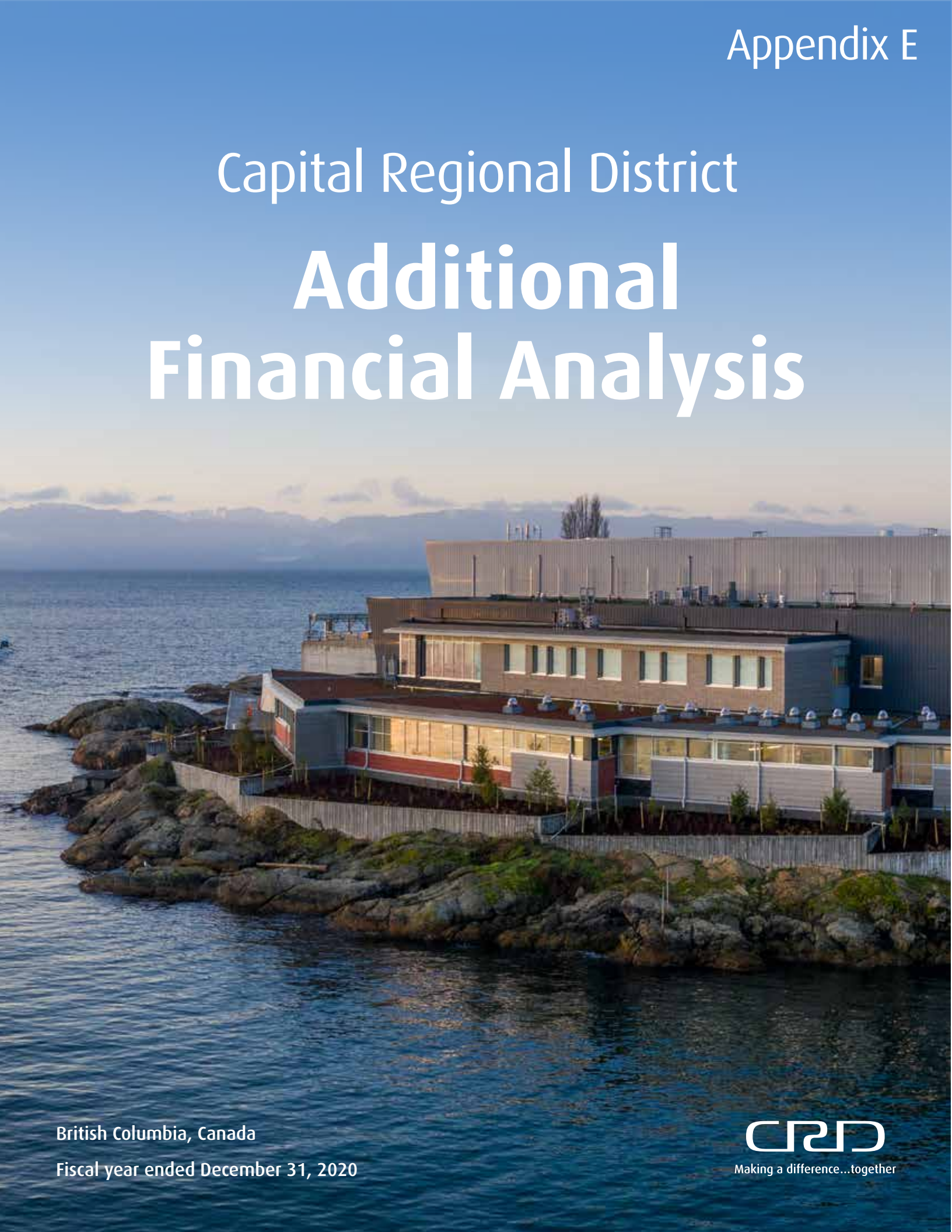
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Appendix E

Capital Regional District

Additional Financial Analysis



British Columbia, Canada

Fiscal year ended December 31, 2020

Making a difference...together

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Introduction

The financial performance of the organization is illustrated in the financial indicators contained in this appendix. These indicators should be read in conjunction with the 2020 Audited Financial Statements and accompanying notes. These measures demonstrate a consistent, healthy financial position based on current operational needs, existing market conditions and debt servicing costs. Net debt decreased by $20.0 million and the debt ratios using the DBRS rating methodology demonstrate the CRD is able to meet its obligations and is unlikely to be adversely affected by future events.

DBRS is Canada's largest and the world's fourth largest credit rating agency, respected for its independent, third-party evaluation of credit quality. They publish research whitepapers describing their methodology of rating Canadian municipal governments (Appendix C). Their methodology includes analyzing the economic environment within which the government operates, and assessing fiscal management by looking at revenue generation, program responsibilities and fiscal discipline, as well as at the coherence and appropriateness of the strategies, policies and processes governing the planning and allocation of public funds. Other critical rating factors include financial management in terms of debt and liquidity, and relations with senior governments.

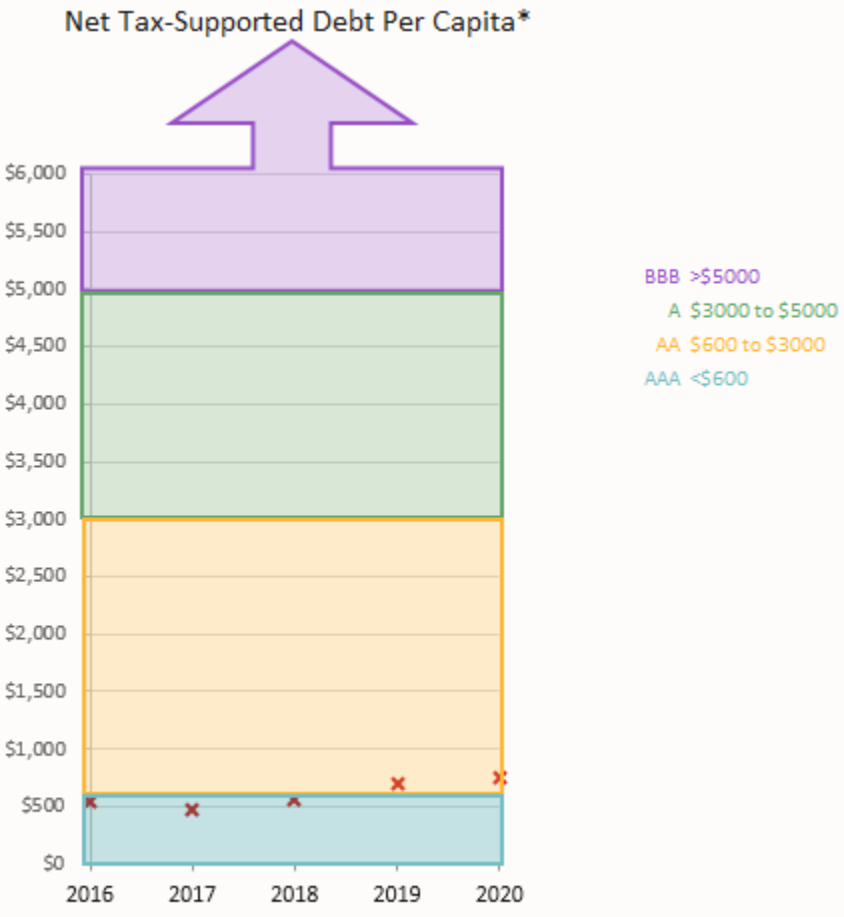
Although the final rating considers a blend of both operating risk and financial risk in their entirety, key ratios can provide a quick measure in assessing the government's financial strength— its ability to make timely payments on outstanding obligations (whether principal, interest, or other expenditures) with respect to the terms of the obligation. The following pages outline CRD key ratios.

The four ratings, from exceptional to adequate credit quality, are:

1. 'AAA' – The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.
2. 'AA' – The capacity for the payment of financial obligations is considered high. Differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.
3. 'A' – The capacity for the payment of financial obligations is substantial. May be vulnerable to future events, but considered manageable.
4. 'BBB' – Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

1) Net Tax- Supported Debt Per Capita

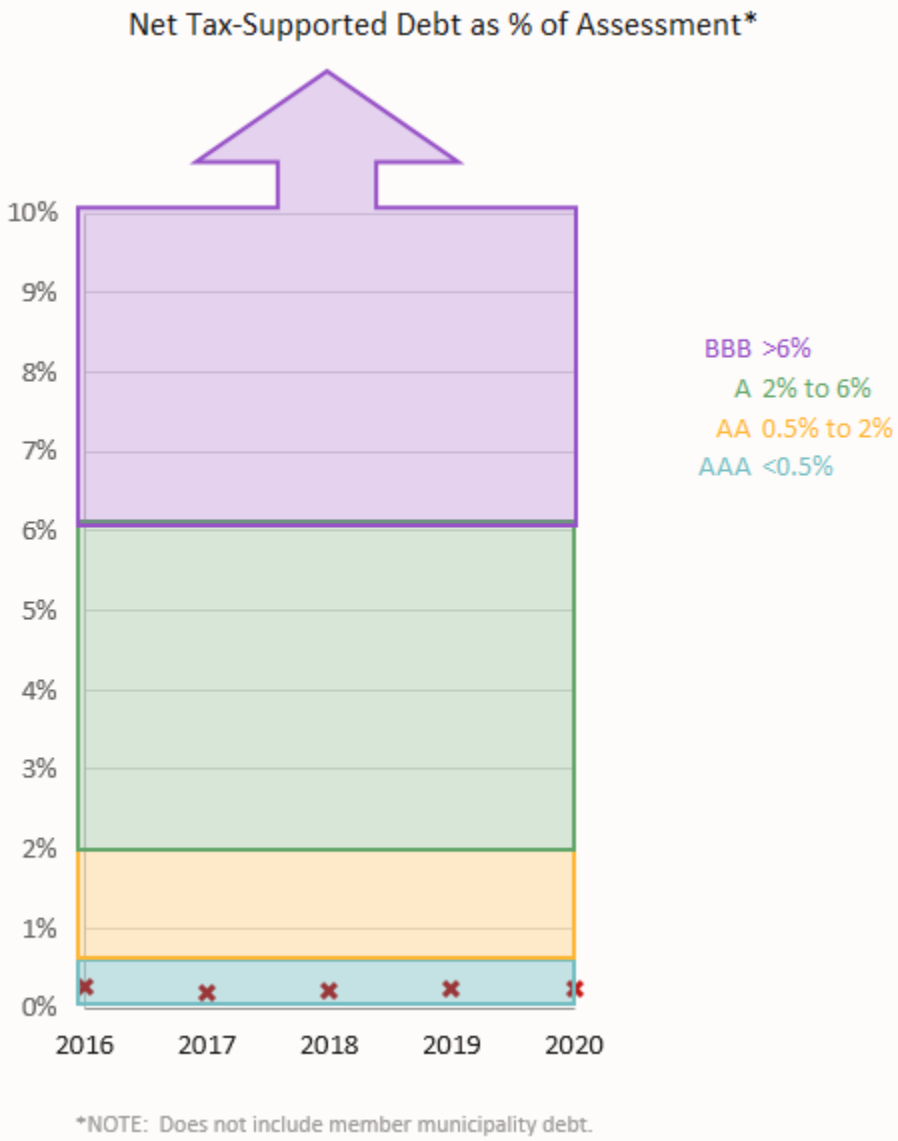
Tax-Supported Debt includes financial obligations for which taxpayers are directly accountable. Net Tax-Supported Debt per Capita is a measure of CRD's debt, excluding member municipality debt, expressed in terms of the amount attributable to each citizen under CRD's jurisdiction. This indicator is an important factor when analyzing CRD's ability to continue paying its debt service costs through current levels of tax revenue. This indicator had been trending downwards as CRD reduced its net debt obligations through to 2017. However, in 2019 and 2020 the metric trended upwards. In 2020, there was a $25 million net increase in borrowing mainly due to $61 million increase related to the Regional Housing First Program and a pay down of $30 million related to Core Area Wastewater Program as construction nears completion. The net tax-supported debt per capita is $751 as at fiscal end 2020 ($703 – 2019), within the AA rating threshold of $600 to $3000.



*NOTE: Does not include member municipality debt.
Ratings assessed using DBRS methodology issued in May 2020

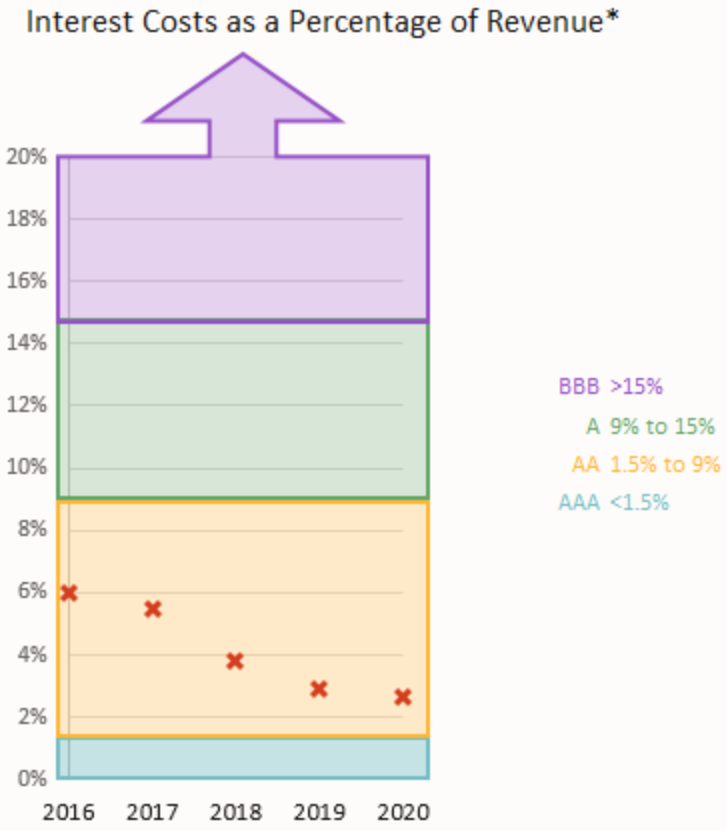
2) Net Tax-Supported Debt as a Percentage of Assessment

A second measure to assess debt affordability, this ratio takes the same net tax-supported debt as above and expresses it in terms of taxable assessment. This indicator is 0.25% in 2020 (0.24% - 2019), well within the AAA rating threshold of 0.5%.



3) Interest Costs/ Total Revenue

This is the percentage of revenue committed to payment of interest on temporary and long-term debt (excluding municipal debt) for CRD services. A high percentage indicates greater use of revenues for servicing interest on outstanding debt, and less ability to adjust to unplanned events and changing circumstances. Interest as a percentage of total revenue was 2.62% in 2020 (2.90% - 2019), resulting in an AA rating.



*NOTE: does not include member municipality debt

4) Net Post-capex surplus (deficit) as a share of total revenues (5 year average)

The net post-capex surplus (deficit) (operating balance minus net capital expenditures) reflects overall fiscal sustainability in each year. Net Post-capex surplus as a share of total revenue, 5 year average, for 2016-2020 is 1.4%, resulting in an AA rating. The decline in this ratio from 2019 (1.5%) is due to the continued increase in capital expenditures relating to CAWTP in 2020. The expenditure levels for CAWTP were expected to peak in 2019 and will decline through 2021.

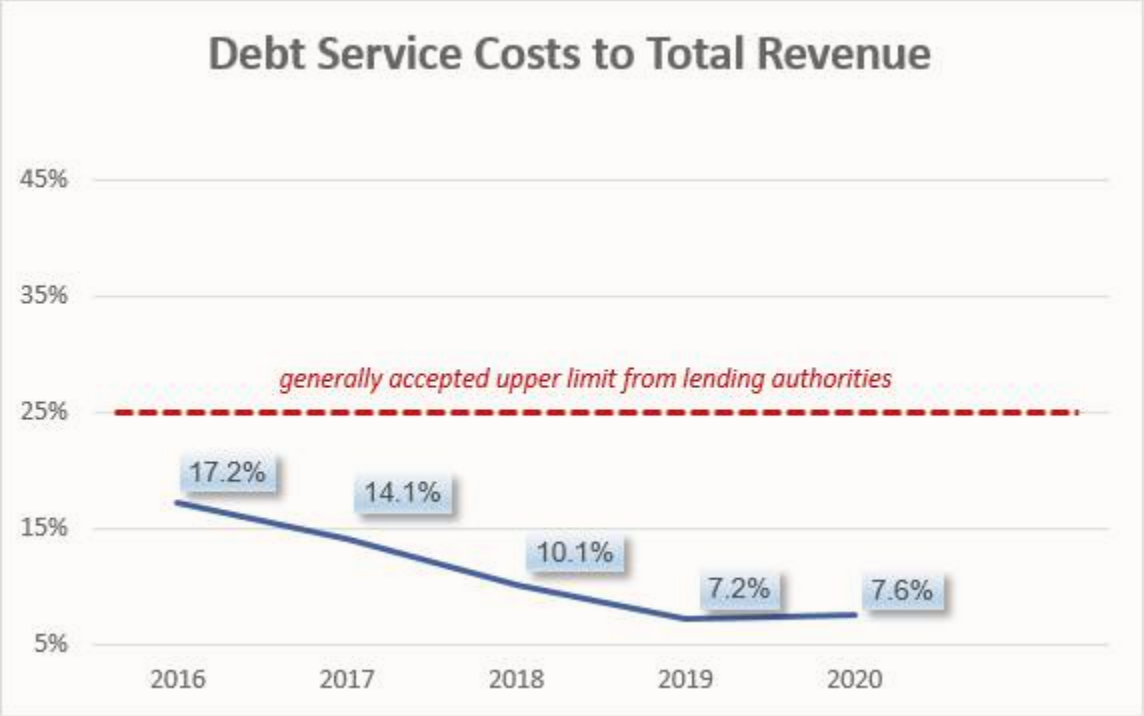
	2015-2019 Average		2016-2020 Average	
Surplus post-capex	4,033,360	**1.5%**	4,317,225	**1.4%**
Total Revenue	262,945,692		307,647,812	
		AA		**AA**

*NOTE: does not include member municipality debt

BBB	> -5.0%
A	0.0% to -5.0%
AA	5.0% to 0.0%
AAA	>5.0%

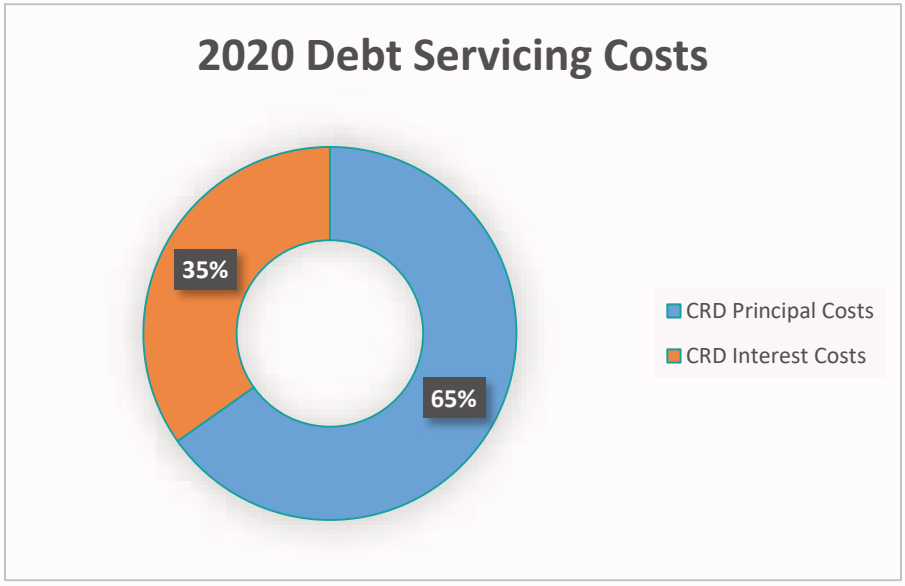
5) Debt Service Costs / Total Revenue

Related to indicator 3, this is the percentage of revenue committed to the payment of interest and principal on temporary and long-term debt. A high percentage indicates greater use of revenue for the repayment of debt, and less ability to adjust to unplanned events and changing circumstances. The CRD's average debt service cost (excluding municipal debt) over revenue for the last four years averages 12.1%, while the 2020 result is down to 7.6%. This decline from 2017 onwards is the result of increased total revenues from government grants received for CAWTP combined with a 6.9% increase in debt service costs. Interest rates on long-term debt have also been decreasing which attributes to a lower percentage.



6) Principal and Interest as Proportion of Debt Service Costs

This measure indicates how much of the debt service payments are repaying principal amounts borrowed versus paying interest costs. The split between interest and principal will change when interest rates change and when longer or shorter terms to maturity are selected. In 2020, CRD debt service payments repaid principal of 65% (2019: 59%) and interest of 35% (2019: 41%). The decrease in interest costs is consistent with the declining Bank of Canada overnight rate in response to the economic impacts of COVID-19.



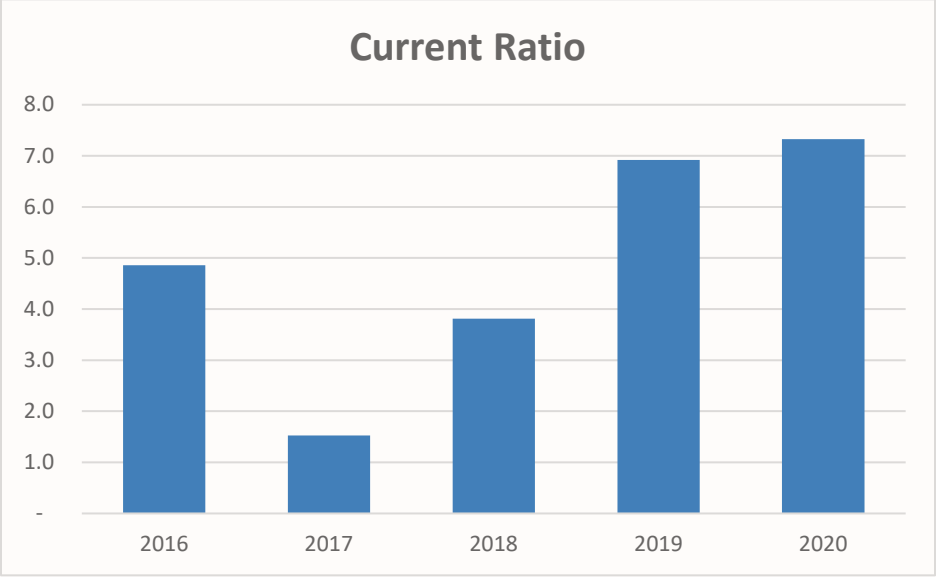
7) Current Ratio

The current ratio is a measure of the liquidity of an organization, meaning CRD's ability to meet current obligations (accounts payable) through current assets (cash and accounts receivable) of the organization. A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. The current ratio has increased to 7.3 for 2020 (adjusted to exclude balances for CAWTP) which was primarily driven by funding held on deposit at year end. Generally a current ratio greater than one is considered healthy for a government entity.

(in 000s)

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Current Assets	102,667 **4.9 : 1**	45,350 **1.5 : 1**	88,199 **3.8 : 1**	201,762 **6.9 : 1**	194,953 **7.3 : 1**
Current Liabilities	21,129	29,744	23,126	29,150	26,614

*Actual excludes CAWTP

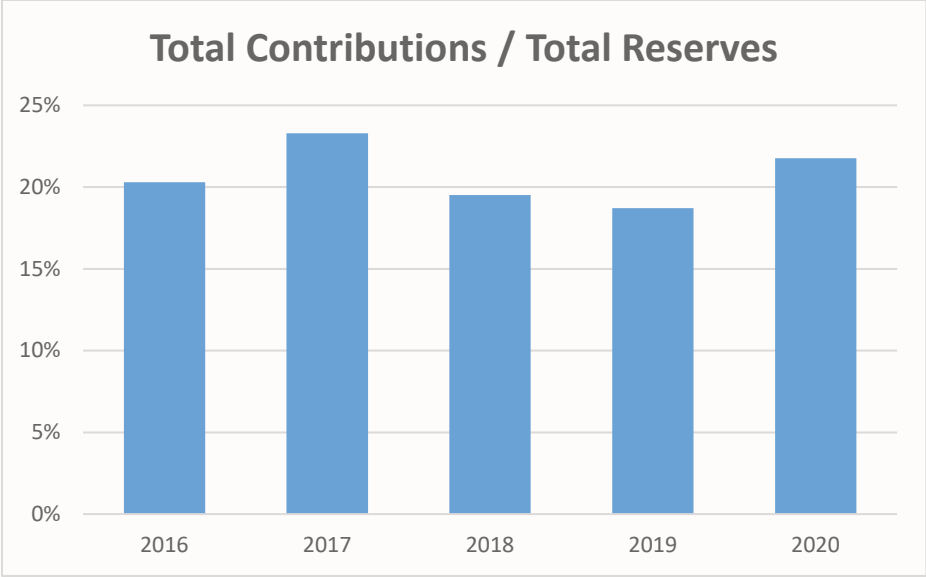


8) Contributions to Reserves / Total Reserves

The following graph shows the percentage of total reserve contributions to total reserve balances. For the last four years, the CRD has been contributing an average of 20.8% per year to reserves. The CRD continues to contribute to reserves in order to sustain the existing infrastructure, maintain consistent debt servicing levels, and leverage grant funding.

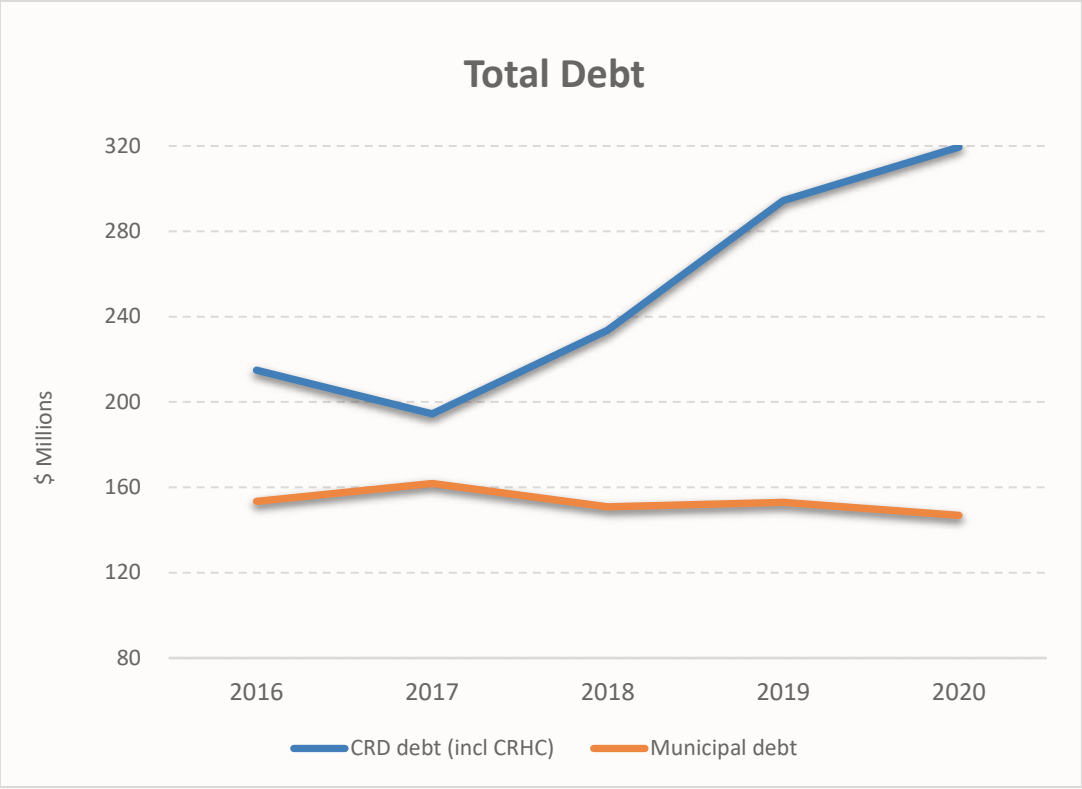
(in 000s)

	2016 Actual		2017 Actual		2018 Actual		2019 Actual		2020 Actual	
Reserve Contributions	21,890	**20.3%**	27,995	**23.3%**	26,145	**19.5%**	25,789	**18.7%**	30,785	**21.8%**
Total Reserves	107,817		120,179		134,029		137,814		141,413	



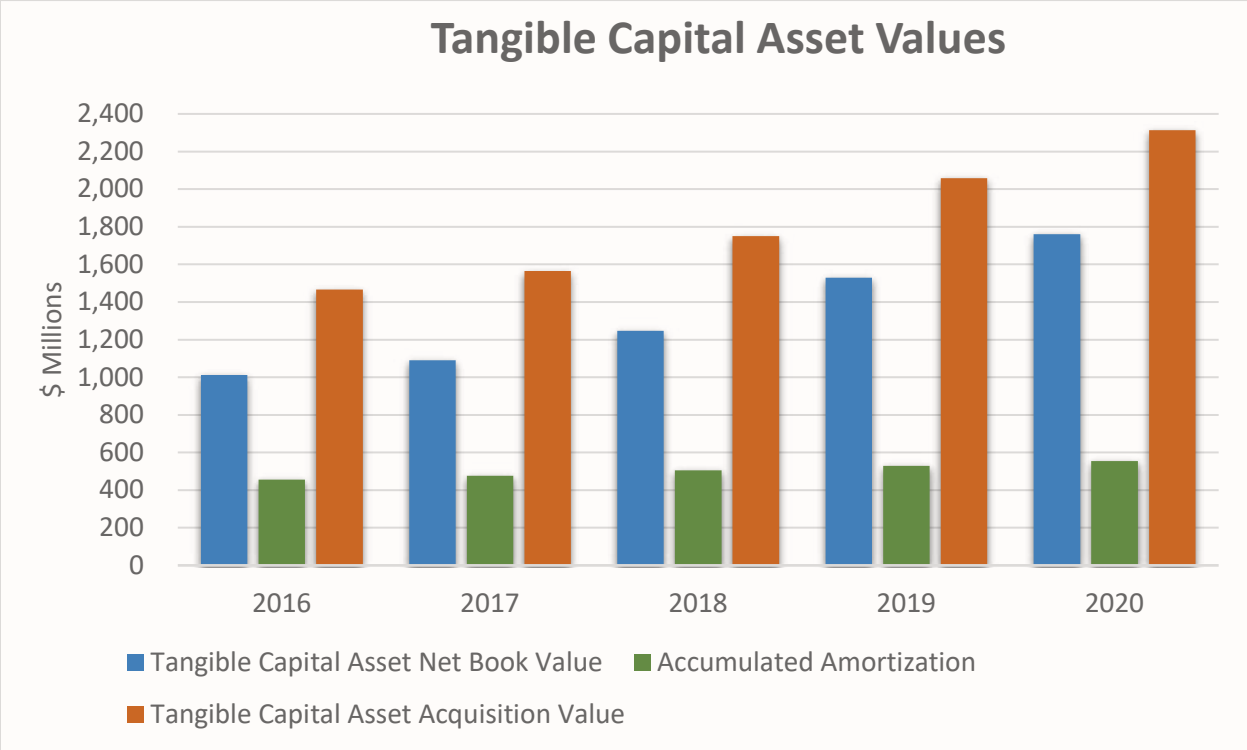
9) Total Debt

The CRD borrows long and short-term debt through the Municipal Finance Authority (MFA), who pools the borrowing and investment needs of BC communities to offer better rates of borrowing. In addition to debt incurred directly, the CRD also incurs long-term debt on behalf of its member municipalities. The additional debt servicing costs are offset by corresponding receivables from municipalities. In 2020, CRD's direct debt increased by 8.5% to $319 million (2019 – 294 million), while municipal debt decreased 4.0% to $147 million (2019 – 153 million). The increase for CRD is attributable to: (1) $62 million in short-term borrowing related to CRHC Regional Housing First program, offset by a $30 million paydown of short-term debt and long-term debt related to CAWTP.



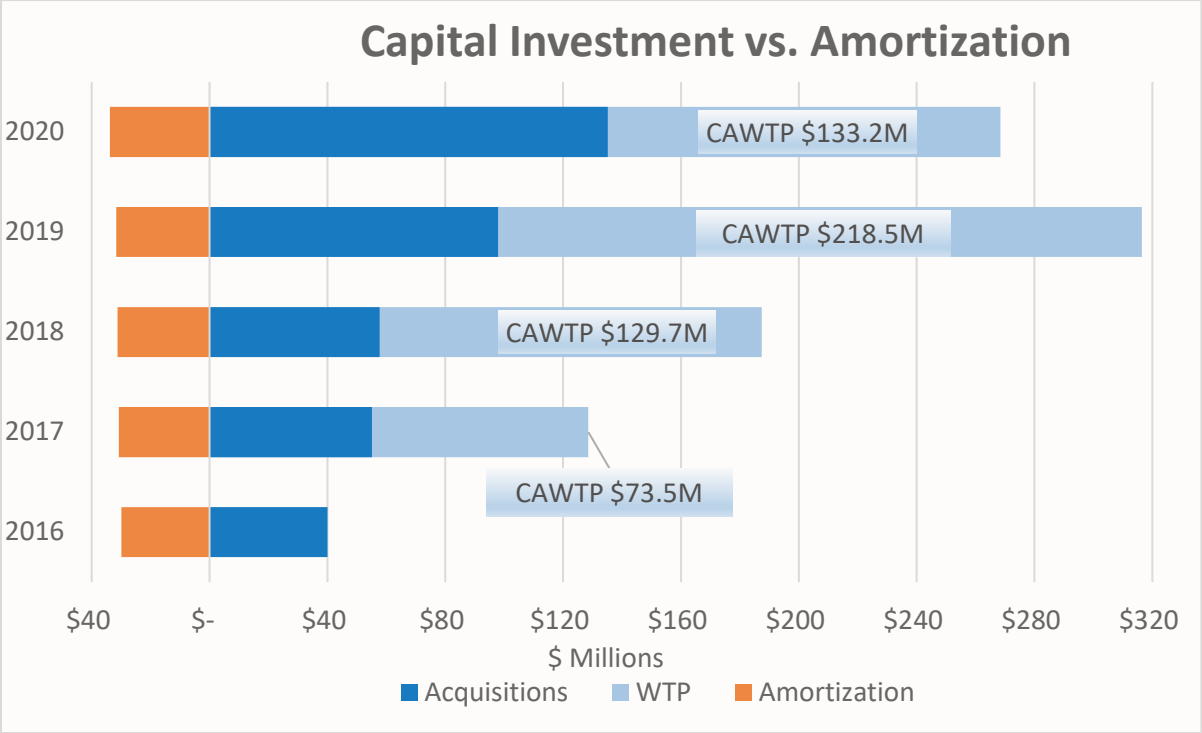
11) Tangible Capital Assets

CRD's tangible capital assets include land, engineering structures, buildings, equipment, and vehicles. Where assets have an anticipated useful life of more than one year, the practice is to amortize or allocate part of the asset's expense each year through its useful life, instead of expensing the entire cost in the year the asset was purchased. Net book value is an approximation of the remaining value of the assets that CRD uses in the provision of services. At the end of 2020, CRD is responsible for a total asset base of $2.30 billion. After accumulated amortization, the net book value of assets totals $1.76 billion.



12) Capital Investment vs. Amortization

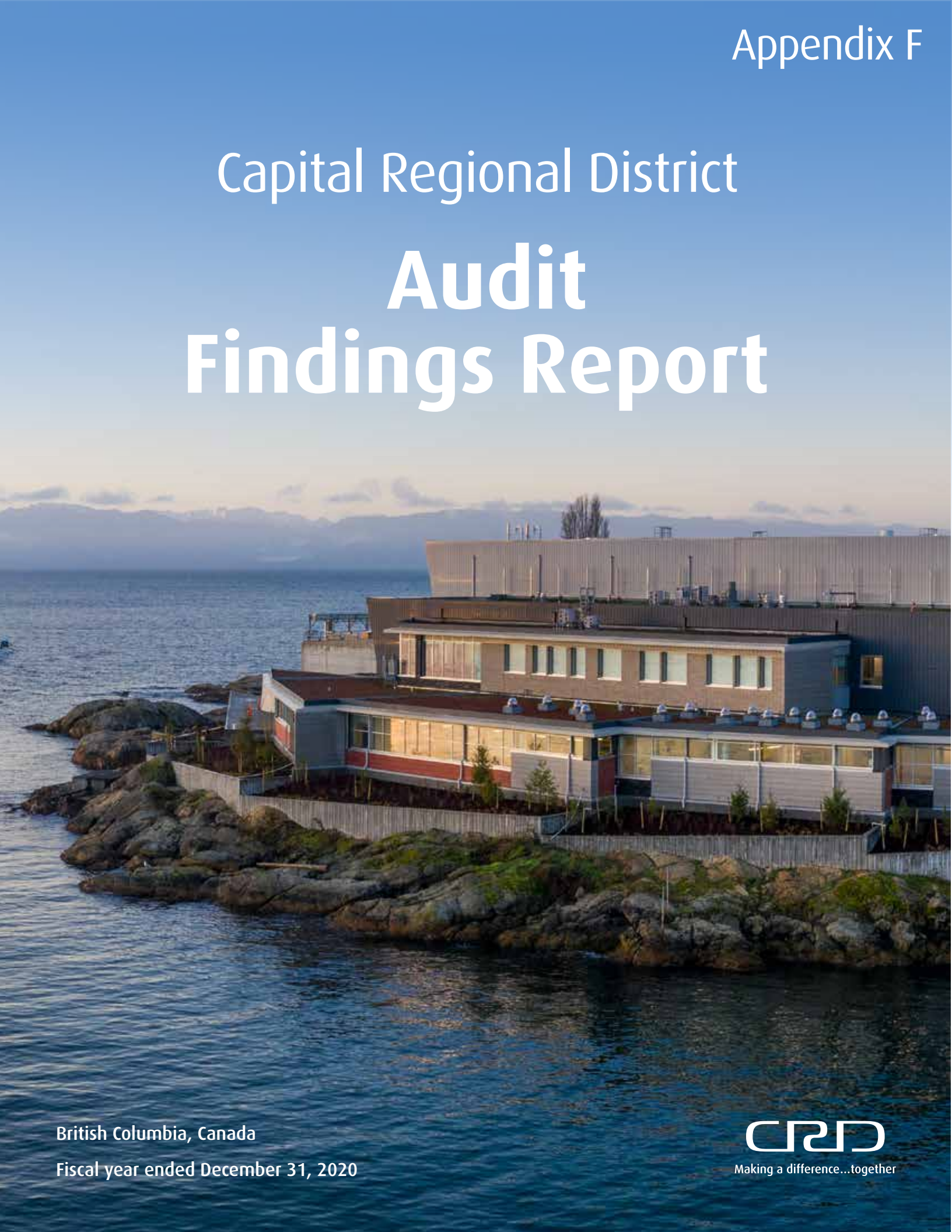
The amount spent on tangible capital assets or capital investment, less amortization, is called net investment. If capital investment is consistently higher than amortization, net investment will be positive, indicating that productive capacity is increasing. Conversely, if capital investment is consistently lower than amortization, net investment will be negative, indicating that productive capacity is decreasing. On an annual basis, CRD is acquiring assets at a faster rate than assets are amortizing. In 2020, CRD was acquiring assets 7.95 times faster than amortization (increased from 10.01 times faster in 2019), indicating that productive capacity is increasing.



Appendix F

Capital Regional District

Audit Findings Report



British Columbia, Canada

Fiscal year ended December 31, 2020

Making a difference...together

KPMG

Capital Regional District

Audit Findings Report for the year ended December 31, 2020

KPMG LLP

Prepared for the meeting on May 5, 2021

kpmg.ca/audit



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This Audit Findings Report is intended solely for the information and use of Management and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Executive summary

Purpose of this report

The purpose of this Audit Findings Report is to assist you, as a member of the Board of Directors, in your review of the results of our audit of the consolidated financial statements (hereinafter referred to as the "financial statements") of Capital Regional District (the District) as at and for the year ended December 31, 2020. This Audit Findings Report builds on the Audit Plan we presented to the Board of Directors on January 6, 2021.

What's new in fiscal 2020

There have been changes in fiscal 2020 which impacted financial reporting and our audit:

- COVID-19 pandemic – See pages 5-6
- New auditing standard for estimates – See page 6

Changes from the audit plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to you.

Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Completing our discussions with the Board of Directors;
- Obtaining the signed management representation letter;
- Obtaining evidence of the Board of Directors' approval of the financial statements; and,
- Completing subsequent event review procedures up to the date of the Board of Directors' approval of the financial statements.

We will update the Board of Directors on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report, a draft of which is attached to the enclosed draft financial statements, will be dated upon the completion of any remaining procedures.

Areas of audit focus

At the planning stage of the audit we discussed with you areas of audit focus. We are satisfied that our work has appropriately dealt with the focus areas identified.

See pages 8 to 10 for the audit findings related to these areas of audit focus.

Adjustments and differences

Adjustments and differences identified during the audit have been categorized as "Corrected adjustments" or "Uncorrected differences". These include disclosure adjustments and differences.

We identified four adjustments that were communicated to management and subsequently corrected in the financial statements.

We identified two misstatements that remain uncorrected. Management have decided not to correct these differences and in their judgment they are not material to the financial statements. We concur with management's representation that the differences are not material to the financial statements. Accordingly, the differences have no effect on our auditors' report.

Executive summary (continued)

Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

The presentation and disclosure of the financial statements are, in all material respects, in accordance with Canadian public sector accounting standards. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

We have issued a separate management letter with control recommendations in areas not considered to be significant deficiencies in internal controls over financial reporting.

Independence

We confirm that we are independent with respect to the District within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from January 1, 2020 up to the date of this report.

Current developments

Please refer to Appendix 3 for the current developments updates, including COVID-19 resources.

What's new in 2020

COVID-19 pandemic

Areas of impact	Key observations
CRD's financial reporting impacts	- We considered impacts to financial reporting due to the COVID-19 pandemic and the increased disclosures needed in the financial statements as a result of the significant judgements applied. Suggestions were provided to management to enhance disclosures which have been reflected in the financial statements.
CRD's internal control over financial reporting	- There were minimal changes to internal controls over financial reporting due to the COVID-19 pandemic as the District did not move to a fully remote working environment and was able to maintain its existing internal controls and processes.
Risk assessment	- We performed a more thorough risk assessment specifically targeted at the impacts of the COVID-19 pandemic, including an assessment of fraud risk factors (i.e. conditions or events that may be indicative of an incentive/pressure to commit fraud, opportunities to commit fraud, rationalizations of committing fraud).
Working remotely	- We worked both remotely and onsite. We used virtual work rooms, video conferencing, and internally shared team sites to collaborate in real-time, both amongst the audit team as well as with management. - We used secure technologies to conduct walkthroughs, perform tests of controls and substantive tests. - We increased our professional skepticism when evaluating electronic evidence received and performed additional procedures to validate the authenticity and reliability of electronic information used as audit evidence.
Direction and supervision of the audit	- The Senior Manager and Engagement Partner were actively involved in determining the impact that the COVID-19 pandemic had on the audit (as discussed above), including the impact on the District's financial reporting and the District's internal control over financial reporting. - The Senior Manager and Engagement Partner implemented new supervision processes to deal with working in a remote environment, and our audit approach allowed us to manage the audit using meaningful milestones and frequent touch points.
Substantive testing – Response	- For those areas of the financial statements which were impacted by COVID-19 during the year (payroll costs and sale of services), we changed our substantive analytical procedures to incorporate the impacts of the pandemic on these balances.

What's new in 2020 (continued)

New auditing standard

Standard	Key observations
CAS 540, Auditing Accounting Estimates and Related Disclosures	- The new standard was applied on all estimates within the financial statements that had a risk of material misstatement due to estimation uncertainty. - We assessed the risk of material misstatement due to estimation uncertainty for all estimates within the financial statements and not just "key estimates", "critical accounting estimates", or "estimates with significant risk". In assessing this risk, we considered the degree of complexity, uncertainty and subjectivity involved in making each accounting estimate to determine the level of audit response. - We considered the potential for management bias. - The granularity and complexity of the new standard along with our interpretation of the application of that standard necessitated more planning and discussion and increased involvement of more senior members of the engagement team. - We determined that one estimate (landfill closure and post-closure liability) had a risk of material misstatement due to estimation uncertainty that was greater than remote. - See page 10 under Areas of Audit Focus for a summary of our audit approach and findings.

Audit risks

Professional requirements	Why is this significant?
Fraud risk from management override of controls	This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.

Our response

Our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments throughout the period and during the post-closing period for financial statement preparation.
- Evaluating the business rationale of significant unusual transactions.

Significant findings

There were no issues noted in our testing.

Areas of audit focus

Other area of focus	Why are we focusing here?
Wastewater treatment project (WTP)	This is a significant project for CRD, involves a significant value of expenditure, met substantial completion in 2020 and is currently being commissioned, and significant management judgment may be required over recognition of impairment.

Our response

- The CRD's Wastewater Treatment Project ("WTP") includes construction of the wastewater treatment plant, residuals treatment facility, and the conveyance system and is budgeted at a total cost of $775M.
- In December 2020, the District began providing tertiary treatment for wastewater and reached substantial completion of the McLoughlin Point Wastewater Treatment Plant. This milestone triggered a transfer of work in progress to in use and final claims for funding from third parties.
- Costs capitalized for the WTP in 2020 were $121M; upon substantial completion of the plant in 2020, $421M in costs were transferred from work in progress to other capital asset classes (including engineering structures, buildings, and other assets).
- We performed substantive audit procedures over a sample of capital additions, agreeing samples to source documentation.
- We verified the capital costs transferred from work in progress to in use by comparing the total costs included in work in progress since the beginning of the project in 2017 to 2020 to the transfer to amounts capitalized as in use.
- We reviewed the WTP Board minutes and verified the completeness of liabilities and contingent liabilities related to the WTP.
- We performed a walkthrough of the procurement processes related to the WTP and related controls over expenditures and did not note any significant deficiencies.
- We reviewed management's analysis over impairment and concur with management's assessment that no costs were required to be written off in 2020.
- In 2020, $19M of federal grants and $124M in provincial grants were received and recognized as revenue related to WTP. We inspected the grant claims, agreed them to cash receipt and noted appropriate eligible expenses related to grant terms.
- We noted $17M of grant holdbacks are outstanding from the Federal Government which was claimed in 2020 and received in 2021 upon completion of final requirements under the funding agreement.

Significant findings

- There were no issues noted in our testing of capital additions and the transfer of work in progress to in use.
- We recommended the grant holdback be recognized as revenue and receivable in 2020 to align with when the revenue was earned and final claim submitted. This adjustment has been recognized in the financial statements.

Areas of audit focus (continued)

Area of audit focus	Why are we focusing here?
Regional Housing First Program	On November 2, 2020 and November 20, 2020, the District entered into 60-year prepaid leases and 35-year operator agreements with Capital Regional Housing Corporation regarding West Park and Spencer Close respectively. These prepaid leases were initially funded through short-term financing obtained by CRHC which was converted into mortgages subsequent to year-end.

Our response

- RHFP is a partnership between three levels of government that have committed to fund affordable or supportive housing projects in the CRD. BC Housing, CMHC and CRD (through CRD, CRHC and CRHD) have committed to invest $40M each to develop and acquire approximately 300 (at $300,000 each) new housing units that will have a rental rate equal to the Province's income assistance shelter rate ($375) for residents of the region experiencing chronic homelessness.
- Either BC Housing or CRD/CRD entities will purchase the approximately 20% provincial assistance rate units as an equity contribution. The operator (non-profit organization or CRHC) operates 100% of the units and maintains ownership of the remaining approximately 80% of units (or lease agreement with BC Housing or CRD/CRD entity). CMHC's $30M contribution is in the form of a grant to the CRD, where the CRD holds ownership of those units.
- In November 2020, the CRD purchased West Park and Spencer Close under the RHFP. The properties were purchased for $29.4M and $28.4M respectively, including closing costs. CRD owns 100% of the units and has entered into a 60-year prepaid lease agreement with the CRHC, and a 35-year operator agreement for the RHFP units.
- The purchase of the properties is funded by contributions from CMHC and a 60-year prepaid lease with CRHC. CRHC received short-term financing from BC Housing to fund the lease and closing costs. The short-term financing was converted into mortgages subsequent to year-end.
- We reviewed the related Board minutes and inquired with management on any changes or updates to this program.
- We performed substantive audit procedures by obtaining and reviewing contracts and agreements between CRD, CRHC, BC Housing, and CMHC.
- We agreed the purchase price allocated to the land and building to the costs capitalized with no issues.
- We concur with management's accounting treatment of the transaction in the financial statements, including the removal of inter-entity transactions between CRD and CRHC in the consolidated financial statements.

Significant findings

- There were no issues noted in our testing regarding the purchase of properties, financing and recognition of costs and debt by the District.
- We recommended the District consider a more precise estimate of amortization expense for material asset additions to align with when assets are placed in use during the year. The impact on amortization was not significant in 2020 and will be considered for future material asset additions.

Areas of audit focus (continued)

Area of audit focus	Why are we focusing here?
Hartland Landfill closure and post-closure costs	Landfill closure and post-closure costs (2020 - $11.3M, 2019 - $10.7M) are recognized in the financial statements including disclosure in the notes. Estimated costs are recognized annually as the capacity of the site is utilized.

Our response

- Closure and post-closure costs are a significant estimate recognized in the District's financial statements. Measurement involves multiple assumptions and data inputs including capacity available and used, future costs, discount rates, inflation rates, among others.
- The last detailed assessment of closure and post-closure costs by an external expert was performed in 2019. Management performed an analysis and updated significant assumptions in 2020 to estimate the liabilities and costs to be recognized in 2020.
- We performed more granular risk assessments of the elements of the estimate such as the method, the assumptions used, the data used and the application of the method.
- We assessed the degree of uncertainty, complexity, and subjectivity in the closure and post-closure cost estimate to determine the level of audit response. The higher the level of response, the more persuasive the audit evidence was needed.
- We evaluated the projections and discount rates used by management to determine the closure and post-closure liabilities for the landfill and verified the accuracy of management's calculations.

Significant findings

- Management's modelling used to calculate the liability was enhanced in 2020 and incorporated results of the external expert's work performed in 2019.
- Management's estimate of the liability and expense in 2020 included the impact of certain activities and programs to extend the life of the landfill that have not yet been approved or implemented. This assumption resulted in a longer useful life of the landfill and lower liability and expense compared to an estimate based on current practices in use.
- We recommended the liability and expense be estimated based on current practices in use, and the impact of future life extensions be incorporated at the time new programs are approved. An estimated understatement of liability and expense of $1,479,449 is noted as an unadjusted audit difference. Recognition of the adjustment may result in an expense in 2020 and recovery of expense in future years. Management has chosen not to adjust this difference in order to reduce volatility in the liability and expense as new programs are expected to be approved in the near future.
- Effective for the 2023 fiscal year, new accounting standards for asset retirement obligations will require a significant revaluation of the landfill liability and recognition of all closure and post-closure costs upfront rather than as capacity of the landfill is used. We recommend early planning for this transition as it will result in recognition of a liability sooner than current practice and a significant increase in net debt for financial reporting purposes. The change in accounting standard will not affect how the District decides to fund the liability through reserve funding.

Significant accounting policies and practices

Significant accounting policies

- There were no initial selections of or changes to the significant accounting polices and practices.
- There were no significant accounting policies in controversial or emerging areas.
- There were no material issues noted with the timing of the District's transactions in relation to the period in which they were recorded other than described in this report.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.

Significant accounting estimates

- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates other than described in this report.
- There were no indicators of possible management bias.
- There were no significant factors affecting the District's asset and liability carrying values.

Financial statement presentation and disclosure

- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures and uncertainties.

Uncorrected differences and corrected adjustments

Differences and adjustments include disclosure differences and adjustments.

Professional standards require that we request of management and the Board of Directors that all identified differences be corrected. We have already made this request of management. Misstatements, including omissions, if any, related to financial statement presentation and disclosure items are in the management representation letter.

Uncorrected differences

We identified two adjustments that remain uncorrected:

- A net $360,649 estimated overstatement of annual surplus and understatement of liabilities due to the deferral of grants and methodology used to estimate the landfill liability.
- An overstatement of 2020 revenue and understatement of 2019 revenue of $563,047 due to timing of recognition of system developer charges earned and $248,134 for assets acquired in a prior year.

We concur with management's representation that the differences are not material to the financial statements. Accordingly, the differences have no effect on our auditors' report.

Corrected adjustments

We identified four adjustments that were communicated to management and subsequently corrected in the financial statements. Two adjustments did not have an impact on the annual surplus of the District. They relate primarily to presentation and classification of figures which are prepared only once a year for financial reporting purposes in accordance with Public Sector Accounting Standards. Management does not use these figures for financial decision making during the year.

- A decrease in cash and accounts payable of $262,562 to reflect payments made before year end.
- A decrease in sales of services revenue and other expenses by $729,615 for internal charges that are removed when preparing financial statements.
- A decrease in revenue and increase of development cost charges of $293,000 for amounts related to revenue earned in 2021.
- An increase in revenue from the Federal government of $17M for recognition of grant holdbacks on substantial completion of CAWTP.

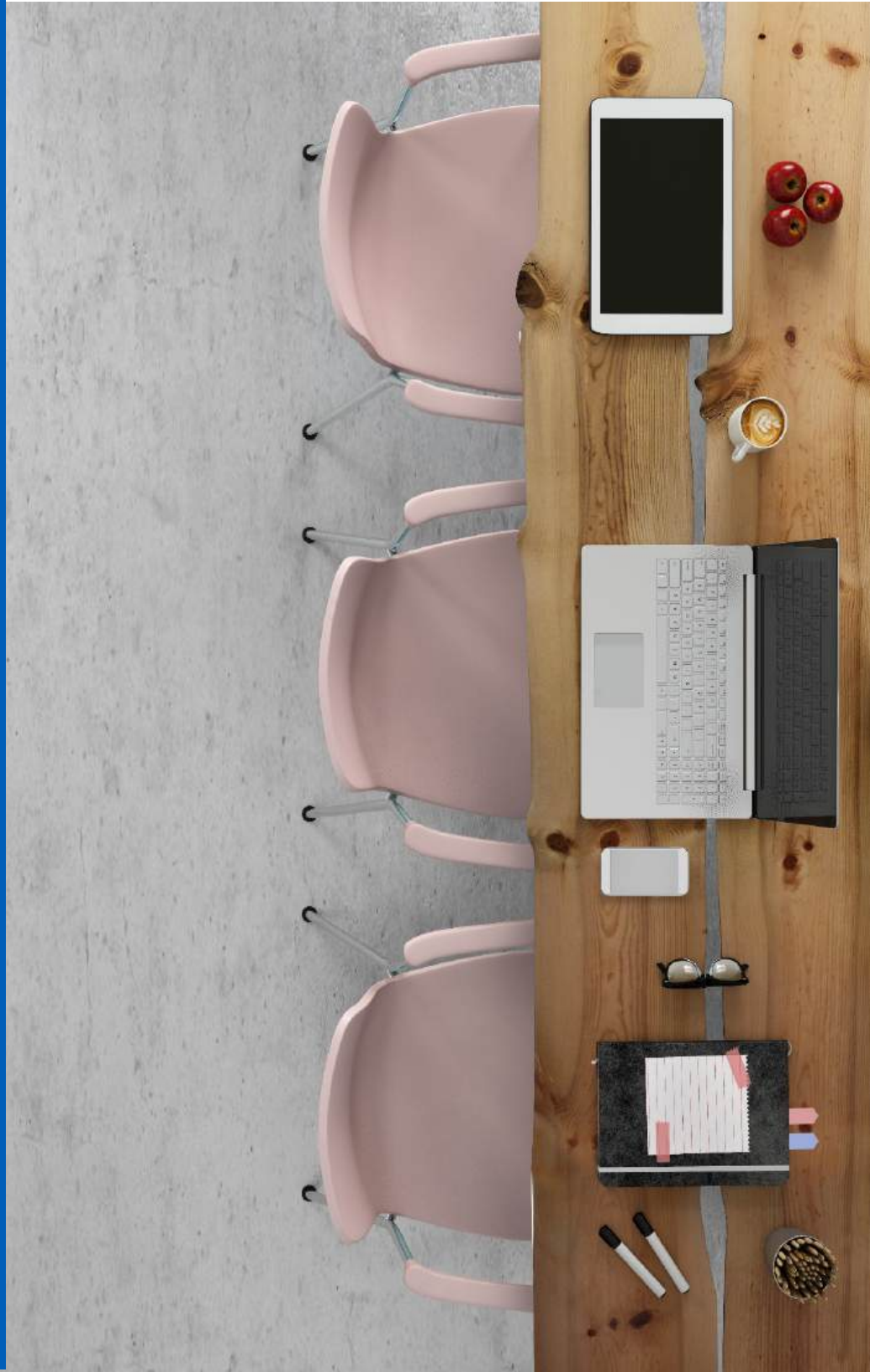
Appendices

Appendix 1: Selected financial information

Appendix 2: Required communications

Appendix 3: Current developments and audit trends

Appendix 4: Management representation letter



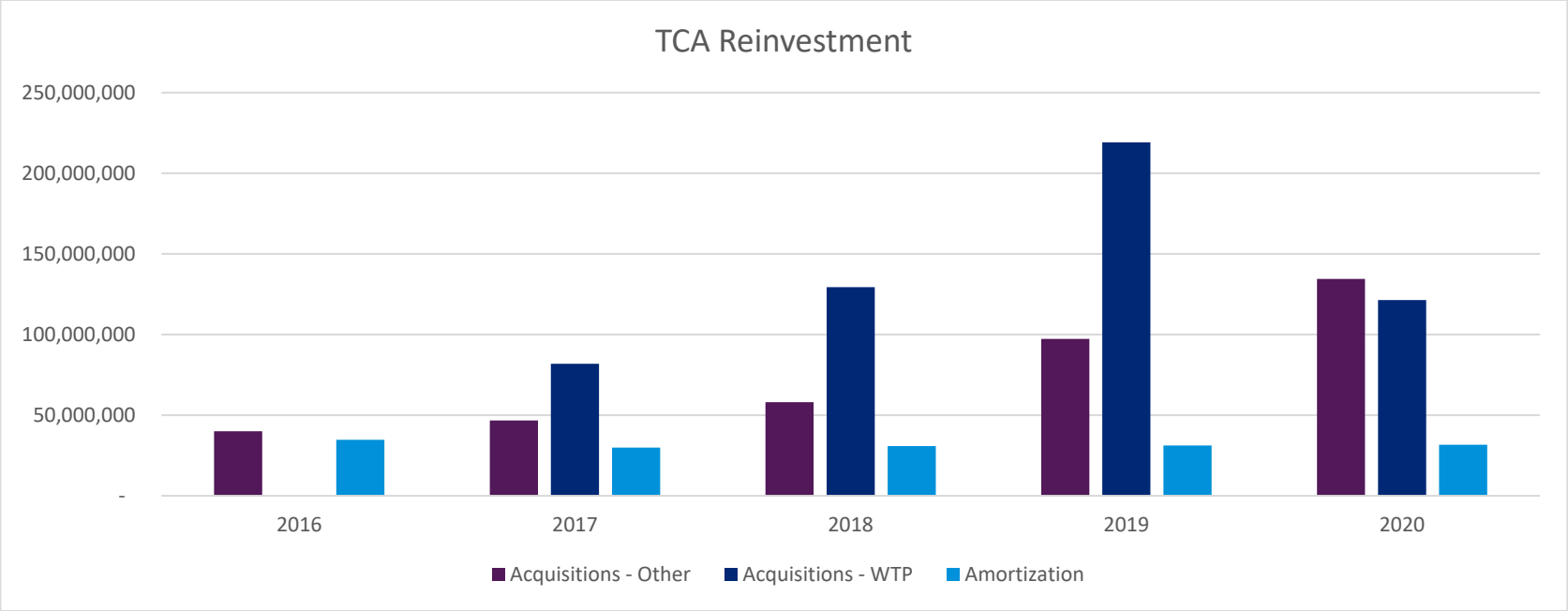
Appendix 1: Selected financial information

As part of the audit, there are certain key ratios and trends that we review. We share these ratios with the Board and Management and welcome any questions related to our interpretation of trends. The following financial information is taken from the annual audited financial statements prepared in accordance with Public Sector Accounting Standards. The accounting framework used in these financial statements differs from the framework used in the financial plan in that the rate-setting formula is based on a cash-basis and includes transfers from reserves and other unspent funds and planned capital acquisitions rather than amortization of capital assets.

Appendix 1: Selected financial information (continued)

Tangible Capital Asset (TCA) Reinvestment

TCA is the District's most significant asset and is funded by a combination of internal reserves and external financing. The following illustration depicts TCA acquisitions and amortization amounts for the past five years:



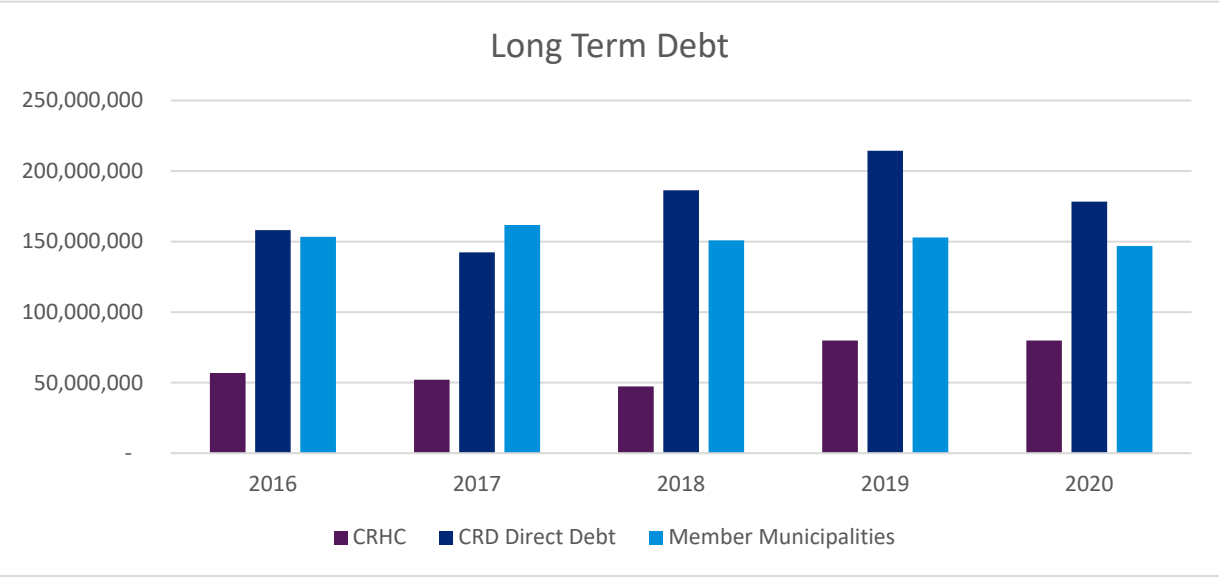
TCA acquisitions were relatively consistent in 2016 through 2018. From 2017 more significant capital additions were acquired under the Wastewater Treatment Project (WTP), which are shown separately in the chart above. TCA additions in 2019 and 2020 are higher than previous years due to the construction of and acquisition of properties under the Regional Housing First Program. TCA additions relating to the WTP grew in 2018 and 2019 and declined in 2020 due to the project nearing completion.

The value of amortization has remained relatively consistent over the past 5 years. From 2016 – 2020 the District has been replenishing capital assets at a faster pace than they are being used, mainly due to the additions resulting from the Wastewater Treatment Project. Total acquisitions are 7.5 times the value of annual amortization in 2020. In future years, amortization expense will increase due to the WTP being in use.

Appendix 1: Selected financial information (continued)

Long-term Debt

The District incurs debt directly, and on behalf of its member municipalities through agreements with the MFA. Repayments of interest and principal on long-term debt are included in the annual operating expenditure for each function. The Community Charter and Municipal Liabilities regulation provides that a municipality's (district's) annual cost of servicing its aggregate liabilities for the year cannot exceed 25% of its annual revenue for the previous year. Interest expense in 2020 represents approximately 13% of the District's revenue excluding government transfers and interest expense related to municipal borrowing equates to approximately 4.7% of revenue excluding government transfers. Debt represents approximately 10% of the net book value of capital assets.



CRD direct debt increased mostly in 2018 and 2019 in order to finance the Wastewater Treatment Project. In 2020, debt has started to decrease due to debt repayments exceeding new debt, including repayment of short-term facilities using proceeds of debt obtained in 2019. Between 2016 and 2020, CRD direct debt has increased by 13%.

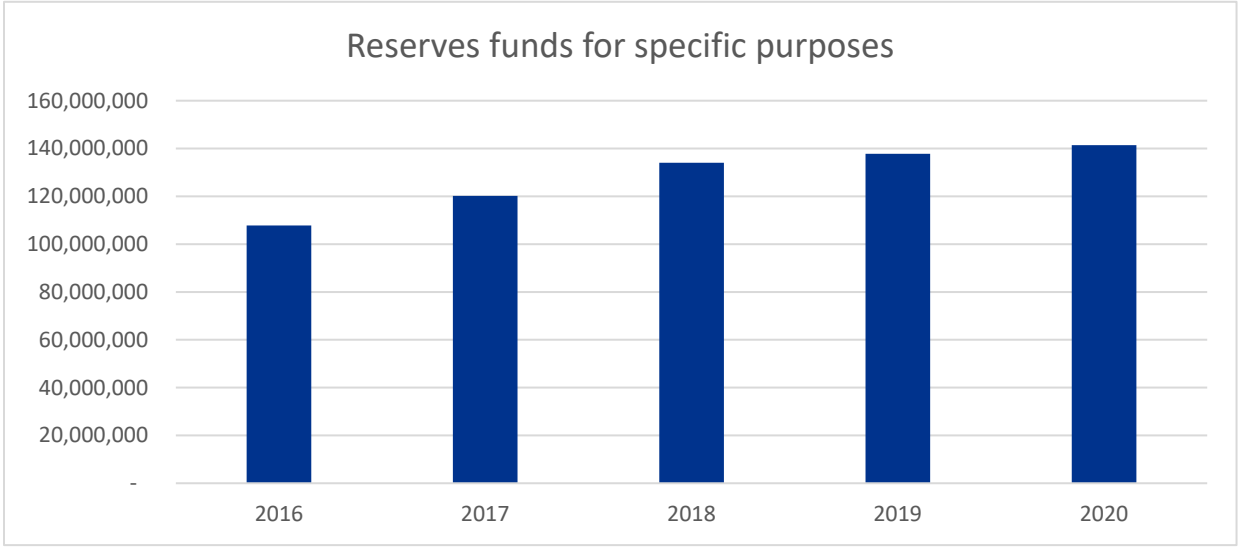
In addition, member municipalities' debt has increased steadily from 2016 to 2017. In 2018, there was a slight decrease in member debt consistent with the trend that in a low interest rate environment, more debt is held through short term facilities until project completion when a more precise amount of borrowing is determined and locked into long term financing. Short term borrowing by member municipalities is not included in the District's financial statements. There was a small decrease in member municipalities' debt in 2020.

The increase in CRHC debt in 2019 represents new debt obtained to fund the purchase of the RHFP Millstream Ridge/Treanor housing project. There was no significant change in 2020 as additional debt was offset by debt retirement. CRHC held $61.3M of short term financing in relation to the purchase of Spencer Close and West Park which is not included in the above chart; this was transferred to a long term mortgage subsequent to year end.

Appendix 1: Selected financial information (continued)

Reserves

The accumulated surplus for the District is made up of amounts invested in tangible capital assets, operating reserves, for both the District and Capital Region Housing Corporation, and reserves set aside for regional, sub-regional and local purposes. The amounts shown in the graph relate to reserve funds set aside for specific purposes as detailed in note 9 in the financial statements:



These reserves are tracked on a per service basis. Each year, the amount presented is the accumulated amount. Since 2016, the reserves have continued to grow at a consistent rate. In 2020, reserves increased by 2.6% over prior year and this was due primarily to increases in the Equipment Replacement Reserve, the Regional Parks Capital Reserve, the Solid Waste Operating Reserve, and the Capital Regional Housing Corporation Reserve. The increase was partially offset by decreases in the Solid Waste Capital Reserve, the S.P.W.W.W.S. Sewer Debt Reserve, the Trunk Sewers and Sewage Disposal Facilities Capital Reserve, the LWMP Core and WS Operating Reserve Fund and the Salt Spring Island Transport Capital Reserve. Compared to a significant increase in capital assets, reserves have stayed relatively constant.

Appendix 2: Required communications

Draft auditors' report

The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements.

Independence

In accordance with professional standards, we have confirmed our independence.

Management representation letter

In accordance with professional standards, a copy of the management representation letter is included in Appendix 4.

Appendix 3: Current developments and audit trends

Current Developments, created by the KPMG Public Sector and Not-for-Profit Practice, summarizes regulatory and governance matters impacting public sector entities today, or expected to impact them over the next few years. We provide this information to help public sector entities understand upcoming changes and challenges they may face in their industry. Some of these developments may not impact the District directly, but we believe it is important for the Board of Directors to understand what is happening in the sector.

Public Sector Accounting Standards

Standard	Summary and implications
Impact of COVID-19	– In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19.
Asset Retirement Obligations	– The new standard is effective for fiscal years beginning on or after April 1, 2022. The effective date was deferred by one year due to COVID-19. – The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area. – The ARO standard will require the public sector District to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets (“TCA”). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life. – As a result of the new standard, the public sector District will have to: • Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; • Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; • Begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.

Appendix 3: Current developments and audit trends (continued)

Standard	Summary and implications
Revenue	– The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19. – The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. – The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. – The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector district the right to the revenue.
Purchased Intangibles	– In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. Practitioners are expected to use the definition of an asset, the general recognition criteria and the GAAP hierarchy to account for purchased intangibles. – PSAB has approved Public Sector Guideline 8 which allows recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to Section PS 1000 Financial statement concepts to remove prohibition on recognition of intangibles purchased through exchange transactions and PS 1201 Financial statement presentation to remove the requirement to disclose that purchased intangibles are not recognized. – The effective date is April 1, 2023 with early adoption permitted. Application may be retroactive or prospective.

Appendix 3: Current developments and audit trends (continued)

Standard	Summary and implications
Public Private Partnerships ("P3")	– PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. PSAB in the process of reviewing feedback provided by stakeholders on the exposure draft. – The exposure draft proposes that recognition of infrastructure by the public sector district would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends. – The exposure draft proposes that the public sector district recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. – The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project. – The final standard was approved in December 2020 with an issuance date of April 1, 2021 and an effective date of April 1, 2023.
Concepts Underlying Financial Performance	– PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards. – PSAB has released four exposure drafts for the proposed conceptual framework and proposed revised reporting model, and their related consequential amendments. Comments on the exposure drafts are due in May 2021. – PSAB is proposing a revised, ten chapter conceptual framework intended to replace PS 1000 *Financial Statement Concepts* and PS 1100 *Financial Statement Objectives*. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced. – In addition, PSAB is proposing: • Relocation of the net debt indicator to its own statement and the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. • Separating liabilities into financial liabilities and non-financial liabilities. • Restructuring the statement of financial position to present non-financial assets before liabilities. • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). • Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called "accumulated other". • A new provision whereby an entity can use an amended budget in certain circumstances. • Inclusion of disclosures related to risks and uncertainties that could affect the district's financial position.

Appendix 3: Current developments and audit trends (continued)

Our discussions with you, our audit opinion and what KPMG is seeing in the marketplace - both from an audit and industry perspective - indicate the following is specific information that will be of particular interest to you. We would, of course, be happy to further discuss this information with you at your convenience.

Thought leadership

Thought leadership	Overview	Link
2020 Audit Quality and Transparency Report	Learn about KPMG's ongoing commitment to continuous audit quality improvement. KPMG maintains a system of audit quality control that is designed to meet or exceed the requirements of the applicable professional standards. In fact, we are continuously reviewing our policies and practices to ensure we're aligned with all regulatory and professional requirements, which if our firm commitment to each other as well as to our clients and to the capital markets we serve.	Link to report
Put your data to work to gain competitive advantage	There is no "digital economy". The economy is digital and "digits" refer to data. Data is the lifeblood of every organization on this planet and organizations that embrace this notion are well positioned to grow as industries continue to evolve and disrupt at an ever increasing pace.	Link to report
Predictive analytics, it works	CEOs recognize the value that predictive analytics delivers to their decision-making process.	Link to report
Creating the workforce of the future	You can't transform the organization without also transforming the workforce. It may be time to rethink the people strategy.	Link to report
Accelerate	Introducing KPMG's 2021 edition of Accelerate, a series of articles and videos offering insight into the key issues driving Board agendas, including: – Cyber risk – Internal control over financial reporting, disclosures and regulation – Digital disruption – Enterprise risk management – The evolution of environmental, social and governance (ESG) and disclosures	Link to report
Board Leadership Centre	KPMG provides leading insights to help Board members maximize boardroom opportunities.	Link to site

Appendix 3: Current developments and audit trends (continued)

COVID-19 pandemic resources

Resources	Summary	Links
Resources for management and the Board of Directors	Please visit our COVID-19 website for resources regarding the topics below. This site is being updated daily based on information being released by federal, provincial and municipal news releases. – Business continuity guide – Immediate actions to take – Medium to long-term actions – Tax considerations and a summary of federal and provincial programs – Legal considerations – Financial reporting and audit considerations – Global perspectives	COVID-19 Alerts (Live Link)

Appendix 4: Management representations letter

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as "financial statements") of Capital Regional District ("the Entity") as at and for the period ended December 31, 2020.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in Attachment I to this letter.
We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated April 8, 2021, including for:

   a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
   b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements, such as all financial records and documentation and other matters, including:
      (i) the names of all related parties and information regarding all relationships and transactions with related parties; and
      (ii) the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of the board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
   c) providing you with unrestricted access to such relevant information.
   d) providing you with complete responses to all enquiries made by you during the engagement.
   e) providing you with additional information that you may request from us for the purpose of the engagement.
   f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
   g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
   h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

Internal control over financial reporting:

2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Appendix 4: Management Representation Letter (continued)

Fraud & non-compliance with laws and regulations

3) We have disclosed to you:

a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
b) all information in relation to fraud or suspected fraud that we are aware of that involves:
   - management;
   - employees who have significant roles in internal control over financial reporting; or
   - others

   where such fraud or suspected fraud could have a material effect on the financial statements.
c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

5) We have disclosed to you the identity of the Entity's related parties.
6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Appendix 4: Management Representation Letter (continued)

Misstatements:

11) The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.

12) We approve the corrected misstatements identified by you during the audit described in Attachment II.

Non-SEC registrants or non-reporting issuers:

13) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

_____
Mr. Robert Lapham, Chief Administrative Office

_____
Mr. Nelson Chan, Chief Financial Officer

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Fraud & Error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatement Schedule

Year ended December 31, 2020

Corrected misstatements

- A decrease in cash and accounts payable of $262,562 to reflect payments made before year end.
- A decrease in sales of services revenue and other expenses by $729,615 for elimination of internal charges.
- A decrease in revenue and increase of development cost charges of $293,000 for amounts related to revenue earned in 2021.
- An increase in revenue from the Federal government of $17M for recognition of grant holdbacks on substantial completion of CAWTP.
- Within Note 14 to the financial statements, an increase in federal government grants and decrease in provincial government grants of $1,906,394 to align with the source of funds received.

Uncorrected misstatements

	Statement of operations effect	Statement of financial position effect		
Description	**(Decrease) Increase**	**Assets (Decrease) Increase**	**Liabilities (Decrease) Increase**	**Accumulated Surplus (Decrease) Increase**
Understatement of landfill liability and expense for methodology based on current practices in use	(1,479,449)	-	1,479,449	(1,479,449)
Overstatement of system developer charges earned in 2019 rather than 2020	(563,047)	-	-	-
Overstatement of revenue for assets acquired in previous years	(248,134)	-	-	-
Understatement of revenue for recognition of Safe Restart Grant on receipt	1,118,800	-	(1,118,800)	1,118,800

Year ended December 31, 2019

Uncorrected misstatements

	Statement of operations effect	Statement of financial position effect		
Description	**(Decrease) Increase**	**Assets (Decrease) Increase**	**Liabilities (Decrease) Increase**	**Accumulated Surplus (Decrease) Increase**
Understatement of system developer charges earned in 2019 rather than 2020	563,047	-	(563,047)	563,047
Understatement of assets and accumulated surplus for assets acquired in previous years	-	248,134	-	248,134



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PRIVATE & CONFIDENTIAL

Nelson Chan
Chief Financial Officer
Capital Regional District
625 Fisgard Street
Victoria, BC V8W 2S6

May 5, 2021

Dear Mr. Chan:

Re: Reporting on internal control matters

In planning and performing our audit of the consolidated financial statements of Capital Regional District ("the District") for the period ended December 31, 2020, we obtained an understanding of internal control over financial reporting (ICFR) relevant to the District's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR. Accordingly, we do not express an opinion on the effectiveness of the District's ICFR.

Our consideration of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. As a result, any matters reported below are limited to those deficiencies in ICFR that we identified during the audit.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

IDENTIFICATION

We did not identify any significant deficiencies in internal control.

Refer to the Appendix D for the definitions of various control deficiencies.

OTHER CONTROL MATTERS

We identified certain control matters that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. Refer to Appendices A, B and C.

MANAGEMENT'S RESPONSES

Management's responses have not been subjected to the audit procedures applied in the audit, and accordingly, we express no opinion on them.

USE OF LETTER

This letter is for the use of management and those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purpose or anyone other than management and those charged with governance. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

KPMG LLP

Chartered Professional Accountants

Appendix A — Current Year Other Control Matters

1. Amortization Policy

Observation and implication:
During our procedures over amortization expense, it was noted that management has an accounting practice, whereby newly constructed or purchased assets are not amortized until the year after they are placed in use due to the District's annual capitalization process occurring at year-end. Capital Region Housing Corporation also has an accounting practice for amortization. However, the Corporation's practice is to recognize a full year of amortization in the year the asset is placed in use. Current amortization practices could result in material differences when comparing amortization recognized and amortization calculated from an in-use date.

Recommendation:
We recommend management assesses the consistency of practice between the District and Corporation. With higher value property purchases and large-scale capital projects, the policy should also include guidance on how to calculate amortization on material new assets.

Management Response:
As part of the Corporate Asset Management Strategy, a revision to the tangible capital asset policy is underway. The revision includes enhanced accounting practices for asset componentization, useful life, depreciation, criticality and condition of assets. The recommendation to align across entities and to introduce a more precise calculation in the first year of an asset does align with internal findings and will be incorporated into the revised version. Implementation of the revised policy is currently anticipated for the 2022 calendar year. For 2021, a review will be performed on all significant assets being placed into use in the year and amortization will be calculated based on when they are placed into use.

Appendix B – Update on Previous Year's Continuing Other Control Matters

1. Recurring financial reporting adjusting entries

Observation and implication:
During our audit, we noted that many manual adjusting entries required for financial reporting are not recorded in SAP but are recorded each year end as "PSAB" entries. These entries are tracked in excel and are the trail to reconciling balances in SAP to the final audited financial statements. Tracking these entries in excel rather than directly in SAP increases the risk entries are incorrect, incomplete or knowledge of their source is lost during unexpected employee turnover or extended leave.

Update from 2020 Audit:
During our audit, we noted the number of manual entries was consistent with previous years. The documentation trail remains complex; however, the finance team's understanding and explanation of amounts had improved. The District is in the process of reviewing its internal controls over financial reporting to assess whether there are alternate methods of recognizing the above entries.

Recommendation:
We recommend that management continue to prioritize the review and integration of year end adjusting journal entries into the system trial balance rather than through manual excel adjustments. Further, we recommend as the District moves to recording entries in SAP where possible, that a continued focus remain on developing clear documentation to facilitate transfer of knowledge between individuals should unexpected employee turnover or extended leave occur.

Management Response:
During 2020, the system was developed to allow corporate level closing entries to be posted in the system. For the 2020 year-end a number of entries were migrated to SAP and are no longer adjusted manually. In addition, analysis was performed on the remaining manual entries and migration of more entries is planned for the 2021 year-end.

2. Reporting of Serious Misconduct Policy

Observation and implication:
The District has a policy entitled 'Reporting of Serious Misconduct' that describes the principles and procedures for reporting and investigating serious misconduct. A definition of serious misconduct is included in the policy, and a reporting matrix exists for communication of such matters through General Managers, the Chief Administrative Officer and Board, depending on nature and severity.

The definition of serious misconduct includes allegations such as misappropriation of funds, theft, embezzlement, kickbacks, bribes and exposure to significant financial loss, however, the Chief Financial Officer is not included in the communication matrix of those that shall be immediately informed of allegations. This information gap can result in a lack of information related to financial risks, inaccurate financial reporting, non-compliance and misinformed decision making.

In addition, we noted the hierarchy matrix remains within the chain of command of the complainant, for example, concerns are escalated through their direct supervisor, manager and General Manager. This could result in management bias and/or conflict of interest in evaluating the validity of the allegations. There is no description of when an independent, third party reviewer would be engaged to conduct the assessment rather than management.

Recommendation:
We recommend the District's policy be reviewed with the following considerations:

- Include the Chief Financial Officer in the communication matrix for any financial allegations;
- Modify the reporting hierarchy to ensure independence in the review process so an individual who is not a direct supervisor is assessing the claim, if internal resources are evaluating the claim;
- Identify when a third party reviewer would be used to assess claims, for example, when related to Board or senior leadership members.

We also recommend communication on a routine basis with management teams of the District's policy towards reporting serious misconduct, risk tolerance towards allegations, and clarification of examples of misconduct. Establishing a strong tone at the top regarding expectations of communication of any allegations is important as a preventative and detective measure, and enables matters to be investigated promptly.

Enhance tracking of allegations in a manner similar to the District's legal claims (a complete and ongoing listing of any matters the District is aware of). This assist with providing the District with a more comprehensive view of such activity, risk mitigation measures and other responses, as needed. We recommend regular reporting to the senior leadership team similar to legal matters take place to encourage awareness, discussion and visibility over how such matters are expected to be assessed.

Management Response:
Recommendations on reporting and design of the policy is taken under advisement. As this is a Board adopted policy, management will integrate various improvements in the next revision for consideration. Management has planned revisions to the Reporting of Serious Misconduct Policy to address recommendations from KPMG. The policy will now have to go through the review process and final board approval.

3. Purchase and Payment Process - Cutoff

Observation and implication:
During our sampling of transactions related to contract for service and consultants expense, we identified an invoice for an environmental survey that was conducted in 2018, with the final deliverable received in 2019; financial services had not been informed of the potential accrual. The amount of the invoice exceeds the $100,000 internal threshold set for the application of accruals, and therefore required an expense and accrued liability to be recorded in 2018. Instead, the amount was recorded as an expense in 2019. Contracts are subject to extended terms of service and if not recorded in the correct period, could result in expenses being recorded in the incorrect fiscal year.

We noted management has made efforts in 2019 and 2020 to review significant accruals and outstanding balance sheet items during the year-end closing process which will continue to promote more accurate accruals and minimize the impact of such cut-off discrepancies. This is a significant undertaking by the Finance team because invoices are received by departments for initial review before being approved and sent to Finance for recording and payment. The existing process can result in payments being made 1-3 months past their due date. Such cut-off discrepancies have been identified by management in previous years.

Recommendation:
We recommend that management evaluate the existing process for processing invoices and consider opportunities to enhance awareness and communication of commitments by departments to the Finance team. Many organizations direct invoices to the Finance team upon receipt for recognition of an expense, then send them to the approving department for review and authorization to pay. This may be a more efficient process for both informing Finance of invoices received and obtaining department approval because Finance can follow up if documents are misplaced. Enhanced line of sight into the existence of invoices upon receipt will provide more complete information to Finance for accurate financial reporting.

Management Response:
The current process is for invoices to be received by vendor contacts across the organization, reviewed for goods and services receipt, coded, approved, and then submitted to Financial Services for payment processing. This process results in varied end-to-end process timing of up to 6 months, limiting the ability to accurately record expenses within a reporting period. Management will evaluate an organization wide change in business process for potential implementation in future years. Management will also continue to perform outreach and education to ensure timely and accurate reporting within a reporting period.

Management implemented an additional control procedure requiring the Manager of Financial Reporting, to review all invoices exceeding $100,000 for potential cut-off issues to determine if the invoice requires accrual into the reporting period if not already accrued for.

4. Expense Report Process – Approval of Board of Directors Expense Reimbursement

Observation and implication:
During our review of Board of Directors' expense reports, we noted that one expense report inspected was approved by an employee not part of the Executive Team. The District's policy is that expense reports related to Board of Directors be approved by the Chief Financial Officer (or alternate member of the Executive Team if not available). KPMG noted that this expense related to an event where the Director was not acting in their capacity as a Board Member, but acting in their capacity as a Chair of a Commission. The budget for meetings of this Commission is assigned to a manager at CRD.

Recommendation:
We recommend that the District's policy be updated to clarify the approval process for expenses related to other related entities, Commissions or Boards.

Management Response:
Recommendations on improvements to the existing policy is taken under advisement. As this is linked to a Board adopted policy, management will integrate various improvements in the next revision for consideration.

Management will also continue to perform outreach and education to ensure timely and accurate reporting.

Management has drafted revisions to the Board Remuneration and Travel Expense Reimbursement policy to address recommendations noted by KPMG. The revised policy will also go through the review and approval process to obtain board approval.

5. Expense Report Process - Approval of Chief Administrative Officer Expense Reimbursement

Observation and implication:
During our review of expense reports, we noted that the CAO's expense reports are reviewed and authorized for reimbursement by the CFO, not the Board of Directors. As best practice, expense reports should be approved by an employee's supervisor.

As a preventative control, a guideline was implemented in 2017 requiring the CAO to complete a Training and Development Request form and obtain pre-approval by the Board Chair before the CAO is able to travel or attend an event. As per the guidelines of the pre-approval form, the signed document is kept in the employee's file in the custody and control of the Human Resources department.

Update from 2020 Audit:
During our review of expense reports, we noted that the CAO's expense report for the item selected in April 2020 was reviewed by the CFO, not the Board of Directors.

Recommendation:
Pre-approval for travel and events is an effective control designed to capture the largest costs being incurred. As a good practice, we recommend that the CAO's expense reports be reviewed and approved by the Board Chair and a policy for the CAO's expense reports be created to reflect this requirement. In addition to a review of the amount of expenses incurred, the focus of this approval is an evaluation of the nature and reasonability of expenses incurred in compliance with District policy. We recognize the current process may achieve more timely reimbursement, and that a practical control may involve addition of Board review after review by the CFO and payment takes place. A preventative control before payment is a stronger control than after payment.

Management Response:
Recommendations on improvements to the existing process is taken under advisement. Management will review and present a recommendation to the Board Chair.

As discussed in prior years, in addition to the requirements of the local government act, the Chief Financial Officer is a designated Chartered Professional Accountant and bound by the professional code of conduct and ethics governed by CPA Canada.

Additionally, as a preventative control, a guideline was implemented in 2017 requiring the CAO to complete a Training and Development Request form and obtain pre-approval by the Board Chair before the CAO is able to travel or attend an event. As per the guidelines of the pre-approval form, the signed document is kept in the employee's file in the custody and control of the Human Resources department.

A review of delegated authority, budget authority and disbursement signing authority matrix was completed in 2020. Staff recommend sign off on CAO expenses consistent with KPMG recommendations which require all expense reimbursements to be signed by Board chair. This extends the existing procedure to not only cover travel expenses, but all expense claims.

Appendix C – Update on Previous Year's Closed Other Control Matters

1. Related Party Transactions with Board of Directors

Observation and implication:
In 2018, the adoption of a new accounting standard resulted in the District requesting Declarations of Related Party Transactions from the Board of Directors covering both pre- and post-election Directors. There were five Directors where the Declaration form was not received. Further, in 2019 there were two Directors where the Declaration form was not received.

In the absence of a Declaration form, management placed reliance on the Oaths taken by Directors. While the Oaths address Directors not allowing private interest to influence their conduct in public matters, they do not cover any potential transactions with related parties.

Update from 2020 Audit:
During our review of the declarations submitted by the Board Directors, it was noted that all Directors submitted the signed declaration forms.

2. Expense Report Process - Cutoff Policy

Observation and implication:
During our review of Board Member expense reports, we noted an instance where vehicle mileage recorded as an expense and reimbursed in 2017 actually occurred in 2016. Staff Travel Expenses Procedures point G. Claims Procedure states the following: Claims for travel expenses are to be submitted on the CRD Travel Expense Report claim form within 30 days of the period in which the expenses were incurred. Submission of expenditures for reimbursement after the 30-day period particularly at year end increases the risk of cut-off errors and inaccurate expense balances.

Update from 2020 Audit:
During our review of Board Member expense reports, we noted no instances where a cutoff error existed.

3. Bank Reconciliation Process – Capital Regional Housing Corporation (CRHC)

Observation and implication:
During our review of the year-end bank reconciliation for CRHC, we observed outstanding cheques aged past 60 days were included as reconciling items, indicating that they were stale-dated. Neither CRD nor CRHC has a policy on stale-dated cheques nothing when to investigate, reissue or write off such items. Continuing to include stale-dated cheques on bank reconciliations can decrease the efficiency of the reconciliation process and results in recipients not relieving CRD's liability to them.

Update from 2020 audit:
During our audit, we performed substantive procedures over the bank reconciliation for the Corporation and noted no issues with cheques aged over 60 days. We noted a standard operating policy has been drafted for stale-dated cheque.

4. Expense Report Process – certification of attendance and accuracy

Observation and implication:
During our review of Board of Directors' expense reports, we noted there are activities and events Directors attend and are compensated for that do not have readily available supporting documentation to verify both the occurrence and type of business expense such as attendance at external meetings, training or conferences that take place outside the District's premises. Where possible, external documentation to verify attendance is preferred to support the dates, duration and accuracy of these costs. It provides a clear documentation trail that the amounts and nature of expenses are in compliance with Board policy. In the absence of such documentation being available, a certification by Directors can serve as alternate support for the accuracy of amounts claimed.

Update from 2020 audit:
During our audit, we did not note any instances where activities and events that Directors attended did not have support available.

Appendix D – Definitions

Terminology	Definition
DEFICIENCY IN INTERNAL CONTROL	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing; or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or the person performing the control does not possess the necessary authority or competence to perform the control effectively.
SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL	A significant deficiency in internal control is a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

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REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 05, 2021

SUBJECT **Capital Regional District External Grants Update**

ISSUE SUMMARY

A bi-monthly update on external grants activity for the period of February 8 through April 12, 2021.

BACKGROUND

This report summarizes activities and outcomes since the CRD External Grants Update was last presented at the March 2021 Board meeting. Additionally, the CRD External Grants Dashboard (Appendix A) details grant applications, awards, and status of projects in progress.

IMPLICATIONS

Financial Implications

Grants / Contributions Awarded

1. An additional $575,000 through the Provincial Government's COVID-19 Safe Restart Grant for Local Governments for impacts related to service delivery through the pandemic. Total grants received through this program are $1.9M.

2. $337,256 through the Federal Government's Reaching Home grant to support vulnerable Indigenous populations facing homelessness. Total grants received through the Reaching Home program-Indigenous populations total $1.0M since 2019.

3. $224,354 through BC Transit's Annual Operating Agreement and Safe Restart Contribution for the Salt Spring Island Transportation Service to deliver on island conveyancing.

4. $76,000 through the Community Economic Recovery Infrastructure Program – Unique Heritage Infrastructure Stream for the Goldstream Powerhouse Roof Replacement project.

5. $3,256 through the 2020 Canada Summer Jobs Program for Parks Summer Grant. Total grants received through this program for 2020 are $78,140.

Five grants are under news embargo.

Applications Submitted

Seven applications were submitted:

1. $127,907 through the 2021 FireSmart Economic Recovery Fund-Community Resiliency Investment Program-UBCM for the Capital Regional FireSmart Economic Recovery project.

2. $100,000 through the Canada Healthy Communities Initiative for the Salt Spring Island Parks and Recreation Centennial Park Plaza project.

3. $49,806 through the Habitat Stewardship Program for Species at Risk for the State of Species at Risk project for Regional Parks.

4. Up to $40,000 through the Natural Resources Canada – Zero Emission Vehicle Infrastructure Program, MURBS, Workplaces and LDV Fleets for Eight Level Two Electric Vehicle Chargers for corporate fleet chargers.

5. $25,000 through the 2021 Emergency Operations Centres & Training-Community Emergency Prepardeness Fund for the CRD Electoral Area EOC Functional Exercises.

6. $9,000 through the Salt Spring Island Foundation for the Centennial Park Gazebo project.

7. $1,000 through the ParticipACTION Community Better Challenge for the Swim the Southern Gulf Islands.

Core Area Wastewater Treatment Plant Project Update

The Core Area Wastewater Treatment Plant project is partially funded by the Federal Government, the Province of BC, and the Federation of Canadian Municipalities. Since the last update to committee and Board, the CRD received the final holdback payment from the Building Infrastructure Grant of $12M. Cumulatively, the CRD has received $351M of the estimated $462M in grants. The remaining $111M is expected to be received in 2021 based on timing of eligible expenditures and achievement of target milestones.

Service Delivery Implications

New Grant Opportunities

Twenty-seven new grant calls were issued during the reporting period. Grant Calls in Progress for which the CRD is eligible to apply are featured in Appendix A (see pages 7–9), and in the table below:

Grant	Deadline	Information
ParticipACTION Community Better Challenge	26-Feb-21	Funds physical activity events and/or programs in person/virtually from June 1-30, 2021 (Challenge period).
Immunization Partnership Fund: Public Health Agency of Canada	05-Mar-21	Provides funding for projects on COVID-19 vaccines that may include capacity, outreach, promotion, and education.
Canada Healthy Communities Initiative	09-Mar-21 25-Jun-21	Provides funding to create public spaces, improve mobility options, and provide digital solutions.

Grant	Deadline	Information
Canada Learning Bond Grants and Contributions Pilot Projects: Phase II-Employment and Social Development Canada	17-Mar-21	Provides funding to organizations that are testing enrolment models for Canada Learning Bond eligible children.
Emergency Operations Centres and Training-Community Emergency Prepardness Fund-UBCM	26-Mar-21	Provides funding for supplies, equipment, and capacity for Emergency Operations Centres.
Economic Recovery Intake-Connecting British Columbia Program	31-Mar-21	Short-term opening funding opportunity to improve and expand immediate connectivity projects.
AgriSpirit Fund-Farm Credit Canada	31-Mar-21	Provides funding to capital and sustainability projects where the city or town's population is less than 150,000.
Community to Community Forum	01-Apr-21	Provides funding to host a Regional Community to Community Forum
Canada Arts Presentation Fund	1. 01-Apr-21 2. Continuous	Two streams to support art festivals/series/ presenters/presenter organizations: 1. Presenter Support Organizations 2. Development
Clean Transportation System – Research and Development	15-Apr-21	Provides funding for research projects on aviation, marine and rail sectors with the goal to reduce GHG emissions and support climate change.
Strengthening Communities' Services-UBCM	15-Apr-21	Part of Safe Restart funding to provide support to unsheltered homeless populations and address community impacts.
Asset Management Planning Program-UBCM	30-Apr-21	Provides funding to support asset management development (planning/training/resources, etc.).
Community Anniversaries-Building Communities through Arts and Heritage	30-Apr-21	Provides funding for one-time events/capital projects that celebrate the 100th (or 125th/150th/175th, etc.) anniversary of a significant historical event/personality.
CleanBC Industry Fund	1. 30-Apr-21 2. 24-May-21 3. TBC	Three streams to reduce GHG emissions in industries: 1. Emissions performance 2. Innovation accelerator 3. Project feasibility studies
Jumpstart – Sports Relief Fund	02-May-21	Provides funding for operational and delivering program support for sport/recreational programming.
Local Government Development Approvals Program-UBCM	07-May-21	Part of Safe Restart funding to provide support for local governments to improve the development approvals processes.
2021 Active Transportation Planning	22-May-21	Provides funding to incorporate or enhance active transportation of formal planning documents.

Grant	Deadline	Information
PlanH 2021 Healthy Communities	01-Jun-21	Supports projects that promote equitable and inclusive and healthier communities. Two streams: 1. Community Connectedness 2. Healthy Public Policy
Housing Needs Report Planning-UBCM	04-Jun-21	Provides funding to produce, publish or update housing needs report.
Zero Emission Vehicle Infrastructure program	22-Jun-21	Funding for ZEV infrastructure projects in public places, on-street, multi-unit residential buildings, workplaces and light-duty vehicle fleets
Infrastructure Planning Grant Program	16-Jul-21	Funding for local governments to develop/improve long-term plans.
Green Municipal Fund: Local Home-Energy Upgrade Financing Program	Continuous	Loan/grant program for home energy upgrades.
Economic Development Readiness Program	Continuous	Supports capacity building and investment readiness projects within the Island Coastal Economic Trust regions

Forthcoming Funding Initiatives

1. Island Health Community Wellness Granting Program 2021/22 intake, forthcoming spring 2021.

CONCLUSION

The CRD recognizes grants are a supplementary funding source to address the needs of services provided to the region. The External Grants Update outlines how the CRD continues to integrate and consider these grant opportunities relative to service needs, as well as informing local partners of these opportunities through the grants dashboard. The CRD will continue to provide a summary of activities and outcomes in the External Grants Update on a bi-monthly basis.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
That the Capital Regional District External Grants Update be received for information.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: External Grants Dashboard

Grants Administration Dashboard Externally Sourced Grant Funding

STATUS LEGEND: Intent to apply | Work in Progress (=delay) | Application Done - Outcome pending | Project Done (=payment pending) | Application Declined | Links to information

GRANT APPLICATIONS IN PROGRESS

Grant Program Links	Application Deadline	Project	Status	Board Resolution	Comments	Grant Ask	% of Total Project (Eligible & Ineligible Costs)
Disaster Mitigation and Adaptation Program	17-Jul-20	Construction of Regional and Sub-Regional Seismically Resilient Water Supply	☑	N/A	IWS - Infrastructure Operations is the lead	$ 36,900,000	42%
CleanBC - BC Hydro Commercial Custom Program	N/A	Panorama Energy Recovery Project	☑	N/A	PES - Panorama is the lead	$ 200,000	7%
Jumpstart Community Development Program	01-Feb-20	Swim Program for Indigenous Children and Youth	☑	N/A	PES - Panorama is the lead. Postponed due to COVID-19.	$ 2,692	TBC
Island Health Community Wellness Grant	26-Feb-20	Lifeguard Academy for Indigenous Youth	☑	N/A	PES - Panorama is the lead. Postponed due to COVID-19.	$ 13,264	TBC
Investing in Canada Infrastructure Program – Green Infrastructure – Environmental Quality Program	26-Feb-20	Juan de Fuca Water Distribution Service for Anderson Cove	☑	12-Feb-20	IWS - Infrastructure Operations is the lead	$ 1,460,000	71%
Investing in Canada Infrastructure Program – Green Infrastructure – Environmental Quality Program	26-Feb-20	Magic Lake Estates Wastewater System Renewal	☑	12-Feb-20	IWS - Infrastructure Operations is the lead	$ 5,390,000	44%
Canada Summer Jobs	24-Feb-20	Summer student funding	☑	N/A	Human Resources is the lead. Approved for SSI Parks and Recreation $5,895, SEAPARC 1 $15,976, SEPARC 2 $16,352, Panorama-Greenglade $32,704, Environmental Protection $3,957, and Regional Parks $3,256 -total approved $78,140.	$ 117,384	TBC
Municipal Asset Management Program-FCM	Continuous	Asset Life-Cycle Assessment Policy and Procedures	☑	Required	Asset Management is the lead	$ 50,000.00	80%
Investing in Canada Infrastructure Program-Community, Culture, and Recreation Stream	01-Oct-20	Elk/Beaver Lake Oxygenation System	☑	9-Sep-20	Regional Parks is the lead	$ 700,000.00	42%
Investing in Canada Infrastructure Program-Community, Culture, and Recreation Stream	01-Oct-20	Fernwood Elementary School Athletic Field Upgrades	☑	9-Sep-20	SSI Administration is the lead	$ 646,587.00	73%
Investing in Canada Infrastructure Program-Rural and Northern Communities Stream	22-Oct-20	Maliview Wastewater Treatment Plant Upgrade	☑	9-Sep-20	SSI Administration is the lead	$ 1,989,000.00	88.47%
Investing in Canada Infrastructure Program-Rural and Northern Communities Stream	22-Oct-20	Lyall Harbour Boot Cove Water Service Improvements Project	☑	9-Sep-20	IWS is the lead	$ 1,110,600.00	95.69%
Investing in Canada Infrastructure Program-Rural and Northern Communities Stream	22-Oct-20	Port Renfrew Water Supply Line Replacement Project	☑	14-Oct-20	IWS is the lead	$ 1,573,918.00	96.92%
Investing in Canada Infrastructure Program-CleanBC Communities Fund	12-Nov-20	Panorama Recreation Energy Recovery project	☑	14-Oct-20	PES - Panorama is the lead	$ 1,972,430.00	70%
New Horizons for Seniors Program	20-Oct-20	Community Garden Improvements at Greenglade Community Centre	☑	N/A	PES - Panorama is the lead	$ 25,000.00	100%
Building BC - Community Housing Fund	04-Sep-20	2780 Spencer Rd project in partnership with the Capital Regional Housing Corporation.	☑	N/A	Regional Housing is the lead. Approved to move forward in process-funding subject to BC Housing approval	TBC	TBC
Community Economic Recovery Infrastructure Program-Unique Heritage Infrastructure Stream	29-Oct-20	Goldstream Powerhouse Roof ($76,360) & Emma and Felix Jack Park Cultural Heritage Project ($15,700)	☑	N/A	Regional Water Supply Service and Mayne Island Parks and Recreation Commission. Approved for $76K for Goldstream Powerhouse Roof Project	$ 92,060.00	99.14%

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GRANT APPLICATIONS IN PROGRESS

Community Economic Recovery Infrastructure Program-Community Economic Resilience Stream	29-Oct-20	Revitalization of Greenglade Community Centre Outdoor Space	☒	N/A	PES - Panorama is the lead	$ 329,520.00	95.65%
Community Energy Financing - FCM	30-Oct-20	Capital Regional Residential Energy Retrofit Program	☑	14-Oct-20	PES - Environmetal Protection - Climate Action is the lead	$ 175,000.00	54.69%
COVID-19 Safe Restart Grants for Local Governments	N/A	Funding for local operations impacted by COVID-19	➲	N/A	Additional allocation of $575K to the $1.4M received.	$ 1,996,000.00	N/A
Investing in Canada Infrastructure Program-COVID-19 Resilience Infrastructure Stream	27-Jan-21	Regional Galloping Goose Bridge Replacements & Repair Project	☑	10-Feb-21	Regional Parks is the lead	$ 1,000,000.00	88.89%
Investing in Canada Infrastructure Program-COVID-19 Resilience Infrastructure Stream	27-Jan-21	JDF Willis Point Fire Department Water Supply Expansion	☑	10-Feb-21	JDF EA Planning and Willis Point Fire Protection and Recreation Commission	$ 41,865.00	100.00%
Investing in Canada Infrastructure Program-COVID-19 Resilience Infrastructure Stream	27-Jan-21	SSI Drake Road Trail Upgrade Project	☑	10-Feb-21	SSI Administration is the lead	$ 90,127.00	81.93%
Investing in Canada Infrastructure Program-COVID-19 Resilience Infrastructure Stream	27-Jan-21	SGI Pender Island Alice Church Multi-Modal Trail	☑	10-Feb-21	SGI Administration and Pender Island Parks and Recreation Commission.	$ 235,778.00	90.36%
Community Emergency Preparedness Fund – Evacuation Route Planning	06-Nov-20	Capital Regional District: Southern Gulf Islands, Salt Spring Island, and Juan de Fuca Evacuation Route Planning	☒	10-Feb-21	Protective Services	$ 21,863.00	100.00%
Community Emergency Support Services – Emergency Support Services	29-Jan-21	CRD ESS Drills and Equipment Funds	☑	10-Mar-21	Protective Services	$ 25,000.00	100.00%
CleanBC Organic Infrastructure and Collection Program – Organic Processing Infrastructure	04-Feb-21	Salt Spring Island Composting Project	☑	10-Feb-21	Environmental Resource Management - Partnership project TBC	$ 168,462.00	44.44%
Canada Summer Jobs	03-Feb-21	SEAPARC 1 ($24,320), Regional Parks ($3,192), IWS ($4,964), Panorama – Tennis ($9,728), Panorama – Aquatics ($21,888), Panorama – Summercamp ($3,344). Panorama – Daycamp ($25,992), and SSI – Parks & Rec ($6,080).	☑	N/A	Human Resources is the lead	$ 99,508.00	TBC
Natural Resources Canada – Zero Emission Vehicle Infrastructure Program, MURBS, Workplaces and LDV Fleets	04-Jun-20	Eight Level Two Electric Vehicle Chargers, applied for up to $40,000 for corporate fleet chargers.	☑	N/A	Climate Action is the lead	TBC	TBC
Habitat Stewardship Program for Species at Risk	02-Mar-21	State of Species at Risk project for Regional Parks	☑	N/A	Regional Parks is the lead	$ 49,806.00	39.45%
Salt Spring Island Foundation	31-Mar-21	Centennial Park Gazebo	☑	N/A	SSI Parks and Recreation	$ 9,000.00	31.03%
Canada Healthy Communities Initiative	09-Mar-21	Salt Spring Island Parks and Recreation Centennial Park Plaza Project	☑	N/A	SSI Parks and Recreation	$ 100,000.00	33.33%
ParticipACTION Community Better Challenge	26-Feb-21	Swim the Southern Gulf Islands	☑	N/A	SSI Parks and Recreation	$ 1,000.00	TBC
2021 FireSmart Economic Recovery Fund-Community Resiliency Investment Program-UBCM	19-Mar-21	Capital Regional FireSmart Economic Recovery	☑	Required	Protective Services	$ 127,907.00	100.00%
2021 Emergency Operations Centres & Training-Community Emergency Prepardeness Fund	26-Mar-21	CRD Electoral Area EOC Functional Exercises	☑	Required	Protective Services	$ 25,000.00	100.00%
					TOTAL GRANT ASKS IN PROGRESS (EXCLUDING CORE AREA LIQUID WASTE MANAGEMENT)	$ 95,046,729	

Grants Administration Dashboard Externally Sourced Grant Funding

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CORE AREA LIQUID WASTE MANAGEMENT - GRANT FUNDING STATUS

	Grant Program Links	Contribution Terms and Purpose	Status	Board Resolution	Comments	Grant Award Maximum	Redeemed to Date
CORE AREA GRANTS	Infrastructure Canada - 3P Funding Agreement (Federal funding)	Lesser of 25% of eligible costs or $83.4M for a bio-solids energy centre treatment facility for wastewater sludge.				$ 41,000,000	$ -
	Infrastructure Canada - Building Canada Fund (Federal funding)	Up to 50% of eligible costs to a maximum of $120M for construction of the McLoughlin Point Wastewater Treatment Plant, marine outfall pipe, and completion of the Victoria Harbour crossing.			Funding agreements executed. Construction to start in April 2017 as per March 16, 2017 joint media release (Canada, BC, CRD)	$ 120,000,000	$ 120,000,001
	Infrastructure Canada - Green Infrastructure Fund (Federal funding	Up to 50% of eligible costs to a maximum of $50 M to upgrade Clover Point and Macaulay Point pump stations, implement attenuation tanks, and upgrade existing pump stations and piping systems.				$ 50,000,000	$ 45,000,001
	Provincial Funding	The lesser of 1/3 total cost (excluding land acquisition cost) or $248M for construction of the wastewater treatment plant, the energy centre for sludge treatment, and conveyance system upgrades - all serving the Core Area.		08-Mar-17	CRD Board approved execution of the Provincial Agreement	$ 248,000,000	$ 186,000,000
	FCM - Green Municipal Fund - Water Capital Projects	Approved for a $3M grant in combination with a $20M loan.				$ 3,000,000	$ -
	TOTALS					$ 462,000,000	$ 351,000,002

Grants Administration Dashboard Externally Sourced Grant Funding

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	Grant Program Links	Dept.	Project Deadline	Project	Status	Lead	Project Cost (Estimate)	Grant Award
PROJECTS IN PROGRESS	Regional District Grant 2020	FT	N/A	Unconditional grant to fund administrative costs.	Project Done	Financial Services	N/A	$ 60,000
	Bike BC Cycling Infrastructure Program	PES	30-Jun-21	E&N Rail Trail Phase 3: Atkins Ave. to Savory School	Work in Progress	PES: Infrastructure Engineering and Facility Management	$ 4,157,536	$ 1,000,000
	Building BC - Community Housing Fund	PPS	2023	Caledonia Housing Project	Work in Progress	CRD Housing is the lead. Application is also seeking mortgage subsidy of $666,500 per year. Supported by CRHC resolution 24-Jul-2018.	$ 50,225,725	$ 15,500,000
	Clean Water Wastewater Fund	IWS	31-Mar-18	Port Renfrew Water Main Replacement Project	Project Done	IWS - Infrastructure Engineering	$ 628,634	$ 488,103
	Climate Action Revenue Incentive Program (CARIP)	PES	01-Jun-20	Conditional grant report	Project Done	PES - Climate Action	$ 69,928	$ 69,928
	Island Pathways (SSI) grant from SSI Foundation	PES	31-Dec-19	Development of the Booth to Baker Pathway	Work in Progress	SSI Administration. Island Pathways obtained this grant from SSI Foundation to support CRD's work. Total cost to be confirmed.	$ 140,000	$ 100,000
	Investment in Housing Innovation	PPS	31-May-20	3816 Carey Road Affordable Housing Project	Work in Progress	Regional Housing	$ 15,249,662	$ 7,156,662
	BC Hydro - Business Energy Saving Incentives Program	PES	31-Mar-20	Panorama LED lighting upgrade	Work in Progress	PES - Panorama is the Lead	$ 60,000	$ 21,600
	Community Emergency Preparedness Fund	PPS	27-Mar-20	Evaculation Route Planning for Electoral Areas	Work in Progress	Protective Services	$ 25,000	$ 25,000
	FCM Green Municipal Fund - Brownfield Renewal	WWTP	31-Mar-20	McLoughlin Point: Delineation of Groundwater, Bedrock and Soil Contamination	Work in Progress	Core Area WWTP	$ 379,200	$ 175,000
	FCM Green Municipal Fund - Brownfield Renewal	WWTP	31-Mar-20	McLoughlin Point: Remediation and Risk Assessment	Work in Progress	Core Area WWTP	$ 343,800	$ 171,200
	Victoria Foundation Community Grants	PPS	1-Apr-20	Connect & Prepare- Housing Tenant Support	Work in Progress	PPS - Regional Housing is the Lead	$ 167,669	$ 20,000

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PROJECTS IN PROGRESS (con't)

Community Resiliency Investment	PPS	30-Apr-20	FireSmart training in the Electoral Areas: Saturna, Pender, Juan de Fuca, SSI FireSmart Cross-Training	Protective Services	$ 100,000	$	100,000
UBCM Federal Gas Tax - Strategic Priorities Fund	PES	30-Jun-20	SEAPARC Leisure Complex Expansion	SEAPARC	$ 3,410,406	$	1,240,000
FCM Green Municipal Fund - Pilot Project	F&T	31-Oct-21	Zero Emissions Fleet Initiative	Risk Management - Climate Action	$ 1,087,000	$	350,000
BC Rural Dividend	PES	22-Mar-21	Engineering Design for SGI Regional Trails	Regional Parks	$ 200,000	$	100,000
BC Rural Dividend	SSI	22-Mar-21	Shared Service Business Model	SSI Administration	$ 100,000	$	90,750
Invasive Plant Management	PES	31-Mar-21	Invasive Plant Management Project	Environmental Protection Division	$ 32,000	$	32,000
Infrastructure Planning Grant	SSI	31-Mar-21	North Salt Spring Waterworks Infrastructure Assessment	SSI Administration	$ 10,000	$	10,000
Child Care Space Creation Program	SSI	15-Apr-21	SSI PARC Licensed Preschool Child Care Space	SSI Administration	$ 296,460	$	214,600
Affordable Rental Innovation - CMHC	PPS	31-Dec-21	Regional Housing First Program	Regional Housing: Partners include CRD, BC Housing, CMHC at $40M each.	$ 120,000,000	$	120,000,000
Reaching Home-Designated Communities	PPS	31-Mar-24	For community homelessness service projects	PPS: Regional Housing	$ 4,772,699	$	4,772,699
Reaching Home-Indigenous Homelessness	PPS	31-Mar-22	For community homelessness service projects	PPS: Regional Housing	TBC	$	1,011,768
Reaching Home-COVID-19 Response	PPS	30-Jun-21	For community homelessness service projects	PPS: Regional Housing	TBC	$	3,231,049
Island Health Community Wellness	PPS	1-Mar-20	Monitoring the Determinants of Health and Wellness in the Capital Regional	Community Social Planning Council	$ 50,000	$	50,000
BC Hydro Sustainable Communities Program	PES	30-Sep-21	BC Hydro Community Energy Manager staff support	PES - Environmental Protection - Climate Action is the lead	TBC	$	100,000
City of Victoria Housing Reserve Fund	PPS	2023	Michigan Housing Project	PPS-Regional Housing-CRHC	$ 1,395,000	$	1,020,000
Rick Hansen Foundation BC Accessibility Grants	PES	30-Sep-20	Panorama Accessibility Improvements	PES - Panorama is the Lead	TBC	$	20,000
Provincial Urban Deer Cost - Sharing Program	SGI	2020	Program to reduce fallow deer populations on Mayne Island	SGI Administration	TBC	TBC	
Pacific Institute for Climate Solutions Internship Program	PES	31-Dec-20	Climate action student intern	PES - Environmental Protection - Climate Action is the lead	TBC	$	12,000

Grants Administration Dashboard Externally Sourced Grant Funding

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PROJECTS IN PROGRESS (con't)	UBCM-Community Emergency Preparedness Fund-Volunteer & Composite Fire Departments Equipment & Training	PPS	TBD	Joint CRD Volunteer Fire Department Equiptment and Training Project		PPS	$	128,372	$ 114,191
	UBCM-Community Resiliency Investment Program-FireSmart Community Funding & Supports	PPS	TBD	CRD Firesmart Project 2020		Parks and PPS	$	50,900	$ 49,900
	Community to Community Forum	PES	31-Mar-20	Watershed Management Engagement: Elk/ Beaver Lake		PES-Environmental Protection		TBC	$ 4,125
	UBCM Housing Needs Reports Program Grant	PPS	2021	Regional Housing Needs Report-Capital Region		CRD Development and Planning Advisory Committee	$	150,000	$ 150,000
	Community Child Care Space Creation Program	SSI	TBD	Multipurpose room for licensed child care and recreation programs		SSI Administration		TBC	$ 832,725
	Community Emergency Preparedness Fund - Emergency Support Services	PPS	2021	Electoral Area Equipment and Training for Emergency Support Services Modernization		Protective Services		TBC	$ 24,983
	BC Rural Dividend - Rural Community Development Grants	SGI	TBD	SGI Broadband Connectivity - Planning Project		SGI Administration		TBC	$ 50,000
	BC Active Transportation Infrastructure Grants Program: Active Transportation Network Planning Grant and Active Transportation Infrastructure Grant	SSI	Mar-21	Lower Ganges Road Pathways Phase 2: Booth Canal to Baker Road		SSI Administration	$	700,000	$ 490,000
	Investing in Canada - Community, Culture, Recreation	PES	TBD	Mayne Island Regional Trail - Phase One Development		PES - Regional Parks is the lead		TBC	$ 2,778,393
	2020 Emergency Operations Centres and Training Program-Community Emergency Preparedness Fund	PPS	2021	Electoral Areas (JDF, SSI, SGI) EOC Supplies Procurement Project		Protective Services	$	25,000	$ 25,000
	BC Hydro Sustainable Communities Implementation Fund	PES	2021	Capital Region Electric Vehicle Infrastructure Road		PES - Environmental Protection - Climate Action	$	71,500	$ 36,000
	Active Transportation Planning Program	SGI	2021	Active Transportation Plan for the Southern Gulf		SGI Administration	$	28,240	$ 10,000
	Rapid Housing Initiative-Major Cities Stream Immediate Support-Canada Mortgage and Housing Corporation	PPS	TBD	Permanent Affordable Housing under Rapid Housing Initiative		Regional Housing is the lead. Allocation of $13,056,502		N/A	$ 13,056,502
	COVID-19 Safe Restart Grants for Local Governments	FT	2021	Funding for local operations impacted by COVID-19		Finance is the lead		N/A	$ 1,421,000
	2021-21 Salt Spring Island Transit Annual Operating Agreement	SSI	2021	Salt Spring Island Paratransit System funding through Safe Restart.		SSI Administration		N/A	$ 224,354
	Provincial Urban Deer Cost-Share Program	SGI	2021	Enhanced Eco-Cultural Restoration Partnership Proposal – Fallow Deer Management on Mayne Island		SGI Administration	$	43,000	$ 18,000
GRANTS AWARDED as of April 12, 2021							**$**	**218,762,235**	**$ 185,954,050**

Grants Administration Dashboard Externally Sourced Grant Funding

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GRANT CALLS IN PROGRESS

Grant Program Links	Launch Date	Application Deadline	Resolution Needed	Departments Alerted	Status
Community Gaming Grant	Ongoing				
Human and Social Programs		30-Nov-20	Not applicable; CRD's role can be to support a not-for-profit in pursuing these grants.	All	Grant alert sent. Featured in CRD Grants Weekly 2019-06-24
Green Municipal Fund - Plans, Feasibility Studies, Pilot Projects Capital Projects	Ongoing	Ongoing	Depends on $ value	Standing Item	
Address Improvement Grant	Ongoing	Ongoing	Not Specified	IT	Grant alert sent. Featured in CRD Grants Weekly 2019-07-12
BC Hydro Sustainable Communities Program	Ongoing	Ongoing	N/A	Standing Item	
Efficiency BC - Online hub of energy efficiency initiatives	Ongoing	Ongoing	N/A	Standing Item	
Federal Gas Tax - Community Works Fund Update	Ongoing	Ongoing	N/A	Standing Item	Comprehensive CRD process in place for assignment of funds to Electoral Area Projects. Featured in CRD Grants Weekly 2019-04-05
Ship-source Oil Pollution Fund	Ongoing	Ongoing	TBD	Standing Item	Grant alert sent; featured in CRD Grants Weekly 2019-05-03
Ecological Gifts Program	N/A	Ongoing	Not Specified	All	Grant alert sent
Family Violence Initiative	N/A	Ongoing	Not Specified	All	Grant alert sent
Multi-sectoral Partnerships to Promote Healthy living and Prevent Chronic Disease – Canada's Tobacco Strategy	N/A	Ongoing	Not Specified	All	Grant alert sent
Federal Lands Initiative	N/A	Ongoing	Not Specified	All	Grant alert sent
National Housing Co-Investment Fund (New Construction, Housing Repair and Renewal, and Rental Construction Financing)	N/A	Ongoing	Not Specified	All	Grant alert sent
Canada Arts Presentation Fund-Development	N/A	Continuous	Not Specified	All	Grant alert sent
Green Municipal Fund: Local Home-Energy Upgrade Financing Program	N/A	Continuous	Required	All	Grant alert sent
Economic Development Readiness Program	N/A	Continuous	Not Specified	All	Grant alert sent
Municipal Asset Management Program - FCM	N/A	Continuous	Required	All	Grant alert sent
Sustainable Affordable Housing-Green Municipal Fund-FCM	N/A	Continuous	Required	All	Grant alert sent
Universal Broadband Fund	09-Nov-20	15-Feb-21	May be required	All	Grant alert sent
Clean Coast, Clean Waters Initiative Fund	N/A	15-Feb-21	Not Specified	All	Grant alert sent
Environmental Damages Fund	19-Jan-21	24-Feb-21	Not Specified	All	Grant alert sent

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GRANT CALLS IN PROGRESS

ParticipACTION Community Better Challenge	N/A	26-Feb-21	Not Specified	All	Grant alert sent
Habitat Stewardship Program for Species at Risk	19-Jan-21	02-Mar-21	Not Specified	All	Grant alert sent
Sectoral Initiatives Program	22-Jan-21	04-Mar-21	Not Specified	All	Grant alert sent
Immunization Partnership Fund: Public Health Agency of Canada	N/A	05-Mar-21	Not Specified	All	Grant alert sent
Poverty Reduction Planning & Action Program-UBCM	16-Dec-20	05-Mar-20	Not Required	All	Grant alert sent
Canada Healthy Communities Initiative	N/A	09-Mar-21	Not Required	All	Grant alert sent
Canada Learning Bond Grants and Contributions Pilot Projects: Phase II-Employment and Social Development Canada	N/A	17-Mar-21	Not Specified	All	Grant alert sent
FireSmart Economic Recovery Fund-UBCM	N/A	19-Mar-21	Required	All	Grant alert sent
Community Emergency Preparedness Fund: Emergency Operations Centres & Training	N/A	26-Mar-21	Required	All	Grant alert sent
Economic Recovery Intake-Connecting British Columbia Program	N/A	31-Mar-21	Required	All	Grant alert sent
Farm Credit Canada - AgriSpirit Fund	01-Mar-21	31-Mar-21	Not Required	All	Grant alert sent
Go Electric Public Charger Program- CleanBC	N/A	31-Mar-21	Not Specified	All	Grant alert sent
Community to Community Forum	N/A	01-Apr-21	Not Specified	All	Grant alert sent
Canada Arts Presentation Fund: Presenter Support Organizations	N/A	01-Apr-21	Required	All	Grant alert sent
Clean Transportation System – Research and Development	N/A	15-Apr-21	Not Specified	All	Grant alert sent
Strengthening Communities' Services-UBCM	N/A	15-Apr-21	Required	All	Grant alert sent
Asset Management Planning Program-UBCM	N/A	30-Apr-21	Required	All	Grant alert sent
Community Anniversaries- Building Communities through Arts and Heritage	N/A	30-Apr-21	Not Specified	All	Grant alert sent
CleanBC Industry Fund-Emissions Performance	N/A	30-Apr-21	Not Specified	All	To be shared
Jumpstart – Sports Relief Fund	22-Mar-21	02-May-21	Not Specified	All	Grant alert sent
Local Government Development Approvals Program-UBCM	N/A	07-May-21	Required	All	Grant alert sent
2021 Active Transportation Planning	07-Apr-21	22-May-21	Required	All	Grant alert sent
CleanBC Industry Fund-Innovation Accelerator	N/A	24-May-21	Not Specified	All	To be shared
PlanH 2021 Healthy Communities	06-Apr-21	01-Jun-21	Not Required	All	To be shared
Housing Needs Report Planning-UBCM	N/A	04-Jun-21	Required	All	Grant alert sent
Zero Emission Vehicle Infrastructure program	N/A	22-Jun-21	Not Specified	All	Grant alert sent
Infrastructure Planning Grant Program	Year-round	16-Jul-21	Required	All	Grant alert sent
Municipal Natural Assets Initiative-Expressions of Interest	08-Oct-19	TBD	Not Specified	All	Grant alert sent
CleanBC Go Electric Fleets Program	N/A	31-Mar-23	Not Specified	All	Grant alert sent

Grants Administration Dashboard Externally Sourced Grant Funding

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Funding Sources / Plans	Description	Possible Timing	Links
FUNDING INITIATIVES: ONGOING SCAN			
UBCM Funding and Resource updates 2021	List of Local Government Programs and Services		
GRANTS FORECAST		UBCM Grants: Age-Friendly Communities, anticipated 2021 Community Energy Leadership Program (CELP) 2019 launched; Next round unknown BC's Active Transportation infrastructure Grants Program 2021/22 Intake, forthcoming Island Health Community Wellness Granting Program 2021/22 intake, anticipated 2021	

Making a difference...together

REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 05, 2021

SUBJECT **Capital Regional District External Grants 2020 Annual Report**

ISSUE SUMMARY

This report provides a summary of the Capital Regional District (CRD) external grants activity for the period of January 1, 2020, to December 31, 2020.

BACKGROUND

In 2015, the CRD introduced a grants dashboard to provide the Board with regular updates on the organization's activities related to external grant programs. In addition to this annual report, staff report on grant applications, awards, and forecast upcoming programs bi-monthly through committee to Board. There are additional reports detailing Community Works Funds and Grants-in-Aid that report through the Electoral Areas Committee.

Through various financial processes, including budgeting, staff actively manage revenue streams to fund operating and capital expenditures. As a critical component of revenue management and cost effective service delivery, staff continually monitor and partner with funders to align and occasionally adjust work plans with granting opportunities.

IMPLICATIONS

Financial Implications

As a result of COVID-19, grant activity during the 2020 calendar year was unique. Many previously announced programs were either cancelled or postponed and replaced with COVID-19 streams to support impacted organizations. A number of provincially funded COVID-19 grants including the Safe Restart for Local Governments were allocation-based versus traditional application programs. As a result, the rate of return key performance indicator, which is a function of staff time, is heavily skewed when comparing year to year. The following is a summary of grant activity during 2020 excluding those still under communication embargo. Appendix A provides additional detail on grant application activity.

Grants Activity Overview (as of December 31, 2020)

1. Grant alerts: 69 alerts circulated
    - 50 weekly grant alerts
    - 19 individual grant summaries
2. Grant application activity
    - 44 submitted applications in 2020
    - 27 applications approved

- 20 pending results
- 11 declined/cancelled/deferred

3. Grant coordination and reporting
   - 9 External Grants Staff Reports were provided monthly to the Governance & Finance committee.
   - 4 Annual Reports, including reports detailing activity for external grants, Community Works Fund, and Grants-in-Aid.
   - 5 Other Grant Reports, including reports related to the Investing in Canada Infrastructure Program, grant adjudication, and Safe Restart funding.
4. Professional development
5. Grant research & performance
6. Financial administration
7. Relationship building with Grant Program Funders

The following table provides an overview of awards for the past 2 years.

Table 1: Grants Awarded for 2020

Grants Awarded	**2020**	**2019**
Core Area Wastewater Treatment Project (CAWTP)[1]	$149.1M	$138.9M
Regional Housing First Program (RHFP)[2] Canada Mortgage and Housing Corporation (CMHC) grant	$4.2M	$30M
External Grants Awarded	$31.2M	$6.8M
Total	**$187.5M**	**$175.7M**
Rate of Return (excludes CAWTP/RHFP)	35x	13x

Grant Program Trends

In tracking funding trends, staff review various program alerts, notifications, and announcements. For information purposes, appendix B summarizes the top five categories of granting programs in 2020 in addition to applications submitted aligned to CRD's identified community needs, showcasing the effort and activity across the organization in support of revenue diversification.

CONCLUSION

Staff provide regular reports through both the Finance and Electoral Area committees detailing internal and external grants activity. In 2020, COVID-19 impacted the portfolio with cancellations,

[1] At the end of 2020, CAWTP had collectively year to date received $339M in funding from provincial and federal programs.
[2] RHFP includes funding from the CRD, BC Housing (contribution), and CMHC (grant); in 2020, each partner had committed $40M towards affordable housing, for a total of $120M.

postponements, and new funding programs. Staff continue to monitor and track key performance indicators which, in 2020, are unique when compared with the prior year. Staff proactively manage the various processes for optimal financial management and adjust work plans when necessary.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
That the CRD External Grants 2020 Annual Report be received for information

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Capital Regional District: External Grants Activity 2020
Appendix B: External Grant Program Trends

Appendix A Capital Regional District: External Grants Activity 2020

Approved

No.	Grant Program	Project	Amount Approved ($)
1	Rapid Housing Initiative-Canada Mortgage and Housing Corporation	Permanent Affordable Housing under RHI	13,056,502
2	Reaching Home-Designated Communities	Reaching Home-Designated Communities	4,772,699
3	Reaching Home	Covid-19 Response Contribution Agreement April 1, 2020-March 31, 2021	3,231,049
4	Green Municipal Fund - Federation of Canadian Municipalities	Core Area Wastewater Treatment Project (grant/loan)	3,000,000
5	Investing in Canada Infrastructure Program-Community, Culture and Recreation	Mayne Island Regional Trail - Phase One Development	2,778,393
6	COVID-19 Safe Restart Grants for Local Governments	COVID-19 Safe Restart Grants for Local Governments	1,421,000
7	UBCM Community Child Care Space Creation Program	SSI Park Land and Recreation Programs: Expansion of Rainbow Road Aquatic Centre	832,725
8	Reaching Home – Indigenous Homelessness	Reaching Home – Indigenous Homelessness (April 1, 2019 – March 31, 2021) -Amending Agreement	674,512
9	BC Active Transportation Infrastructure Grants	Lower Gange Road Pathway Phase 2: Booth Canal to Baker Road	490,000
10	BC Transit Annual Operating Agreement and Safe Restart	Salt Spring Island Paratransit System 2020-21	224,354
11	UBCM Housing Needs Reports Program Grant	Housing Needs Report	150,000
12	UBCM-Community Emergency Preparedness Fund-Volunteer & Composite Fire Departments Equipment & Training	Volunteer & Composite Fire Departments Equipment & Training	117,966
13	BC Hydro Community Energy Manager Staff	Sept 2019/Sept 2020 and Oct 2020/Sept 2021	100,000
14	Climate Action Revenue Incentive Program	Climate Action Revenue Incentive Program	69,928
15	Regional District Grant - Unconditional	Regional District Grant - Unconditional	60,000
16	BC Rural Dividend Program	SGI Broadband Connectivity - Planning Project	50,000
17	UBCM-Community Resiliency Investment Program-FireSmart Community Funding & Supports	CRD Firesmart Project 2020	49,900
18	BC Hydro Sustainable Communities-Implementation Fund	Capital Region Electric Vehicle Infrastructure Road Map	36,000
19	Canada Summer Jobs	Panorama-Greenglade	32,704
20	UBCM 2020 Community Emergency Preparedness Fund-Emergency Operations Centres and Training Program	Electoral Areas (JDF, SSI, SGI) EOC Supplies Procurement Project	25,000
21	UBCM-Community Emergency Preparedness Fund-Emergency Support Services	Electoral Area Equipment and Training for Emergency Support Services Modernization	24,983
22	Canada Summer Jobs	SEAPARC 2	16,352
23	Canada Summer Jobs	SEAPARC 1	15,976
24	Canada Summer Jobs	SSI – Parks & Recreation	5,895
25	UBCM-Community to Community Forum	Regional Parks and Pacheedaht First Nation Forum	4,190
26	Canada Summer Jobs	Environmental Protection	3,957
27	Canada Summer Jobs	Regional Parks	3,256
		Total	**31,247,341**

Pending

No.	Grant Program	Project	Grant Request ($)
1	Disaster Mitigation and Adaptation Fund	Construction of Regional and Sub-Regional Seismically Resilient Water Supply	36,900,000
2	Building BC – Community Housing Fund	2780 Spencer Rd project in partnership with the Capital Regional Housing Corporation (tentatively approved)	5,900,000
3	Investing in Canada Infrastructure Program-Green Infrastructure-Environment Quality	Magic Lake Estates Wastewater Service (Pender Island) System Renewal	5,390,000
4	Investing in Canada Infrastructure Program-Rural and Northern Communities	SSI: Maliview Wastewater Treatment Plant Upgrade	1,989,000
5	Investing in Canada Infrastructure-CleanBC Communities Fund	Panorama Energy Recovery Project	1,972,430
6	Investing in Canada Infrastructure Program-Rural and Northern Communities	JDF: Port Renfrew Water Supply Line Replacement Project	1,573,918
7	Investing in Canada Infrastructure Program-Green Infrastructure-Environment Quality	JDF Water Distribution Service for Anderson Cove Water Service Extension in East Sooke	1,460,000
8	Investing in Canada Infrastructure Program-Rural and Northern Communities	SGI: Lyall Harbour Boot Cove Water Service Improvements Project	1,110,600

No.	Grant Program	Project	Grant Request ($)
9	Investing in Canada Infrastructure Program-Community, Culture and Recreation	Elk/Beaver Lake Oxygenation System Project	700,000
10	Investing in Canada Infrastructure Program-Community, Culture and Recreation	SSI: Fernwood Elementary School Athletic Field Upgrades Project	646,587
11	Community Economic Recovery Infrastructure Program-Community Economic Resilience Stream	Community Economic Resilience Stream: Revitalization of Greenglade Community Centre Outdoor Space	329,520
12	CleanBC - BC Hydro Commercial Custom Program	Panorama Energy Recovery Project	200,000
13	Community Efficiency Financing-Federation of Canadian Municipalities	Capital Regional Residential Energy Retrofit Program	175,000
14	Community Economic Recovery Infrastructure Program-Unique Heritage Infrastructure Stream	Goldstream Powerhouse Roof ($76,360) & Emma and Felix Jack Park Cultural Heritage Project ($15,700)	92,060
15	Municipal Asset Management Program-Federation of Canadian Municipalities	Asset Life-Cycle Assessment Policy and Procedures	50,000
16	Natural Resources Canada – Zero Emission Vehicle Infrastructure Program, MURBS, Workplaces and LDV Fleets	Eight Level Two Electric Vehicle Chargers	40,000
17	New Horizons for Seniors	Community Garden Improvements at the Greenglade Community Centre	25,000
18	UBCM-Community Emergency Preparedness Fund – Evacuation Route Planning: Capital Regional District	Evacuation Route Planning	21,863
19	Provincial Urban Deer Cost Share Program	Enhanced Eco-Cultural Restoration Partnership Proposal	18,000
20	UBCM 2020 Active Transportation Grant	Active Transportation Plan for the Southern Gulf Islands	10,000
		Total	**58,603,978**

Declined/Cancelled/Deferred

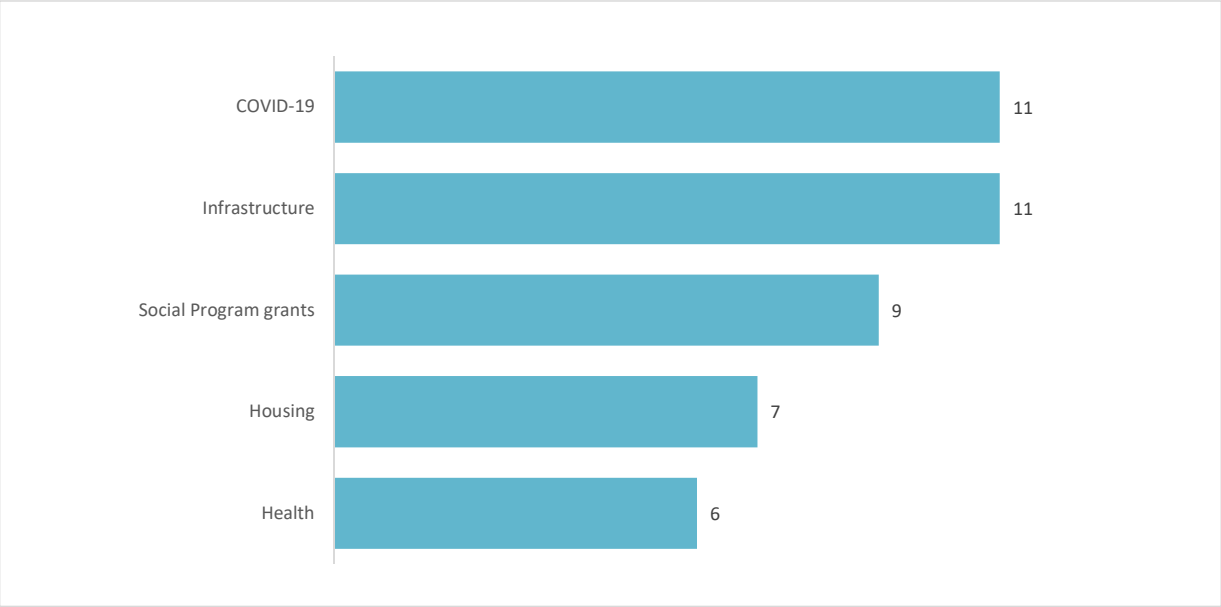
No.	Grant Program	Project	Grant Request ($)
1	Investing in Canada Infrastructure-CleanBC Communities Fund	Hartland Landfill Gas Utilization Project (Declined)	17,311,790
2	Investing in Canada Infrastructure Program-Rural and Northern Communities	Wilderness Mountain Supply Improvements (Declined)	4,566,673
3	Investing in Canada Infrastructure Program-Community, Culture and Recreation	SSI-Fernwood Playing Field (Declined)	584,850
4	Investing in Canada Infrastructure Program-Rural and Northern Communities	Miners Bay Dock - Mayne Island (Declined)	247,423
5	Enabling Accessibility Fund-Small Projects Stream	Improving Accessibility - Panorama Recreation & SEAPARC (Declined)	100,000
6	New Horizons for Seniors	Salt Spring Island Public Library Building HVAC System Retrofit (Declined)	25,000
7	Canada Summer Jobs	Panorama – Aquatics (Cancelled)	23,360
8	PlanH Healthy Community Engagement Stream	Strategic Planning Process 2021-2025 (Panorama Recreation) (Declined)	15,000
9	PlanH Healthy Community Engagement Stream	Elevating the Conversation around Climate Change and Health in the CRD (Declined)	15,000
10	Community Wellness Grant-Island Health	Lifeguard Academy for Indigenous Youth (Deferred)	13,264
11	Jumpstart Canada Tire-Community Development	Swim Program for Indigenous Youth (Deferred)	2,692
		Total	**22,905,052**

Appendix B External Grant Program Trends

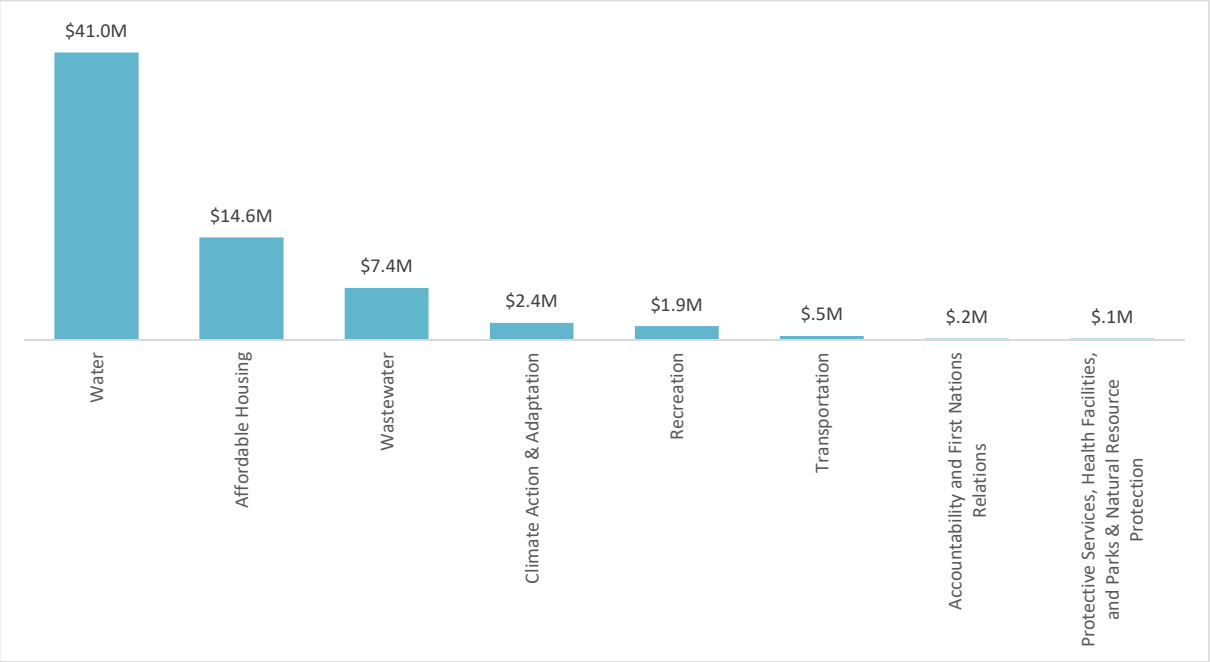
Grant Trends of Grant Alerts by Category[1]	No
Infrastructure	
B.C. Active Transportation Infrastructure Grants Program	1
CleanBC Organic Infrastructure and Collection Program	2
Community Child Care Space Creation Program	3
Enabling Accessibility Fund – Small Projects Components	4
Local Food Infrastructure Fund – Stream 2	5
New Horizons for Seniors Program	6
CleanBC Communities Fund – Investing in Canada Infrastructure Program	7
Community, Culture and Recreation Stream – Investing in Canada Infrastructure Program	8
Environmental Quality Program – Investing in Canada Infrastructure Program	9
Project Assistance – Arts Infrastructure Program	10
Rural and Northern Communities – Investing in Canada Infrastructure Program	11
COVID-19	
Building Communities Through Arts and Heritage (COVID-19-related fund and top-up)	1
Canadian Experiences Fund (additional support)	2
Community Economic Recovery Infrastructure Program (new COVID-19 program)	3
Digital Citizen Contribution Program (Special COVID-19 Call)	4
Emergency Community Support Fund (new COVID-19 program)	5
Expansion of Reaching Home: Canada's Homelessness Strategy (new COVID-19 stream)	6
Good Food Access Fund (new COVID-19 program)	7
Surplus Food Rescue Program (new COVID-19 program)	9
New Horizons for Seniors Program (opening of funding stipulations due to COVID-19)	10
COVID-19 Resilience Infrastructure Stream – Investing in Canada Infrastructure Program (new COVID-19 stream)	11
Social Program	
Civil Forfeiture Crime Prevention and Crime Remediation Grant	1
Community-Based Trauma – Informed Empowerment Projects	2
Digital Citizen Contribution Program	3
Grants for Community Groups from BC Hydro	4
National Strategy to Combat Human Trafficking	5
Pilot Projects for At-Risk Youth	6
Poverty Reduction Planning & Action Program	7
Preventing and Addressing Family Violence	8
Early Learning and Child Care Innovation	9
Housing	
Housing Needs Reports Program	1
National Housing Co-Investment Fund – Housing Repair and Renewal Stream	2
National Housing Co-Investment Fund: New Construction	3
Rapid Housing Initiative	4
Rental Construction Financing	5
Green Municipal Fund – Sustainable Affordable Housing – FCM	6
Housing Supply Challenge – Data Driven	7
Health	
Dementia Community Investment	1
Dementia Strategic Fund: Awareness Raising initiatives	2
Multi-sectoral Partnerships to Promote Healthy Living and Prevent Chronic Disease	3
PlanH Healthy Communtiies – Healthy Community Engagement Grants	4
PlanH Healthy Communtiies – Social Connectedness Grants	5
Promoting Health Equity – Mental Health of Black Canadians Fund	6

[1]Grant programs were categorized using professional judgment. This list includes grant programs that opened their program parameters to address COVID-19-related projects. This is not an exhaustive list of grant opportunities, and does not include grants the CRD is ineligible for, grants with multiple intakes, and does not include partnership grants.

2020 Top Five Grant Trends of Grant Alerts
The following graph shows top five grant alert trends.



2020 Community Needs Aligned with Grant Request ($ Amount Applied)
The following graph highlights services' pursuit of grant applications in relation to the CRD's identified community needs.



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REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 05, 2021

SUBJECT **2022 Service and Financial Planning Guidelines**

ISSUE SUMMARY

This report outlines the service and financial planning process for 2022 including key budget drivers for consideration.

BACKGROUND

The Capital Regional District (CRD) 2022 service and financial planning processes have begun. Board Priorities, Corporate Initiatives, and Core Service Delivery form the foundation of the 2022–2026 five-year financial plan. Appendix A highlights the overall planning process while Appendix B is more prescriptive with a timeline.

The 2022 planning cycle marks the final year of both the CRD Board term and the 2019-2022 Corporate Plan. As in prior years, the Board has a scheduled Committee of the Whole meeting where staff will report on progress and check in for strategic priority feedback. The 2021 meeting is scheduled for May 12. Heading into 2022, the organization will continue to action initiatives advancing strategic and corporate priorities while balancing service delivery pressures brought on by continued population growth, increased utilization of services, COVID-19 and economic uncertainty.

2022 service plans will continue to take the form of Initiative Business Cases (IBCs) that will propose action on priorities and initiatives in the corporate plan. IBCs will convey the human resource, financial, organizational and strategic impacts associated with delivering each initiative over the plan period.

As staff prepare and evaluate IBCs through the summer, the Executive Leadership Team (ELT) will consider and make recommendations through committees and to the Board in the fall. Impacts, along with an overview of financial implications and budget recommendations, will be summarized and presented at the Committee of the Whole meeting scheduled for October 27, 2021.

As in prior years, to proactively influence service and financial planning, this report explores financial plan guidelines along with key trends, assumptions and drivers to be used in the planning process.

ALTERNATIVES

Alternative 1
The Finance Committee recommends to the Capital Regional District Board:
That the financial planning guidelines as presented be approved and that staff be directed to prepare the draft financial plan review based on the timeline presented.

Alternative 2
That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications
Alignment of the financial plan with strategic priorities supports efficient and effective service delivery. Prudent financial management of surpluses, reserves, debt levels, and rigor over expenditures enables the organization to optimize revenue requirements and minimize requisition impacts.

Guidelines establish how management will respond on core service levels, new initiatives, adjustments for inflation and market cost escalations in preparation of the budget each year.

Financial Guidelines

The financial guidelines are the policies and assumptions by which CRD Board and staff determine the most appropriate allocation of resources by initiative.

The financial guidelines are based on the following:
1) Economic Conditions
2) Base Service Levels and Infrastructure Funding
3) Board Input
4) Financial Management Strategies

1) Economic Conditions

With COVID-19 declared as a pandemic by the World Health Organization in March 2020, there has been significant economic and social impacts locally, domestically, and internationally. Multiple waves, variants of concern, and vaccination rollout have driven uncertainty in resolution of the pandemic, and may impact future cash flow, service delivery and ultimately, short and long-term financial planning.

To support due diligence through the planning process, monitoring of economic and social conditions will continue with conservative drivers and assumptions forming the basis of the financial plan. The organization's foundation will be to maintain existing services and advance essential initiatives directly identified in the corporate plan in consideration of economic conditions.

2) Base Service Levels and Infrastructure Funding

The CRD Board's 2019–2022 strategic priorities formed the basis of the Corporate Plan. These priorities are foundational to each service's work plans. The rolling five-year financial plan will reflect updated assumptions in timing, scope and cost estimates. The budget will also include core inflation and cost escalation linked to market conditions, and related funding.

Key Drivers

The most significant costs to service delivery are salaries and benefits, debt servicing, materials and equipment. Changes in these expenditures can be influenced by uncontrollable economic conditions such as unemployment rates, supply and demand, tax changes, and contractual agreements.

Infrastructure

The corporate asset management policy and strategy for the organization have been endorsed by the Board. These documents are well aligned with other strategic documents; specifically, to the Corporate Plan, climate action strategy and the risk management policy. A priority action from the asset management strategy is to develop Sustainable Service Delivery Plans and, as they are compiled, to integrate risk assessments, as well as climate adaption, which will ultimately further inform financial implications in the future.

In response to the corporate plan priority to develop triple bottom line sustainable budget practices, a review of capital reserve balances and funding status was completed in Q4 2020. The review included assessment of internal practices, existing bylaws, reserve levels against industry benchmark and a comparison to other local governments. A report back to committee is planned for July. As a result of the review work, a guideline was established to introduce a standard approach in setting optimal levels of reserve, debt and grant funding to minimize lifecycle costs within a long term funding strategy. The guideline establishes a common practice and aligns funding strategies with asset lives, enabling a balancing of revenue needs through the life of the asset.

3) Board Input

The 2022 financial planning process is based on the corporate planning cycle and will reflect direction from Commissions, Committees and the Board inclusive of feedback received in the last planning cycle. In addition, the Board will be completing their annual check-in on Strategic Priorities and any new direction will be incorporated into the service planning process. As in prior years, the public will continue to be engaged throughout the process with the established communications and feedback strategy. There are also ongoing opportunities for public input through service activities at committee and commissions of the CRD.

Alignment of the financial plan with strategic priorities and financial management strategies supports efficient and effective service delivery. Prudent financial management of surpluses, reserves, debt levels, and rigor over spending levels enables the organization to optimize revenue requirements and minimize requisition increases. The guidelines to maintain core service levels and incorporate new initiatives from the Strategic and Corporate Plans adjustments for inflation and market cost escalations, as detailed in this report for the 2022 budget, aim to minimize financial implications for the 2022 budget year.

4) Financial Management Strategies

Financial management strategies ensure critical financial objectives are integrated into organizational decision making and operations. The following outlines the financial management strategies that will guide financial planning:

- Optimize fees for service revenues and stabilize tax rates to fund operations, maintenance, growth and asset utilization.
- Limit transfers to/from operating reserves, transferring only to fund one-time projects or to stabilize revenue requirements.
- Levels of transfers to/from capital reserves supported through development of life cycle funding requirements and optimal levels of debt and debt terms.
- One-time variances resulting in surplus transferred to reserve in order to fund future capital liabilities or reduce future revenue requirements, and only applied to reduce tax rates in rare circumstances where the offset is sustainable and stable.

CONCLUSION

Services will build work plans and five-year financial plans to plan for and carry out the identified priorities. Assumptions for inflation, market cost escalation, salary contract rates, benefit rates and utility rates will also be taken into account when developing the financial plans.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
That the financial planning guidelines as presented be approved and that staff be directed to prepare the draft financial plan review based on the timeline presented.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: CRD Corporate Planning Framework
Appendix B: 2022 CRD Financial Planning Timetable


Annual Reporting
Reporting on progress
April
Corporate Planning
Responding to Board, corporate and core service priorities and highlighting implications for service delivery
May
June
Service Planning
Determining service levels, including specific actions, targets and non-financial resources required to achieve Board, corporate and core service priorities
Budget Planning
Specifying the financial resources required to achieve identified service levels and capital investment requirements
July
August
Planning
for service delivery
& priorities
Presenting Draft
Budget & Service Planning
Presenting service levels for review and adjustments by committees and commissions
September
October
Presentation of Preliminary CRD Financial Plan
November
Public Engagement on Financial Plan
Presenting proposed financial plan to residents and presenting requisition impacts to municipalities
December
January
Finalizing the Budget
Year-end adjustments presented to the Board
February
March

CRD Timetable for 2022-2026 Financial Plan	
Month(s)	Description
June	Executive Leadership Team - Review and Prioritize initiative Business Cases Financial Plan Guidelines
June - August	Staff - Service Planning and Budget Preparation
September - October	Executive Leadership Team, Committees & Commissions - Review of Budgets and Service Plans
October	Electoral Area Committee - Budgets and Service Plans (Oct 13) Committee of the Whole - Financial Plan and Service Plans (Oct 27) Board - Approval Provisional Financial Plan (Oct 27)
January	Surplus/Deficits - Budget Recast
March	Board - Final Bylaw Approval
April	Requisition

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REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 05, 2021

SUBJECT **2021 Provincial Budget Highlights**

ISSUE SUMMARY

To provide the Committee with a high level review of potential impacts on CRD services in the 2021 Provincial Budget.

BACKGROUND

On April 20, 2021, Finance Minister Selina Robinson introduced the 2021 Provincial Budget in the legislature. This information report is intended to provide highlights on items relating to the Capital Regional District, Capital Regional Hospital District, and Capital Region Housing Corporation. While these highlights have been focused on organizational impacts, there was an attempt to include potential implications for member municipalities and electoral areas.

This is not intended to be a comprehensive budget review.

IMPLICATIONS

Refer to Appendix A for a CRD, CRHD, and CRHC perspective on the Provincial Budget including potential impacts to member municipalities and electoral areas. Highlights also include potential services that may be impacted by provincial initiatives.

Refer to Appendix B: Provincial Budget and Fiscal Plan, the main budget document from the Ministry of Finance that lays out the Province's three-year fiscal plan, including economic outlook, revenues, spending, tax measures, and forecasting risks and assumptions.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
That the 2021 Provincial Budget Highlights report be received for information.

Submitted by:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2021 Provincial Budget Highlights
Appendix B: Ministry of Finance – Provincial Budget and Fiscal Plan

Highlights of 2021 BC Provincial Budget

At first glance it's an unbalanced budget (nearly $70B) with forecasted deficits of;

- 2021/22 $9.7B deficit (including $3.3B in contingencies)
- 2022/23 $5.5B deficit (including $1.0B in contingencies)
- 2023/24 $4.3B deficit (including $0.3B in contingencies)

The forecasted debt by the end of the 3 year budget in 2023/24 is $92.7B (nearly double pre-pandemic levels). The Government predicts that it will take at least 10 years to repay this debt.

2021/22 GDP forecast to grow at 4.4% with a provincial Unemployment rate of 7.5%

Provincial Budget Highlights Impacting CRD & Member Municipalities

1. COVID Response

- $3.2B in COVID-Related Impacts including;
  - $253 million over three years to provide faster access to doctors and nurse practitioners
  - Additional $900 million for 2021/22 Pandemic and Recovery for health-related needs including testing, contact tracing, and vaccine rollout
- $120 million in 2021/22 for tourism including $20 million for community destination development grants **[municipalities? Non-profits, EAs]**
- $6M over three years to support the recovery of arts and culture organizations **[Arts, Grants]**

2. Affordable Housing

- $2 billion additional funding for the HousingHub program which aims to build 9,000 rental homes over the next 3-5 years. Incremental to current funding to the build more than 10,000 low-middle-income units through grant funding non-profit housing providers. **[CRHC, non-profit housing providers]**
- $265 million in 2021/22 to supports and services related to homelessness. There is an additional $30 million ongoing support tied to hotel purchases providing 400 shelter units. **[CRHC, CRHD?]**
- Funding to maintain more than 3,000 temporary emergency shelter spaces secured during the COVID-19. Specific to Vancouver and Victoria, additional funding for the 650 urgent shelter spaces, rent supplements, and supportive housing sites used to support decampments, with on-site health and other supports. **[CRHC, non-profit housing providers, CRHD?]**
- Continued partnership with the federal government through the Rapid Housing Initiative to convert existing buildings into supportive housing, and develop modular housing. **[CRHC]**

3. Environment

- $506 million continued funding (over 3 years) to support CleanBC through;
    - $130 million incentives for zero emission vehicles, charging infrastructure, electrification of school buses, ferries, government fleets. Also included is $18 million for active transportation infrastructure **[Parks & Trails, Facilities, Transportation]**
    - $11 million to develop and fund a new program for local governments to plan for compact, energy efficient communities **[Community Planning?, Climate Action]**
    - $46 million for energy efficient buildings and communities **[Facilities?]**
    - PST exemption on electric bikes **[Transportation, Parks & Trails]**
- $60 million for Centre of Innovation & Clean Energy to support commercialization of clean tech
- $519 million for CleanBC's Program for Industry to transition to low carbon technology

4. First Nations Reconciliation

- $60 million annual funding to support engagement and capacity building on legislation, policy, and programs **[FNR]**
- $59 million for cultural safety and humility training across health and addiction services
- $20 million in rural economic recovery grants for Indigenous and local governments **[FNR, Grants, EAs]**
- $17M to implement the Declaration Act and reconciliation agreements, including land transfers **[FNR]**

5. Support Services

- $233 million increase over three years for childcare to create new spaces **[Recreation?]**
- Additional $111M to expand the low-to no-cost childcare program **[Recreation?]**
- Provincial funding of $41 million over 3 years to support local governments, not-for-profit entities and First Nations in accessing community infrastructure funding *further details coming in the fall of 2021.* **[FN Relations, Grants, EAs]**
- $100 million in 2021/22 for Community Infrastructure, BC 150 Grants, and CleanBC recovery **[Grants, EAs]**
- Ongoing base funding of $40 million over the plan for the Province's connectivity strategy **[Grants, EAs]**
- $83 million over 3 years for BC Parks, with $10 million in 2021/22 to improve parks, add campsites, upgrade trails, purchase new land, and improve the reservation system **[Parks?]**

6. Other Budget Items of Interest

- $150M for Increased Employment Incentive tax credit for those who increased hiring or wages in the fourth quarter of 2020 **[CRD, Munis?] Note the minimum wage will be raised to $15.20 per hour on June 1, 2021.**
- $1.9B for public transit services including free transit for youth 12 and under across the province **[Transportation]**
- Mental Health & Substance use
    - $3.1 billion over the plan to improve mental health care, including $500 million to expand mental health and substance services:
        - $97 million to build a network of mental health supports for youth (schools, wellness resources, integrated supports teams school districts) **[Health]**
        - $61 million incremental over the plan to improve access and quality of services, including eating disorder care, suicide prevention, psychosis intervention **[Health]**
        - $14 million for the First Nations Health Authority to deliver mental health and addictions services to Indigenous peoples. **[FN Relations, reconciliation]**
        - $330 million over the plan for full spectrum substance-use treatment and recovery services, including $152 million for opioids **[Health]**
        - 195 new substance use treatment and recovery beds **[Health]**
- $195 million in 2021/22 for the Small and Medium Sized Business Recovery Grant Program **[Economic Development?]**

BUDGET 2021

StrongerBC

for everyone







BUDGET AND FISCAL PLAN | 2021/22 – 2023/24

BRITISH COLUMBIA

Building today for a better tomorrow.

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Budget and Fiscal Plan

2021/22 – 2023/24

April 20, 2021



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British Columbia.
Budget and fiscal plan. –- 2002/03/2004/05-
Annual
Also available on the Internet.
Continues: British Columbia. Ministry of Finance and
Corporate Relations. Budget ... reports. ISSN 1207-5841
ISSN 1705-6071 = Budget and fiscal plan — British Columbia.
1. Budget — British Columbia — Periodicals. 2. British
Columbia — Appropriations and expenditures — Periodicals.
I. British Columbia. Ministry of Finance. II. Title.
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Attestation by the Secretary to Treasury Board

Summary 1

Part 1: Three Year Fiscal Plan

Introduction 5
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Consolidated Revenue Fund Spending 6
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Protecting the Health and Safety of British Columbians 8
Strengthening the Health Care for People 8
Investing in Mental Health and Responding to the Overdose Crisis 9
Supports for People and Businesses 11
Reducing Poverty and Helping Those Most in Need 11
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BRITISH COLUMBIA

April 20, 2021

As required by Section 7(1)(d) of the *Budget Transparency and Accountability Act*, I confirm that *Budget 2021* contains the following elements:

- Fiscal forecasts for 2021/22 to 2023/24 (provided in Part 1) and economic forecasts for 2021 to 2025 (provided in Part 3).
- A report on the advice received from the Economic Forecast Council (EFC) in February 2021 (updated in March 2021) on the economic growth outlook for British Columbia, including a range of forecasts for 2021 and 2022 (see Part 3, page 103).
- Material economic, demographic, fiscal, accounting policy, and other assumptions and risks underlying *Budget 2021* economic and fiscal forecasts. In particular:
  - The economic forecast reflects an improved outlook for British Columbia amidst ongoing uncertainty associated with the global COVID-19 pandemic. In recognition of downside risks, the economic projections assumed in *Budget 2021* are prudent relative to the average of the forecasts provided by the Economic Forecast Council.
  - Consistent with past practice, the economic forecast does not incorporate fiscal policy measures announced in the current budget (*Budget 2021*), since the timing of budget decisions generally coincides with the development of the economic forecast. These budget policy measures will be incorporated into the economic outlook in the updated forecast included in the *First Quarterly Report*.
  - The corporate income tax revenue forecast is based on projections for national corporate taxable income provided by the federal government.
  - Natural gas royalty forecasts continue to adopt a lower natural gas price forecast compared to the private sector average in order to maintain prudence against volatility.
  - The fiscal plan includes three-year financial projections for school districts, post-secondary institutions and health authorities, based on plans submitted by those entities to the Ministries of Education, Advanced Education, Skills and Training, and Health, respectively, and for the other service delivery agencies and the commercial Crown corporations.
  - The fiscal plan includes general program contingencies of $1.0 billion in 2021/22, $800 million in 2022/23 and $700 million 2023/24, and a forecast allowance of $1.0 billion in 2021/22, $750 million in 2022/23, and $400 million in 2023/24. In addition, *Budget 2021* provides a Pandemic and Recovery Contingencies allocation of $3.25 billion in 2021/22, $1.0 billion in 2022/23, and $300 million in 2023/24. Government's economic and fiscal prudence measures generally have resulted in government exceeding its budget targets.
  - *Budget 2021* contains an additional $1.5 billion in 2022/23 and 2.0 billion in 2023/24 in funding available for priority spending initiatives to be developed for future budgets, and for budgetary pressures such as caseload growth.

To the best of my knowledge, the three-year fiscal plan contained in *Budget 2021* conforms to the standards and guidelines of generally accepted accounting principles for senior governments as outlined in Note 1 of the 2019/20 *Public Accounts*.

I would like to recognize staff in government ministries and agencies for their contribution to this document. I would especially like to acknowledge staff in the Ministry of Finance, whose professionalism, commitment and expertise were essential to the completion of this budget and fiscal plan.



Heather Wood
Deputy Minister and Secretary to Treasury Board

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($ millions)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Revenue	60,967	58,929	63,286	65,074
Expense	(61,601)	(64,377)	(67,020)	(68,697)
Pandemic and Recovery Contingencies	(7,510)	(3,250)	(1,000)	(300)
Forecast allowance	-	(1,000)	(750)	(400)
Deficit	**(8,144)**	**(9,698)**	**(5,484)**	**(4,323)**
Capital spending:				
Taxpayer-supported capital spending	6,277	8,479	9,025	8,872
Self-supported capital spending	3,812	4,976	4,640	3,489
Total capital spending	**10,089**	**13,455**	**13,665**	**12,361**
Provincial Debt:				
Taxpayer-supported debt	59,962	71,642	82,771	92,732
Self-supported debt	27,524	30,238	32,688	33,882
Total debt (including forecast allowance)	**87,486**	**102,880**	**116,209**	**127,014**
Taxpayer-supported debt to GDP ratio	**20.3%**	**22.8%**	**25.0%**	**26.9%**
Taxpayer-supported debt to revenue ratio	**102.6%**	**125.9%**	**135.4%**	**147.5%**
Economic Forecast:	2020	2021	2022	2023
Real GDP growth	-5.3%	4.4%	3.8%	2.2%
Nominal GDP growth	-4.5%	6.4%	5.4%	4.0%

A StrongerBC, for Everyone

The emergence and evolution of the COVID-19 pandemic has challenged the people of British Columbia and the world alike. While B.C. has demonstrated resilience and there are signs of optimism for the year ahead, the Province continues to respond to the ongoing health and economic impacts from the pandemic.

Budget 2021 builds on the Province's COVID-19 Action Plan by prioritizing $8.7 billion in new investments across the three-year fiscal plan to protect the health and safety of British Columbians, to support people and businesses in addressing the pandemic's immediate impacts, and to prepare the province for recovery once the pandemic is over.

The fiscal plan also reflects the ongoing uncertainty of the pandemic by maintaining Pandemic and Recovery Contingencies of $3.25 billion in 2021/22, $1 billion in 2022/23 and $300 million in 2023/24. This will ensure that the Province can continue to deliver COVID-19 response and recovery measures and builds additional prudence in the fiscal plan. Total new operating spending is $13.2 billion over fiscal plan, as shown in Table 1.2.1 on page 7.

Budget 2021 sets the path for working towards fiscal balance with declining deficits from $9.7 billion in 2021/22 to $4.3 billion in 2023/24. The topic box on page 30 provides additional information about the Province's approach to economic recovery and path to fiscal balance.

Health and Safety

The health and safety of British Columbians remains government's top priority. The pandemic highlighted the importance of a robust and responsive health care system. *Budget 2021* invests more than $3.1 billion over three years

to strengthen B.C.'s health care and mental health systems. This includes measures to support long-term care residents and patients, provide more options for seniors and others to receive care at home, accelerate surgeries and diagnostic imaging services, and expand the number of urgent and primary care centres in B.C. Historic investments of $500 million over three years are provided to address the opioid crisis and improve access to mental health and addictions services. Funding will provide targeted mental health supports for children, youth and Indigenous peoples, as well as prevention, treatment and emergency response services.

In addition to these investments, government has allocated $900 million from the Pandemic and Recovery Contingencies to support ongoing COVID-19 related health response needs, including vaccine roll-out, testing and screening, and the provision of personal protective equipment for frontline healthcare workers.

Supporting People and Businesses

Budget 2021 continues to deliver and enhance the services people rely on and helps make life more affordable. This includes nearly $1.6 billion more over the fiscal plan to provide supports for British Columbians receiving income and disability assistance, including low-income seniors, to improve financial security for some of B.C.'s most vulnerable people.

This budget also provides significant new investments to support essential public services including: the K-12 education sector ($1.2 billion), children, youth and family services ($85 million), supports for adults with developmental disabilities ($367 million), and justice and public safety services ($206 million).

The plan also invests new funding in key government priorities. *Budget 2021* provides over $375 million over the plan for homelessness response and affordable housing initiatives. It provides $233 million more over three years to advance the ChildcareBC strategy to provide more affordable, accessible and high quality child care to support families and help parents — particularly women — to participate in the workforce.

The budget contains a number of measures which support reconciliation, including $197 million for: engagement with Indigenous peoples on legislation, policy, and programs; negotiation capacity; initiatives that increase participation of Indigenous people in land and resource activities within their territories; and resources to continue the implementation of reconciliation agreements and the *Declaration on the Rights of Indigenous Peoples Act*.

Budget 2021 continues to support businesses through the ongoing COVID-19 response initiatives implemented during the fall 2020 *StrongerBC Economic Recovery Plan.* This includes funding for the Small and Medium Sized Business Recovery Grant program, and tax incentives for businesses that increased hiring or compensation in the last quarter of 2020 compared to the previous quarter. It also includes $45 million more to support farmers and the agriculture sector, and $120 million to support the tourism sector, including community infrastructure grants, supports for anchor attractions, and initiatives to promote domestic and international travel to B.C. when health restrictions are lifted.

Preparing for Recovery

While the Province continues to manage the ongoing pandemic, *Budget 2021* makes investments of over $1 billion over the fiscal plan to help position B.C. for a strong economic recovery. This includes new training investments to increase the overall capacity of the health care workforce. The budget also allocates an additional $200 million in 2021/22 from the Pandemic and Recovery Contingencies to help boost training and job creation initiatives. This includes more skills training opportunities for Indigenous people, an increase in youth work placement and job opportunities, and for micro-credentialing programs that will help people to quickly move into good-paying jobs.

The Province also continues to invest in a greener and more sustainable future with $506 million in new investments for CleanBC. *Budget 2021* provides $500 million in financing to support the new InBC Strategic Investment Fund that will help to attract and anchor high-growth

businesses, talent and jobs in B.C. The plan also provides $147 million over three years for new investments in communities by improving broadband and cellular connectivity for rural and remote communities, enhancing campgrounds and recreational trails, and investing in community infrastructure and programs to mark the 150th anniversary of B.C.'s entry into the confederation.

Capital Investments

Budget 2021 makes significant new capital commitments in the health, transportation, and education sectors. Taxpayer-supported capital spending on hospitals, schools, post-secondary facilities, affordable housing, transit, roads and other infrastructure around the province is expected to be $26.4 billion over the fiscal plan period. This three-year total is $3.5 billion higher than *Budget 2020*. These important investments help build and improve infrastructure to deliver services people count on in communities around the province and are expected to create over 85,000 jobs during the next three years, providing economic stimulus to support B.C.'s economic recovery.

Capital spending of self-supported Crown corporations is expected to total $13.1 billion over three years, relating primarily to electrical generation, transmission and distribution projects.

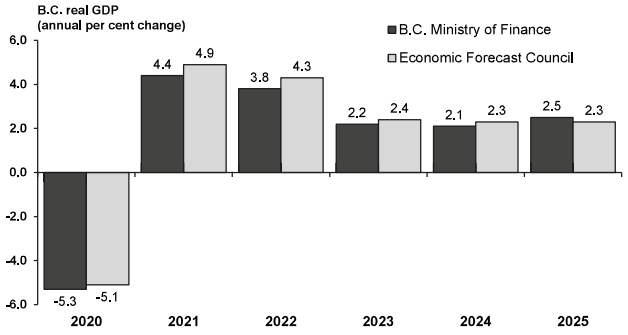
Economic Outlook

The COVID-19 pandemic pushed economies all over the world into deep recessions and B.C. was no exception. Widespread job losses strained households and unprecedented challenges weighed on businesses. While the reopening of the economy and government emergency response programs have gone a long way to support economic recovery, the pandemic continues and significant challenges remain. The swift development of effective vaccines together with stronger than expected economic activity in 2020 have improved the outlook.

It is estimated that the B.C. economy contracted by 5.3 per cent in 2020 and that it will expand by 4.4 per cent in 2021 and then 3.8 per cent in 2022. Over the medium-term (2023 to 2025), growth is expected to range between 2.1 per cent and 2.5 per cent annually.

The *Budget 2021* forecast over the three-year fiscal plan for B.C. real GDP growth is below the average outlook provided by the Economic Forecast Council (EFC). This is one of the levels of prudence built into the fiscal plan. The outlook for 2025 is slightly higher than the average EFC forecast as LNG production is anticipated to provide more support to the economy in that year.

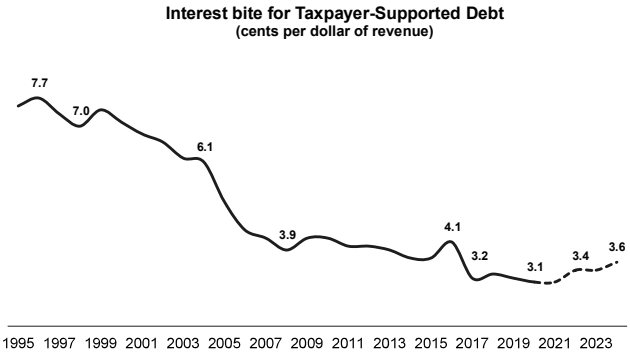
Prudent Economic Forecast



Debt Affordability

Debt is expected to increase significantly to finance the operating and capital investment needs of the province. Taxpayer-supported debt at the end of the three-year fiscal plan in 2023/24 is forecast to be $92.7 billion, with the taxpayer debt-to-GDP ratio at 26.9 per cent. In spite of the debt level increase, debt servicing costs remain at a historically low level due to prevailing low interest rates. A common metric of affordability is the interest bite, or the taxpayer-supported interest

Debt Affordability



costs as a percentage of provincial government revenue, which continues to remain lower than it has been historically, forecast at 3.4 per cent in 2021/22 and 3.6 per cent by 2023/24.

Risks to the Fiscal Plan

The main risks to the government's fiscal plan include:

- Ongoing health-related uncertainty relating to the pandemic, including the extent of the spread or containment of the virus in B.C. and across the world;
- Uncertainty relating to the depth and duration of the pandemic and the pace and timing of recovery which contributes to the potential volatility in the economic and fiscal outlooks;
- Increased demands for government services, such as health care, income assistance, other social service programs, or COVID-19 response or recovery programs;
- Changes in the timing of capital projects and related spending which may be influenced by several factors, such as physical distancing on work sites, design development, procurement activity, market conditions, weather, geotechnical conditions and interest rates; and
- Actual operating results and capital spending which may affect borrowing requirements and overall provincial debt.

To mitigate the risks to the fiscal plan, government has incorporated increased levels of prudence in its projections which include:

- Annual forecast allowances of $1.0 billion in 2021/22, $750 million in 2022/23 and $400 million in 2023/24 to guard against volatility, including revenue changes;
- General Program Contingencies allocation of $1 billion in 2021/22, $800 million in 2022/23 and $700 million in 2023/24 to help manage unexpected pressures;
- Pandemic and Recovery Contingencies allocation of $3.25 billion in 2021/22, $1.0 billion in 2022/23 and $300 million in 2023/24 to continue to fund short-term initiatives to address health or economic recovery needs related to COVID-19;
- Notional allocations of $1.5 billion in 2022/23 and $2.0 billion 2023/24 for caseload pressures and priority initiatives that may require funding in future budgets; and
- A forecast for B.C.'s real GDP growth that is lower than the outlook provided by the Economic Forecast Council (0.5 percentage points lower in both 2021 and 2022, and 0.2 percentage points lower in both 2023 and 2024).

Conclusion

Budget 2021 continues to prioritize investments that help B.C. respond to the pandemic. This includes significant new investments in health and safety, supports to people and businesses, and preparing B.C. for recovery. These investments will help create jobs, support recovery, and build a more sustainable, inclusive and equitable economy. The past year has presented challenges, but also opportunities to think about how to do things better. In the coming months, the Province will engage with businesses, workers, industry and Indigenous and community leaders to help move the province forward to build a stronger B.C. for everyone.

Table 1.1 Three Year Fiscal Plan

($ millions)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Revenue	60,967	58,929	63,286	65,074
Expense	(61,601)	(64,377)	(67,020)	(68,697)
Pandemic and Recovery Contingencies	(7,510)	(3,250)	(1,000)	(300)
Forecast allowance	-	(1,000)	(750)	(400)
Deficit	**(8,144)**	**(9,698)**	**(5,484)**	**(4,323)**
Capital spending:				
Taxpayer-supported capital spending	6,277	8,479	9,025	8,872
Self-supported capital spending	3,812	4,976	4,640	3,489
Total capital spending	**10,089**	**13,455**	**13,665**	**12,361**
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Taxpayer-supported debt	59,962	71,642	82,771	92,732
Self-supported debt	27,524	30,238	32,688	33,882
Total debt (including forecast allowance)	**87,486**	**102,880**	**116,209**	**127,014**
Taxpayer-supported debt to GDP ratio	**20.3%**	**22.8%**	**25.0%**	**26.9%**
Taxpayer-supported debt to revenue ratio	**102.6%**	**125.9%**	**135.4%**	**147.5%**

Introduction

Budget 2021 provides for the needs of British Columbians as we turn the corner from the COVID-19 pandemic, and lays a foundation for an economic recovery with enhanced services and supports that people rely on. The fiscal plan reflects the increased level of spending and the unprecedented impacts of the pandemic on the Province's revenues. The path to balance is demonstrated with declining deficits from $9.7 billion in 2021/22 to $4.3 billion in 2023/24.

Budget 2021 investments focus on the response and recovery from the pandemic, providing supports for people and businesses, and improving the health and safety of British Columbians through a strengthened health care system. Government's consolidated operating expense totals $67.6 billion in 2021/22, $68.0 billion in 2022/23, and $69.0 billion in 2023/24, including ministry operating budget increases of $8.7 billion over the fiscal plan and $4.6 billion of time-limited Pandemic and Recovery Contingencies appropriation. Revenue is forecast to grow to $65.1 billion by 2023/24, substantially recovering from the pandemic-related decline.

Capital spending on schools, hospitals, affordable housing, roads, bridges, hydro-electric projects and other infrastructure is expected to total $39.5 billion over the three-year fiscal plan period. These investments will help ensure that the necessary infrastructure is in place to deliver the services that people count on in communities around the province and create jobs that support a strong and sustainable economy.

The new operating funding initiatives are discussed in the expense section starting on the next page. Details on the Province's revenue forecasts are provided in the revenue section,

starting on page 37. The capital investments section is on page 46, followed by the debt section on page 61, and a discussion on the risks to the fiscal plan on page 64.

Budget 2021 demonstrates government's ongoing commitment to incorporate Gender-Based Analysis Plus (GBA+) into its policy and budget process. Since 2018, the Province has used GBA+ to ensure that comprehensive, evidence-based policy advice is provided to decision makers to achieve better results for all British Columbians. *Budget 2021* uses GBA+ analysis to inform spending and tax decisions. This analytical tool helps assess, where appropriate, the effect of different spending or tax measures on different groups, including people of different genders, incomes, ethnicities, geographic areas, ages, abilities or sexual orientation. This lens helps to build a province where everyone has equal access to opportunities and services that are inclusive, respectful and representative of the diverse population in B.C.

Expense

Consolidated Revenue Fund Spending

Consolidated Revenue Fund (core government) spending in 2021/22 is $58.3 billion, with planned expenditures of $59.0 billion in 2022/23 and $59.9 billion in 2023/24 as shown in Table 1.3 on page 36. Government remains committed to investing in the health, social and economic needs of British Columbians as the province continues to manage through the effects of the unprecedented COVID-19 pandemic and into recovery. *Budget 2021* prioritizes investments towards health and safety, supports for people and businesses and preparing for recovery. Funding decisions are also underpinned by government's five foundational principles: to put people first; to engage in lasting and meaningful reconciliation with Indigenous peoples; to support equity and anti-racism in our province; to build a better future through fighting climate change; and to build a strong, sustainable economy that works for everyone.

COVID-19 Response & Recovery

Budget 2021 focuses on health and safety, supports for people and businesses and preparing for B.C.'s longer term economic recovery with $8.7 billion in budget increases over the fiscal plan. This includes permanent funding increases to address enhancements to and increasing demand for essential public services including health care, opioid and substance-use prevention and response services, education, and justice and public safety services. New permanent funding also includes further advancing key government priorities: child care, poverty reduction, mental health, housing, reconciliation with Indigenous peoples and CleanBC.

Government has also budgeted $4.6 billion over three years to maintain the Pandemic and Recovery Contingencies to support ongoing measures related to the pandemic, with $3.25 billion in 2021/22, $1 billion in 2022/23 and $300 million in 2023/24. The Pandemic and Recovery Contingencies will be used to continue short-term funding initiatives or newer programs where the demand and costs may fluctuate as the pandemic, vaccine roll-out and related health orders continue to evolve. This includes ongoing supports for people and businesses, such as the B.C. Recovery Benefit, the Small and Medium Sized Business Recovery Grant, supports to the tourism sector and a tax incentive for businesses that increased hiring or wages for employees in the fourth quarter of 2020. A summary of the *Budget 2021* operating spending is shown in Table 1.2.1.

Table 1.2.1 *Budget 2021* New Operating Spending Summary

($ millions)	2021/22	2022/23	2023/24	Total
Health & Safety	760	795	1,562	3,116
Supports for People & Business	1,427	1,527	1,557	4,511
Preparing for Recovery	307	336	406	1,049
Sub-total	**2,494**	**2,658**	**3,525**	**8,676**
Pandemic & Recovery Contingencies	3,250	1,000	300	4,550
Total	**5,744**	**3,658**	**3,825**	**13,226**

Note: Table may not sum due to rounding

In addition, the Pandemic and Recovery Contingencies will help ensure government is well positioned to support people and businesses through any unanticipated urgent health or targeted recovery measures, with unallocated funding being directed to reduce the operating deficit. Notional allocations for 2021/22 Pandemic and Recovery Contingencies are shown in Table 1.2.2.

Table 1.2.2 Pandemic and Recovery Contingencies Allocations for 2021/22

Category	Notional Allocation*	Measures
Health and Safety	$900 million	Health-related COVID-19 management
Supports for Businesses and People	$265 million	Temporary housing, meals and supports for vulnerable populations
	$225 million	Essential services including justice services, child care safety grants, agriculture/food security and potential increased demand for income assistance
	$195 million	Small and Medium Sized Business Recovery Grant Program
	$120 million	Tourism and art sector supports
	$150 million	Increased Employment Incentive tax credit
	$100 million	B.C. Recovery Benefit
Preparing for Recovery	$100 million	Skills training and youth employment initiatives
	$100 million	Community infrastructure programs, BC 150 Community Grants and CleanBC recovery investments
Unallocated	$1.1 billion	Reserve for unanticipated urgent health or recovery measures
Total	**$3.25 billion**	

**Notional allocations are based on current forecasts, with any changes communicated in Quarterly Reports.*

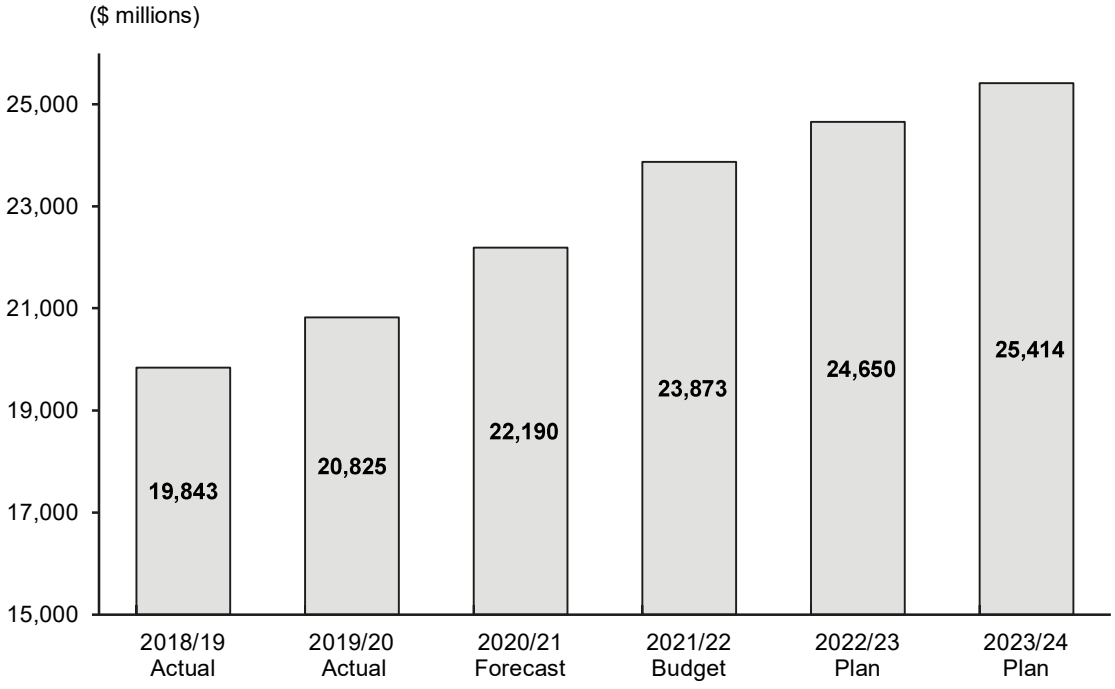
Protecting the Health and Safety of British Columbians

Government's top priority in responding to the pandemic is to protect the health and safety of British Columbians. *Budget 2021* continues to prioritize health and safety by providing significant new investments to build capacity in the health sector and continue measures that support the safety of health care workers, long-term care residents and patients, and other targeted supports to seniors. The Province is also making historic investments to address the opioid crisis and improve mental health and addictions services.

Strengthening the Health Care for People

Budget 2021 includes significant new investments in the health care system of $2.6 billion in base budget funding over the fiscal plan period, bringing total annual health spending to over $25.4 billion by 2023/24 as shown in Chart 1.1.1. This includes $253 million over three years to continue to expand team-based and urgent primary care that provides British Columbians with faster access to doctors and nurse practitioners. The three-year fiscal plan also provides $300 million more to address growing demand for cancer care, PharmaCare and services under the Medical Services Plan. It also provides $495 million over the fiscal plan to continue to fund the successful strategy to reduce diagnostic imaging and surgery backlogs exacerbated by the pandemic. This new permanent funding is expected to further reduce wait times for British Columbians to improve patient experiences and outcomes.

Chart 1.1.1 Investing in People's Health and Mental Health*



* Does not include time-limited funding initiatives related to pandemic response and economic recovery.

The Province has allocated an additional $900 million for 2021/22 from the Pandemic and Recovery Contingencies for health-related needs as the health sector continues to manage the effects of the pandemic. This will support the Province's vaccine deployment, increased personal protective equipment, and screening services across multiple health facilities.

Funding will also be used to maintain a number of newly implemented health strategies such as the Hospital-at-Home program which allows British Columbians to receive health services outside of a hospital, and the Rural and Remote Collaborative Framework to better connect remote Indigenous and non-Indigenous communities to critical health care services.

Budget 2021 also responds to the recommendations of the *In Plain Sight* report by providing $45 million over three years of new funding for First Nations cultural safety and humility training and Indigenous liaisons within each regional health authority. These investments will help to address systemic racism in the health care system through training and education and by prioritizing the hiring of a health care workforce that better represents the diverse communities it serves.

In addition to new operating investments, *Budget 2021* funds significant capital investments for major hospital projects including the New Surrey Hospital and Cancer Centre project. These are detailed in the capital section starting on page 50.

Improving Health Services for Seniors

As part of the health care priority investments, the Province is committed to providing seniors with better access and services. This includes funding to support seniors to access more health services from home that continues to improve safety and quality of services in long-term and assisted living facilities.

Helping seniors stay at home longer improves the patient experience and reduces demands on other acute forms of care. *Budget 2021* invests $12 million over the fiscal plan for the Home Health Monitoring Initiative which supports patients with moderate to highly complex chronic and episodic health conditions to self-manage their health from the comfort of their homes, using blue-tooth-enabled devices that communicate blood pressure and other health indicators to monitoring nurses in their local health authority. In addition, $68 million over three years will increase the number of care aides and other community care providers to deliver better home care and to help seniors with daily living.

As part of the Province's continued safety measures, B.C. will continue to maintain the single site health facility orders and enhanced screening at long-term and assisted living facilities. Government is also building on its recruitment campaign launched last year in response to the COVID-19 pandemic. In doing so, *Budget 2021* provides permanent funding to support the Province's commitment to grow the workforce that will support B.C.'s aging population. This includes an investment of $585 million over the fiscal plan period for the Health Career Access Program that will recruit, train, and employ up to 3,000 health care workers over the next three years. This will introduce more health care support workers into long-term care homes and assisted living facilities across the province.

Investing in Mental Health and Responding to the Overdose Crisis

The COVID-19 pandemic has highlighted the importance of mental health, including the challenges faced by youth, as well as the damaging impacts of the ongoing overdose crisis. *Budget 2021* provides the largest investment in mental health and addictions services in B.C. history with $500 million in new funding across the fiscal plan. This funding supports progress on B.C.'s mental health and addictions strategy, *A Pathway to Hope,* which provides a roadmap to enhancing and improving mental

health and addictions services. This includes targeted supports for children and youth, improved quality and access to mental health services, and prevention, treatment and emergency response to the overdose crisis.

Improved Wellness for Children, Youth and Young Adults

Government is investing $97 million to provide targeted mental health supports for children, youth and young adults in recognition of the critical importance of early diagnosis, intervention and supports. Funding will support the Mental Health in Schools program, as well as expand the number of integrated child and youth teams from five to 20 teams across B.C. by 2023/24 to support more school and community-based, multidisciplinary mental health and substance use services. The goal of these teams is to provide quicker, more direct support to students with coordinated responses so that youth do not have to retell their issues or stories to multiple people, which may cause more trauma.

Budget 2021 also provides funding to support and expand the number of Foundry Centres to 23 by 2023/24. Foundry currently has 11 locations and virtual service offerings that provide health and wellness resources and services for young people ages 12 to 24. Funding will support a full suite of treatment and recovery services for youth experiencing substance use issues as well as other more intensive supports for children and youth with severe mental health or substance-use conditions.

Improved Access & Better Quality Mental Health Services

To improve the access and quality of mental health services, *Budget 2021* will invest $75 million in new funding over three years. This includes $14 million for the First Nations Health Authority to deliver targeted mental health and addictions services to Indigenous peoples throughout B.C. There is also $8 million over three years in new funding to expand eating disorder care at each of the health authorities and to maintain suicide prevention services that were implemented in response to COVID-19. The budget also provides $53 million across the fiscal plan to expand the early psychosis intervention program to be accessible across the province. The program supports early identification, diagnosis and treatment of psychosis to maximize the likelihood that intervention will successfully reduce the burden of suffering and improve daily functioning.

Substance Use and Overdose Emergency Response

Budget 2021 provides $330 million over the fiscal plan to provide a full spectrum of treatment and recovery services for individuals experiencing issues with substance use. This includes $152 million for opioid treatment. Overdose prevention supports implemented in response to the pandemic will become permanent programs through *Budget 2021*. This means continued operation of new supervised consumption sites, Assertive Community Treatment teams, the Lifeguard App, consultative services for health care professionals providing substance use treatment, and additional nursing supports.

Other substance-use services include end-to-end services from initial sobering and assessment and withdrawal management services, through to supporting an individual transition back into daily life. Funding will support the creation of 195 new substance-use treatment and recovery beds throughout B.C. for all types of substance use. New beds will be supported by new outpatient, peer supports and community-based support services throughout the province.

Table 1.2.3 Investments for Mental Health and Addictions Services

($ millions)	2021/22	2022/23	2023/24	Total
Opioid use disorder treatment	51	51	51	152
Treatment and recovery services	38	45	50	133
Overdose prevention	15	15	15	45
Mental health supports for children and youth	26	31	40	97
Eating disorder care and suicide prevention	2	2	3	8
Early psychosis intervention	10	18	25	53
First Nations Health Authority	5	5	5	14
Total	**146**	**165**	**189**	**500**

Note: Table may not sum due to rounding

Supports for People and Businesses

Government continues to focus on putting people first by delivering the services people rely on and working to make life more affordable for everyone. Through *Budget 2021*, the Province is making significant new investments to reduce poverty, advance child care, make life more affordable, advance meaningful reconciliation with Indigenous peoples, and invest in the services people count on. In addition, government continues to provide relief and recovery supports for B.C. businesses to support them through the pandemic and better prepare them for the post-pandemic recovery. This includes ongoing business relief and recovery measures implemented through the *StrongerBC Economic Recovery Plan*, such as business recovery grants, tax incentives to encourage business hiring and/or employee wage increases, and PST rebates on machinery and equipment. It also provides targeted supports for farmers and the agriculture sector to build resilience in local food security. The budget also allocates new funding to support the tourism sector during the pandemic and when it is safe to welcome visitors back to B.C.

Reducing Poverty and Helping Those Most in Need

In 2019, the Province introduced *TogetherBC*, B.C.'s first poverty reduction strategy. The strategy aims to lift people out of poverty and create a more diverse, equitable and prosperous province. Poverty reduction has been a key government priority, with significant investments to help lift British Columbians and, in particular, children out of poverty. Recent examples include:

- the Child Care Fee Reduction Initiative and Affordable Child Care Benefit that were introduced in 2018 to make child-care more affordable;
- the new B.C. Child Opportunity Benefit implemented on October 1, 2020, that provides a monthly, tax-free benefit of up to $1,600 per year for the first child for low and middle-income families with children under the age of 18; and
- three increases to the minimum wage since 2017, with another planned increase on June 1, 2021, to $15.20 per hour.

Income and Disability Assistance Enhancements

Budget 2021 continues to invest in poverty reduction initiatives by providing $1.6 billion over the fiscal plan to increase supports and address demand for income and disability assistance. Building on previous rate increases of $100 a month in September 2017 and

$50 a month in April 2019, *Budget 2021* provides a $175 per month increase for income and disability assistance rates — the largest ever permanent increase. Since April 2017, the monthly rate for a single person on income assistance has increased by 53 per cent and for a single person on disability assistance by 38 per cent. Over 240,000 people, including 49,000 children will directly benefit from this rate increase. This means B.C. has the highest income assistance rates in Canada, and the third highest disability assistance rates.

Budget 2021 will also increase the Senior's Supplement by $50 — the first increase since it was introduced in 1987. This increase will benefit up to 80,000 low-income seniors, including 20,000 more seniors who will become eligible for the supplement because of the increase. The Province is also increasing the comforts allowance for people on income assistance, a supplement that allows people on assistance living in a special care facility (such as community care centre or assisted living facility) to buy basic personal items such as hygiene products. The $20 per month increase is the first increase to the comforts allowance for income assistance clients since 2005.

Supports for Individuals Experiencing Homelessness

The COVID-19 pandemic has increased the prevalence, risks and visibility of homelessness around the province. Government responded quickly by committing $162 million in 2020/21 to lease spaces at hotels, motels and community centres to provide temporary shelters and meal supports, and to connect those experiencing homelessness with other services. Government is continuing to address homelessness by allocating $265 million in 2021/22 from the Pandemic and Recovery Contingencies to extend supports and services for people experiencing or at risk of homelessness. There is an additional $30 million over the fiscal plan for ongoing housing support costs associated with recent hotel purchases that are providing 400 units of temporary shelter.

The Pandemic and Recovery Contingencies allocation includes funding to help maintain more than 3,000 temporary emergency shelter and hotel spaces that have been secured during the pandemic to provide temporary shelter and accommodations. Funding also extends the additional 650 urgent shelter spaces, rent supplements, and supportive housing sites used to support recent decampments efforts in Vancouver and Victoria, with on-site health and other supports. Supports include meals, support staff, security as well as personal protective equipment to help service operators maintain safe and healthy shelters and housing.

The Province is also maintaining outreach services to connect homeless and vulnerable populations with resources and available programs. New *Budget 2021* funding will create 388 new permanent shelter spaces in communities throughout the province. Shelters provide a warm, dry place for individuals to sleep, but just as importantly offer meal services, showers, laundry, access to social workers, referrals to community services and harm reduction services.

In addition to continued investments in the *Homes for B.C.* Supportive Housing Fund, the Province is partnering with the federal government through the Rapid Housing Initiative to convert existing buildings into supportive housing, and to support development of modular housing to expedite housing solutions for homeless or other vulnerable populations. These collaborative, long-term initiatives will support B.C. in increasing capacity to respond to and reduce homelessness and improve people's lives.

Affordable, Accessible and High-Quality Child Care

Since *Budget 2018*, government has been creating affordable, accessible, and high-quality child care throughout B.C. Investments over the past three years have funded over 26,000 new child care spaces, provided more than 35,000 families with low-cost child care, and provided $2 per hour wage increases for over 11,000 registered Early Childhood Educators. It has also reduced fees by up to $350 per month per child for over 69,000 child care spaces through the Child Care Fee Reduction Initiative, and supported an estimated 63,000 children from low- and middle-income families to receive up to $1,250/month per child through the Affordable Child Care Benefit.

The pandemic underscored the vital importance of child care to families — especially women — to participate in the workforce. As part of the Province's COVID-19 Action Plan, government provided over $300 million in 2020/21 for temporary emergency funding for child care providers to remain open for front-line workers, and to ensure those that closed temporarily were poised to reopen again to support parents in returning to the work place. Further investments of $99 million through the *StrongerBC Economic Recovery Plan* provided child care providers with health and safety grants and contributed to recovery efforts by accelerating the creation of over 3,200 more new spaces as part of the 26,000 spaces funded to date. This will help more child care businesses to open, help more parents get back to work, and help to build strong, local economies that benefit everyone in the community.

As part of the Pandemic and Recovery Contingencies, government has allocated a further $20 million in 2021/22 to provide more health and safety grants to child care providers for increased cleaning supplies, personal protective equipment, or space enhancements to ensure child care centres remain safe.

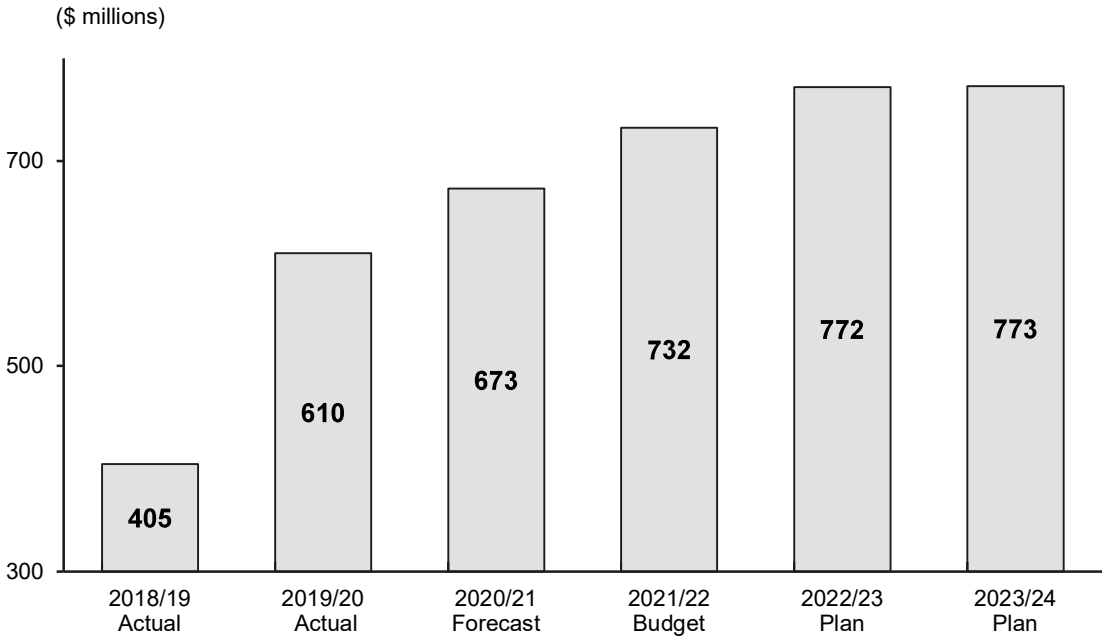
In addition to the approximate 2,500 - 3,000 new spaces that will be created per year under the New Spaces Fund, *Budget 2021* advances the ChildcareBC strategy by investing $233 million more over the fiscal plan to create more new spaces and continue to make child care more affordable. This brings the total child care budget to nearly $2.3 billion over the fiscal plan, as shown in Chart 1.1.2.

New investments include $20 million over three years to add 400 more spaces to the Aboriginal Head Start program that provides no-fee, culturally-based child care for Indigenous families. In addition, approximately 2,000 more families will be able to access Supported Child Development and Aboriginal Supported Child Development programs. Children who are already enrolled in these programs will receive additional hours of support.

Budget 2021 also includes $111 million over the fiscal plan to expand the Province's low-to no-cost child care program, which provides child care for no more than $10 per day, regardless of a parent's income. This will give families access to 3,750 new low-cost child care spaces throughout the province through 75 additional ChildcareBC Universal Prototype Sites.

Early childhood educators (ECEs) are not only the heart of the child care system — they are the workforce behind the workforce. Government recognizes the importance of continuing to invest in ECEs throughout the province, both to recruit them into the child care sector and to support them to stay. *Budget 2021* improves access to ECE training by adding 110 more post-secondary seats in B.C. and provides $94 million over the plan to double the current ECE wage enhancement to a $4 an hour increase. This will benefit about 11,000 ECEs who are working in child care centres throughout

Chart 1.1.2 Child Care Programs*



* Does not include time-limited funding initiatives related to pandemic response and economic recovery.

the province to support recruitment and retention of a stable, qualified, and skilled workforce.

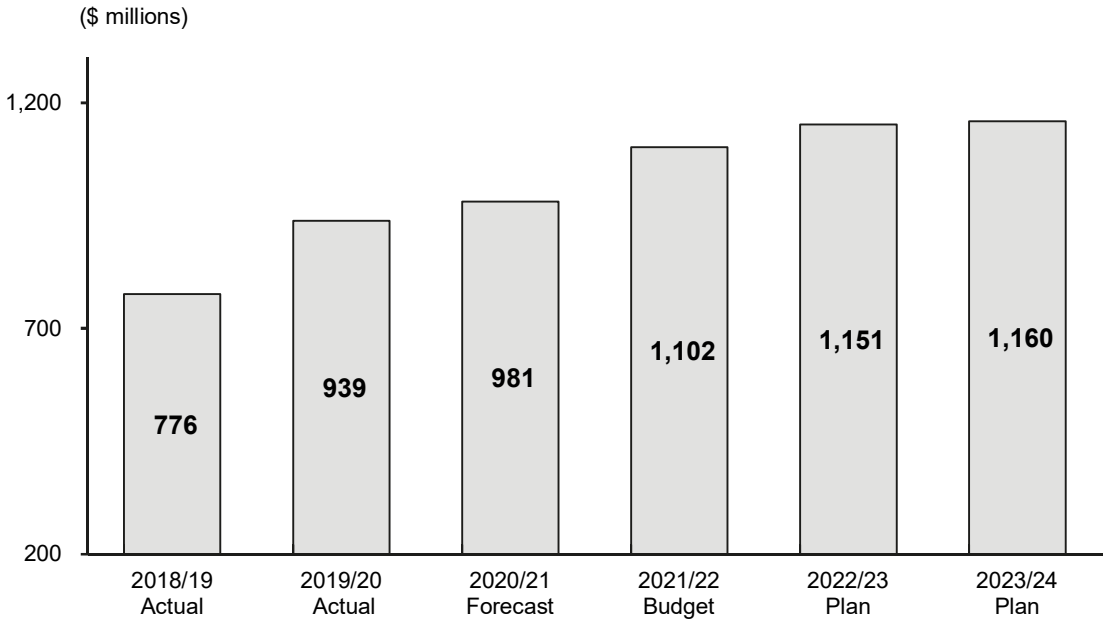
Bringing child care and education together is one step in government's long-term vision to create a universal, inclusive early care and learning system in B.C. that will better support families and inspire lifelong learning in children. *Budget 2021* will expand the Seamless Day Pilot under the Ministry of Education which will benefit families in accessing more child care on school grounds. The pilot will expand to 20 additional school districts — on top of the four that are currently participating — and will integrate school-age care programs into kindergarten and Grade 1 classrooms. These steps will support the work that is ahead for the Province as it continues to engage with partners from the child care and education sector, including Indigenous-led child care providers, to continue to build an inclusive early care and learning system to move British Columbia even further along the path to universal child care.

Making Life More Affordable

Building B.C. and Affordable Housing

Budget 2021 continues to fund the *Homes for B.C.* plan, a key government priority to deliver 114,000 affordable homes over 10 years to improve market supply and provide more housing options for growing families, seniors, women and children fleeing violence, students and Indigenous peoples. *Budget 2021* provides $80 million across the fiscal plan to continue to support B.C.'s housing strategy, which includes the improvement of rental and housing opportunities through continued partnerships with all levels of government, Indigenous peoples, non-profits and the private sector. This brings the total housing operating budget to over $1.1 billion annually over the fiscal plan as shown in Chart 1.1.3. As of February 28, 2021, over 26,000 new homes have been completed or are underway since the *Homes for B.C.* plan was launched in 2018.

Chart 1.1.3 Investments in Housing Affordability and Homelessness Supports*



* Does not include time-limited funding initiatives related to pandemic response and economic recovery.

Over the course of the fiscal plan, the Province intends to fund the building of more than 10,000 new low- and middle-income housing units through grant funding to non-profit housing providers and $1.6 billion in capital investments. Additionally, government will provide up to $2 billion in low-cost financing to expand the HousingHub program which will work with a variety of partners to facilitate the creation of approximately 9,000 units of affordable rental housing and homeownership options for middle-income British Columbians over the next three to five years. This builds on the approximately 1,000 completed homes through previous HousingHub projects. Through these varied strategies, B.C. continues to take action towards its goal of a province where everyone has opportunities to access a secure, safe and affordable home.

Free Transit for Youth

The Province is allocating $26 million to help families get around more affordably by making transit free for children aged 12 and under. This includes investments from the 2020/21 federal-provincial Safe Restart Agreement for transit and new *Budget 2021* funding. Free transit for children supports the Province's poverty reduction strategy, improves affordability and promotes greener transportation options through public transit for families. The first phase of the initiative will be launched in September 2021 with free transit for children aged 12 and under on all BC Transit and TransLink transportation including buses, SkyTrain, Canada Line, SeaBus, West Coast Express and HandyDART. This will improve affordability for families by reducing the cost of transit. For example, it is estimated that families with children and youth in the TransLink service area who access monthly passes will save up to $672 per year per child.

Overall, this program will enable approximately 340,000 children across the province to access transit for free effective September 2021. This will improve equitable access to transportation, especially for lower income and Indigenous families that tend to be more reliant on public transit. It will also help to rebuild transit ridership, and attract new family ridership and future public commuters which supports the Province's CleanBC emissions reduction goals.

B.C. Recovery Benefit

Budget 2021 allocates $100 million to continue to fund the B.C. Recovery Benefit, which launched in December 2020 and remains open for new applications until June 30, 2021. The B.C. Recovery Benefit provides a one-time, tax-free payment of up to $1,000 for eligible families and single parents and up to $500 for eligible individuals. The benefit is provided on a sliding scale and phases out at a net income of $175,000 for families and single parents; and at $87,500 for individuals. The benefit provides financial relief to middle and lower-income British Columbians while helping to stimulate the economy. The overall program is forecasted to cost $1.4 billion based on year-to-date uptake, with $1.3 billion forecasted for 2020/21 and $100 million anticipated for 2021/22 (with additional Pandemic and Recovery Contingencies available should uptake in 2021/22 exceed the forecasted allocation). As of February 28, 2021, nearly 1.7 million applications have been approved, benefiting over 2.3 million British Columbians.

Reconciliation with Indigenous Peoples

A strong and sustainable economy that works for everyone means moving forward together through true and lasting reconciliation with Indigenous peoples. The *Declaration on the Rights of Indigenous Peoples Act (Declaration Act)* recognizes and respects the human rights of Indigenous peoples and ensures they are involved in decisions that affect them and their territories. *Budget 2021* includes $60 million annually in base budget funding to support a range of activities, including engagement with Indigenous peoples on legislation, policy, and programs; negotiation capacity; and initiatives that increase participation in land and resource activities within their territories. The Province has also allocated $17 million over three years to support the implementation of the *Declaration Act* and government's commitments under existing reconciliation agreements, including land transfers.

Budget 2021 also supports reconciliation through a range of new investments that support the health and well-being of Indigenous peoples and communities. This includes new funding for culturally based child care through the Aboriginal Head Start program, skills training initiatives for Indigenous people, culturally safe access to health services and mental health and addictions treatment, and for other priority initiatives as discussed throughout this document.

Table 1.2.4 Investments to Support Reconciliation

($ millions)	2021/22	2022/23	2023/24	Total
Indigenous Funding Program	60	60	60	180
Implementation resources	6	6	6	17
Health sector - First Nations cultural safety and humility training and Indigenous liaisons	15	15	15	45
First Nations Health Authority - culturally based mental health and addictions services	5	5	5	14
Aboriginal Head Start Program - culturally based child care for Indigenous families	7	7	7	20
Skills training initiatives for Indigenous peoples*	17	-	-	17
Total	**110**	**93**	**93**	**293**

Note: Table may not sum due to rounding

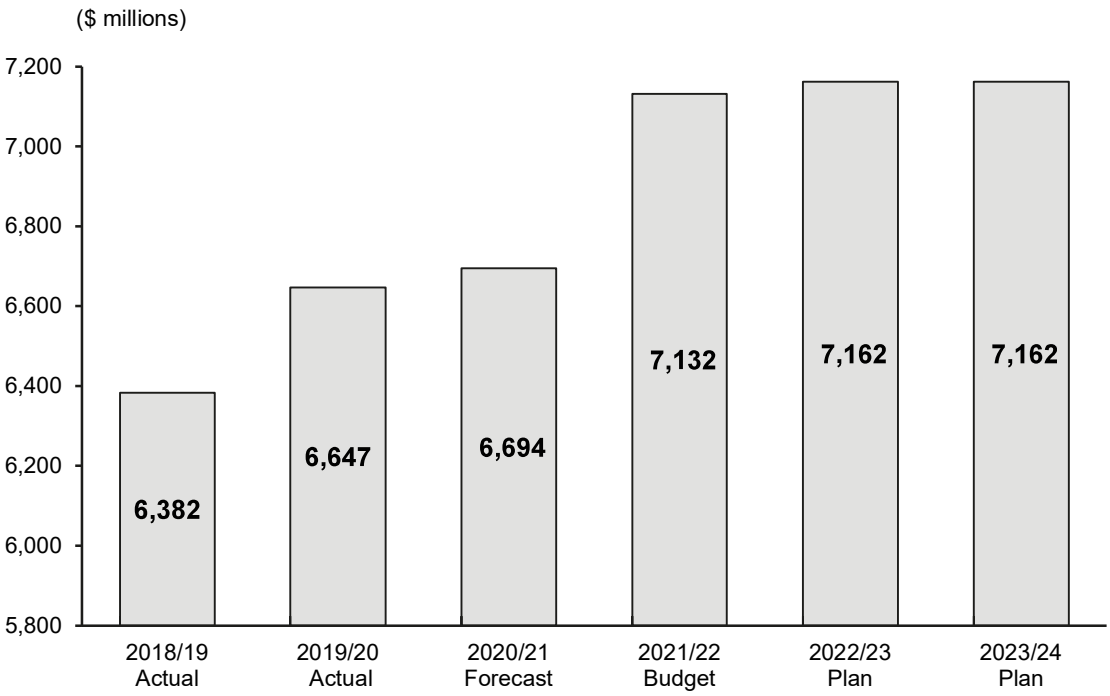
**Pandemic and Recovery Contingencies allocation*

Investing in the Services British Columbians Count On

K-12 Education

The Province will invest $1.2 billion over the fiscal plan to support the growing number of students accessing B.C.'s K-12 education system and to support wage increases for teachers and support staff under the *Sustainable Services Negotiating Mandate*. Funding will also support the growing number of special needs students, English/French language learners, and Indigenous learners in both public and independent schools. In addition, *Budget 2021* supports the K-12 education sector with new funding to improve access to mental health supports in schools, to expand early learning and onsite child care opportunities, and to develop a framework to address racism and reconciliation. This brings the total annual budget for the K-12 education sector to over $7.1 billion per year as shown in Chart 1.1.4. In addition, the fiscal plan includes approximately $3.5 billion for capital investments to expand, replace, maintain or renovate schools throughout B.C. as further discussed on page 47.

Chart 1.1.4 Investing in K-12 Education*



* Does not include time-limited funding initiatives related to pandemic response and economic recovery.

Improving the Lives of Families, Children and Youth

Budget 2021 provides $85 million over the fiscal plan to support family, children and youth services. This includes additional funding to support children in ministry care or with Delegated Aboriginal Agencies. The budget also supports programs for children living with a disability, and provides more funding for medical equipment and services for children that are deaf or hard of hearing. This also includes $41 million to support alternatives to care arrangements by reuniting families, promoting adoption, and other permanent transfer of custody options. These investments support government's overall strategy to reduce the number of children in care and, where appropriate, keep families

together to improve outcomes for children. In particular, this supports a government priority of improving Indigenous child welfare outcomes by keeping children and youth safely at home and connected to community and culture. This helps to ensure a diversity of Indigenous voices, history and practices are reflected in child services in collaboration with Delegated Aboriginal Agencies and Indigenous communities.

Social Services and Supports for Adults with Developmental Disabilities

Community Living BC provides supports and services to over 24,000 adults with developmental disabilities and their families. This includes contracted services to support community inclusion programs, respite for families, residential and employment supports, and other connections to community. The Province is providing $367 million in new funding to Community Living BC over three years. This will support approximately 1,300 more clients each year, while addressing staffing and operational costs for service providers, including wage enhancements under the *Sustainable Services Negotiating Mandate*, to ensure Community Living BC can continue to deliver the services people count on.

Timely and Equitable Access to Justice

The Province is providing $132 million more over three years to support a justice system that serves all British Columbians. This includes funding to support courts, family dispute resolution, legal clinics, parent legal centres and family maintenance enforcement services as well as sector wage enhancements under the *Sustainable Services Negotiating Mandate*. These services support timely and equitable access to justice, particularly for women, visible minorities, single parents, refugee claimants, Indigenous peoples, those with low incomes or who live in poverty, and members of the LGBTQ2S+ community who tend to have greater unmet legal needs.

Justice sector funding includes $16 million over three years to support the Province's court modernization strategy. An additional $24 million in one-time funding from the Pandemic and Recovery Contingencies is allocated in 2021/22 to augment these efforts. This funding will support the safe operations of courts during the pandemic, including increased cleaning and personal protective equipment, as well as virtualization, electronic filing solutions and other system enhancements. These measures have province-wide benefits, including fewer cases being directed to the courts. In addition, those living in rural or remote communities benefit by saving hours of travel time. Modernization also provides safe alternatives through virtual delivery of witness and victim statements.

Maintaining Public Safety

The Province is adding $73 million over the fiscal plan to support public safety services. This includes funding to support policing and security, initiatives under the Gang Suppression Action Plan, the BC Coroners Service, the Office of the Fire Commissioner, road safety programs, and sector wage enhancements under the *Sustainable Services Negotiating Mandate*. Funding will help to address added staffing needs for front-line RCMP officers in rural communities to address increased investigative complexity and co-ordinated responses for emergencies such as floods, wildfires, and the ongoing health emergencies of COVID-19 and the opioid crisis.

Table 1.2.5 Investments in Justice and Public Safety Services

($ millions)	2021/22	2022/23	2023/24	Total
Courts modernization	5	5	5	16
Courts and tribunal services	15	15	15	45
Justice supports (e.g. Parent legal centres)	4	4	6	14
Public safety and crime prevention programs	5	5	5	14
Policing services	12	12	12	37
Sustainable Services Negotiating Mandate	25	28	28	80
Total	**66**	**69**	**71**	**206**

Note: Table may not sum due to rounding

Support for B.C. Businesses

The fall 2020 *StrongerBC Economic Recovery Plan* is a key step in continuing to support business recovery over the coming year. Funding in 2020/21 included $44 million for digital marketing training and the Launch Online program which has supported thousands of B.C. businesses to create or improve their e-commerce presence through contracts with B.C. technology companies. It also included $7.5 million for B.C. agri-tech companies and $6 million in supply chain grants to strengthen B.C.'s supply chain, and a further $10 million to support small- and medium-sized manufacturing businesses commercialize new technologies and/or products and improve market access (see page 119 for complete listing of measures).

Budget 2021 provides ongoing funding for *StrongerBC* initiatives, including allocating $195 million in 2021/22 to continue the Small and Medium Sized Business Recovery Grant Program. The program has been updated with streamlined access and expanded eligibility to ensure more businesses can access up to $30,000 in provincial grant funding that can be used to support their recovery and adapt to COVID-19. This may include diversifying their business to include new services, modifying physical space, offsetting fixed costs such as rent, or growing the business by moving online. Tourism-related businesses (which may include transportation, accommodation, food and beverage and recreation organizations) can receive an additional top-up of $15,000. In total, the budget for the program remains $345 million, as committed by the Province in the fall.

Budget 2021 also allocates $150 million to support the Increased Employment Incentive tax credit for private sector employers as announced as part of the *StrongerBC Economic Recovery Plan.* This program provides a tax credit to businesses that increased their payroll through hiring or compensation increases in the last quarter of 2020 compared to the previous quarter. Other continuing *StrongerBC* business supports include a PST exemption on select equipment and machinery until the end of September 2021 to support businesses to pivot or upgrade operations. This is estimated to save businesses $470 million over the tax exemption period. Government has also permanently allowed restaurants, bars and tourism operators with liquor licenses to purchase beer, wine and spirits at the wholesale price, providing over $70 million per year in support for the industry. This measure helps alleviate financial pressures and provides more cost certainty for the hospitality sector to support recovery and to help the estimated 190,000 British Columbians who work in the sector.

Table 1.2.6 Ongoing Business Supports from the Fall *StrongerBC Economic Recovery Plan*

($ millions)	2020/21 Forecast	2021/22	Total
Spending Measures			
Small and Medium Sized Business Recovery Grant*	150	195	345
Increased Employment Incentive tax credit*	40	150	190
Farmer supports to access labour*	25	35	60
Tourism sector supports*	73	120	193
Sub-total	**288**	**500**	**788**
Other Business Supports			
PST Exemptions on select machinery and equipment	235	235	470
Wholesale pricing for hospitality licensees**	31	71	102
Sub-total	**266**	**306**	**572**
Total	**554**	**806**	**1,360**

Note: Table may not sum due to rounding
**Pandemic and Recovery Contingencies allocations*
***Permanent measure*

Support for Farmers and the Agriculture Sector

Budget 2021 invests $10 million over the fiscal plan to expand the Grow BC, Feed BC, Buy BC strategy launched in 2018 to strengthen B.C.'s agrifood and seafood sector and expand the domestic market for B.C. food and beverage products. Grow BC helps young farmers access land, and supports fruit and nut growers and processors to expand local food production; Feed BC increases the use of B.C.-grown and processed foods in hospitals, schools, and other government facilities; and Buy BC helps local producers and processors market their products by re-establishing a strong, recognizable Buy BC brand and supporting industry-led Buy BC marketing activities. This funding is in addition to the $7 million provided as part of the *StrongerBC Economic Recovery Plan* to expand the B.C. food hub network and support farm innovation and food processing.

The Province has also allocated $35 million in 2021/22 to continue to support B.C. farmers in safely accessing and accommodating temporary foreign workers to support crop harvesting. This includes providing hotel-based quarantine services for foreign workers to meet COVID-19 related-health orders to minimize risks of on-farm outbreaks and maintain B.C.'s critically important local food supply.

Tourism and Arts Sector Supports

Tourism is a valuable component of the B.C. economy as one of the largest employers and a generator of small businesses; however, it remains one of the hardest-hit sectors from the pandemic which has disproportionately affected women, youth, part-time workers, immigrants and Indigenous peoples who make up a greater proportion of the tourism workforce compared to the overall labour force. Through the fall 2020 *StrongerBC Economic Recovery Plan*, government dedicated $100 million of the Small and Medium Sized Business Recovery Grant program specifically to tourism operators, which continues into 2021. In addition, over $70 million was provided in other tourism relief and recovery measures which included grants for Indigenous-owned tourism businesses and investments to help small municipalities build, adapt, and diversify their tourism infrastructure such as trails construction, visitor centre improvements and safety upgrades to amenities. It also included funding to Destination BC to market B.C. domestically and secure its spot in the international tourism market for when it is safe to welcome visitors back to the province.

Budget 2021 builds on these investments by allocating $120 million in 2021/22 from the Pandemic and Recovery Contingencies for further tourism recovery and to support B.C. in remaining a globally competitive destination. This includes $20 million in recovery funding for more community destination development grants to enhance tourism infrastructure, such as rail trails, rest stops, and airport improvements. This funding doubles the StrongerBC investment to help create short-term jobs while also increasing the future capacity of tourism destinations.

Government will also continue to work with business and tourism stakeholders, as well as health officials, to ensure B.C.'s tourism sector is poised to welcome the world back in the near future. Government has reserved $100 million to support tourism recovery, including support for major anchor attractions. Anchor attractions are vital in drawing visitors into B.C. communities, stimulating local economies and creating experiences that connect visitors to people, place and culture. These initiatives will contribute to government's broader strategy to support destination development and anchor attractions in future years. Other supports will help promote domestic and international travel when restrictions are lifted to help revitalize businesses and the tourism workforce.

Budget 2021 is also doubling the budget for the Arts Infrastructure Program by providing $6 million over three years to support recovery to arts and culture organizations. This program will provide increased grants of up to $250,000 to arts and culture organizations to support capital improvement projects, such as the purchase or construction of new spaces and the expansion of existing spaces. It also provides funding for specialized equipment, such as accessibility improvements and sound systems. This new funding builds on the $35 million in Arts and Culture Resiliency funding provided in 2020/21 as part of the *StrongerBC Economic Recovery Plan* that provided financial relief and grants to artists and arts and culture organizations.

Preparing for Recovery

The pandemic has already begun to reshape the future economy, and the Province will continue to work with businesses, workers, economists and Indigenous and community leaders to ensure a strong and sustainable recovery. *Budget 2021* continues to prepare for recovery by investing over $1 billion over the fiscal plan, including $200 million allocated from the Pandemic and Recovery Contingencies to support training, job creation, CleanBC recovery investments and supports for communities.

Targeted Training & Job Creation

Post-Secondary Education and Skills Training

Investments in post-secondary education and training opportunities are a critical part of B.C.'s recovery strategy, which helps train or re-train people to secure good-paying jobs and strengthen B.C.'s labour force. *Budget 2021* provides $649 million over three years to support the post-secondary education sector, including sector wage increases under the *Sustainable Services Negotiating Mandate*. Funding also includes $96 million over three years to support the health sector's longer-term human resource needs while supporting people to find rewarding careers in health. This funding will help thousands of people transition to jobs in the health care system, while supporting job recovery and addressing the province's future workforce needs.

Budget 2021 also provides an additional $32 million in one-time funding to continue training initiated through the *StrongerBC Economic Recovery Plan*. This includes $17 million in 2021/22 to support skills training for Indigenous people, which builds on the $19 million provided in 2020/21. This will help support 1,250 Indigenous people to gain new skills, transfer their training knowledge to other jobs, and participate in the labour market while contributing to economic recovery and resiliency in their communities. Funding is allocated to 266 Indigenous communities and organizations (203 First Nations, 38 Métis Chartered Communities, and 25 Aboriginal Friendship Centres) around the province where Indigenous communities have the flexibility to determine priority training needs.

The Province is allocating $5 million in 2021/22, on top of the $4 million invested in 2020/21, to support micro-credential training in B.C., which provides options for those looking to retrain for new career opportunities. Micro-credentials are formally recognized learning experiences that offer learners the ability to gain skills and competencies through shorter, more flexible programs rather than a standard degree, diploma or certification program. Initial funding is being used to deliver 25 micro-credential courses for an estimated 2,000 students. The new funding will be used to develop an additional 30 courses. The flexibility of micro-credential programs will improve accessibility to post-secondary education, particularly for women, Indigenous peoples, people with disabilities and people with multiple barriers who struggle with the financial, time or physical ability requirements associated with taking a full program.

Budget 2021 allocates $6 million in 2021/22 to support work-integrated learning placements for 3,000 students, whose unemployment rate has been disproportionately affected by the pandemic. Funding will allow post-secondary institutions to work with employers to connect them with students and support with the recruitment process, such as job postings and managing interviews, as well as helping to improve employer awareness of federal and provincial wage subsidy programs.

There is also $4 million allocated in 2021/22 to continue short-term skills training programs to support unemployed or underemployed individuals to train in high demand sectors such as construction, technology, health care and child care to ensure graduating students are well positioned to secure employment. The Province will also continue partnering with the federal government on further skills training opportunities in the coming year.

Youth Employment Initiatives

Pandemic-related employment losses have been unequal, concentrated among lower-wage workers in high-contact services, where youth are over-represented. To provide targeted employment opportunities for youth, *Budget 2021* allocates $36 million in 2021/22 Pandemic and Recovery Contingencies. This includes $15 million to expand the Innovator Skills Initiative program that provides up to $10,000 in funding for businesses to hire a post-secondary student, or non-student youth who has completed industry-approved certification or training, into a technology or tech-enabled position. This creates 3,000 job placements for youth in a high-opportunity sector with higher-than-average wages.

The Province is also providing $9 million to expand co-op positions in the natural resources sector to create employment opportunities that improve knowledge and data about the land base, create field work experience, and advance public education and public safety objectives. *Budget 2021* also allocates $3 million for the Recreation Sites

and Trails B.C. youth program which provides safe, quality recreation opportunities for the public by developing, maintaining, and managing the provincial network of sites and trails. This will create 72 new jobs that will help those hardest hit by the pandemic — including youth, women and Indigenous peoples — by providing high quality employment and training opportunities in rural and remote communities while restoring public outdoor recreation spaces.

B.C. Parks, the Conservation Officer Services and the Aquatic Invasive Species programs will also receive $4 million to support over 80 short-term youth employment opportunities. The youth employment program provides meaningful work opportunities to young people while helping them gain valuable skills, experiences, and insights into conservation and natural resource law enforcement careers in the public sector. This includes opportunities and experiences in conservation, recreation, community engagement, Indigenous relations, public outreach, wildlife safety, and education on aquatic invasive species.

Finally, $5 million is allocated in 2021/22 to extend the Clean Coast, Clean Waters program initiated as part of the *StrongerBC Economic Recovery Plan* to create jobs removing marine debris in coastal communities.

Table 1.2.7 2021/22 Investments to Support Recovery for People

($ millions)	2021/22
Skills Training Initiatives	
Skills training for Indigenous peoples	17
Micro-credential training	5
Work-integrated learning	6
Short-term skills training	4
Sub-total	**32**
Youth Employment Initiatives	
Innovator Skills Initiative	15
Natural resources sector employment opportunities	9
BC Parks, Conservation Officer Services and Aquatic Invasive Species youth programs	4
Clean Coast, Clean Waters Program	5
Recreation Sites and Trails BC Youth Employment Program	3
Sub-total	**36**
Total	**68**

Note: Table may not sum due to rounding

CleanBC

B.C. continues to be a climate action leader with new investments totaling $506 million over the fiscal plan to support CleanBC. This includes $269 million in new operating and capital funding for clean transportation, energy efficient buildings and communities (as discussed in the Investing in Infrastructure to Support Recovery topic box on page 28), and other cleantech and climate change initiatives. It also includes $96 million more for the CleanBC Program for Industry in alignment with scheduled carbon tax increases, while adjusting for the delayed increase to the tax in April 2020 that provided relief to businesses and families from the pandemic. There is also an additional

$120 million to continue the Climate Action Tax Credit in 2023/24. *Budget 2021* also includes a new PST exemption on electric bikes, estimated to save British Columbians $7 million per year. These significant investments bring CleanBC allocations to nearly $2.2 billion since 2019/20.

These CleanBC investments are in addition to the Province's other climate-related spending, including public transit projects such as the expansion of Vancouver's Broadway Subway, energy-efficiency spending on public-sector buildings, the Innovative Clean Energy Fund, the First Nations Clean Energy Business Fund, and Forest Carbon Initiative, among others. Future Climate Change Accountability Reports will continue to report on actual expenditures.

Table 1.2.8 Investments for CleanBC (including Contingencies allocations)

($ millions)	2021/22	2022/23	2023/24	Total
New Operating Funding				
Clean transportation	93	19	10	123
Energy efficient buildings and communities	32	20	5	57
Clean energy and Cleantech innovation	60	-	-	60
Climate preparedness and adaptation	6	-	-	6
Climate strategy resourcing	2	1	1	4
New Capital Funding				
Clean transportation	3	3	1	7
Carbon Neutral Capital Program	6	6	-	12
Subtotal	**202**	**50**	**17**	**269**
Other Investments				
Adjustment to CleanBC Program for Industry	(38)	(40)	173	96
Continuation of Climate Action Tax Credit	-	-	120	120
PST exemption on e-bikes	7	7	7	21
Total	**171**	**17**	**317**	**506**

Notes: Table may not sum due to rounding.

Cleaner Transportation

Budget 2021 provides $123 million in operating funding and $7 million in capital funding over three years to support cleaner transportation through financial incentives, greener infrastructure, technological advancements, and electrification of school buses, ferries, and government fleets. This includes $94 million over the fiscal plan to continue the Go Electric Program which provides financial rebates to customers who buy zero-emissions vehicles, charging stations, and funding to support commercialization of medium and heavy-duty vehicles. This funding is in addition to a new $40 million invested in 2020/21 to transition the existing incentives program to an income-tested model in 2021/22. This program directly supports B.C. in meeting its 2025 mandate to have at least 10 per cent of new light duty vehicles sold in B.C. be zero emissions vehicles. New funding of $18 million will provide grants to local governments to improve active transportation infrastructure, such as building connecting sidewalks, installing bike lanes, and building multi-use paths in parks. There is also $10 million over three years to develop policy on reducing the carbon intensity of fuel and develop the hydrogen economy.

CleanBC Program for Industry

The CleanBC Program for Industry reduces emissions at industrial operations and drives innovation by directing a portion of the carbon taxes paid by industry into two streams:

1. **The CleanBC Industrial Incentive Program**: provides incentives to large regulated industrial operations upon reducing emissions to world-leading benchmark levels; and
2. **The CleanBC Industry Fund**: finances emissions reduction projects identified by industry.

Budget 2021 maintains the Province's commitment to partner with industry by providing new program funding of $173 million in 2023/24, in alignment with planned increases to the carbon tax, bringing total funding to the Program to $519 million over the fiscal plan period. *Budget 2021* commits stable base funding which will enable some early investment decisions through the Industry Fund to better align with industry capital planning timelines. This supports government with a strong foundation for a sustainable future by working side by side with industry and other partners to continue to adopt new technologies and maintain B.C. industry's position as global leaders in reducing their carbon footprint.

Table 1.2.9 CleanBC Program for Industry - Total Funding

($ millions)	2021/22	2022/23	2023/24	Total
Base budget program funding	98	142	191	431
Contingencies allocations	22	28	38	88
Total	**120**	**171**	**229**	**519**

Note: Table may not sum due to rounding

Energy Efficient Buildings and Communities

Investments in CleanBC also support the adoption of energy efficiency measures in buildings and communities. *Budget 2021* provides $57 million in operating funding to support energy efficient buildings and communities. This includes $34 million to reduce diesel consumption for electric generation in remote communities, including Indigenous communities, and $11 million to develop and fund a new program for local governments to plan for building compact, energy efficient communities. The budget also provides $12 million in capital funding to support school districts under the Carbon Neutral Capital Program.

Clean Energy and Cleantech Innovation

Budget 2021 also provides $60 million in one-time funding for 2021/22 to support the Centre for Innovation and Clean Energy and for cleantech investments to support partnership opportunities with the federal government. Announced as part of the *StrongerBC Economic Recovery Plan*, the Centre for Innovation and Clean Energy will support the development and commercialization of clean technology in B.C. — creating good jobs and supporting technological advancements required to transition to a low-carbon future.

Climate Preparedness and Adaptation

The Province also continues to invest in research and forward-looking strategies to support climate preparedness and adaptation. *Budget 2021* provides $6 million to support planning and preventative action, and to better understand climate risk to reduce the impact of negative outcomes of climate change over time.

InBC Strategic Investment Fund

Initially announced as part of the *StrongerBC Economic Recovery Plan*, *Budget 2021* will provide InBC Investment Corp. with $500 million over three years, financed through a fiscal agency loan, to establish a new strategic investment fund. Investments through the fund will help to attract and anchor high-growth businesses, talent, and good jobs in B.C. InBC will make investment decisions independent of government but will be guided by criteria that seek to achieve financial returns while delivering on specified economic, social, and environmental policy priorities. These may include criteria that promote the decarbonization of the economy, good quality, family-supporting jobs in all parts of the province, and that advance reconciliation with Indigenous peoples. With the governance and mandate development of the fund well underway, it is anticipated that InBC will be ready to invest later in the 2021/22 fiscal year.

Table 1.2.10 InBC Strategic Investment Fund*

($ millions)	2021/22	2022/23	2023/24	Total
Available funding	100	200	200	500

**Represents available financing to support investments. Draws against amounts provisioned depend on the actual investment schedule.*

Investing in Communities

Investing in community infrastructure remains a key strategy to supporting recovery across B.C. and building more resilient communities. These investments help to ensure the necessary infrastructure is in place to deliver the services people count on, while generating jobs and upgrading facilities to attract new residents and visitors.

Connectivity

The pandemic has highlighted the importance of technology and how it supports people, businesses and communities in their work, to access services and to stay connected. Historically, there has been no stable funding to improve or expand broadband and cellular access to all British Columbians. Building on the Province's recent one-time investments of $140 million, *Budget 2021* establishes stable base funding of $40 million over the plan to further invest in the Province's connectivity strategy. Providing reliable high-speed broadband to rural, remote and Indigenous communities supports a more inclusive society, improves access to health care and education and helps unlocks opportunities for businesses to better reach and access local, regional and global markets.

B.C. Parks Infrastructure Investments and Campsite Expansion

The pandemic limited access to indoor recreational facilities and highlighted the value of high-quality outdoor recreational opportunities. *Budget 2021* responds to the substantial increase in demand for outdoor activities during the pandemic by providing $36 million in operating funding and $47 million in capital funding for new B.C.

Parks investments over three years. Operating funding will be used to expand and enhance park management and recreation opportunities through new and upgraded campsites and trails. It will also support the maintenance and preservation of provincial parks infrastructure and facilities for both front-country and back-country sites and trails, as well as invest in B.C. Parks' reservation services to further improve the park user experience. Capital funding will be used to build and expand campgrounds, and to provide more campsite facilities and amenities. This will create hundreds of new campsites starting in 2022/23. Capital funding will also be used to enhance trails, including improving accessibility for those who use wheelchairs, strollers or who may have other accessibility challenges. New investments in park infrastructure are anticipated to create more than 50 direct and indirect jobs annually.

Investing in Canada Infrastructure Program

The Province continues to partner with the federal government to deliver local community projects across B.C. under the Investing in Canada Infrastructure Program. The Government of Canada has committed to $3.9 billion in B.C. infrastructure over a 10-year period starting in 2018/19 to support public transit; green infrastructure; community, culture and recreation; rural and northern communities; and the COVID-19 resilience stream. The Province has supported these initiatives with total allocations of $3.6 billion anticipated over the 10-year period. This includes new *Budget 2021* provincial funding commitments of $41 million over the fiscal plan, or $247 million over the next six years to maximize federal contributions and continue to support local governments, not-for-profit entities and First Nations in accessing community infrastructure funding. The Ministry of Municipal Affairs will be communicating further details on the application process for new intakes in the fall of 2021.

Marking BC 150+

2021 has been and continues to be a remarkable year, which also includes the 150th anniversary of British Columbia's entry into confederation. As part of this milestone, Budget 2021 provides $30 million in one-time funding in 2021/22 to support initiatives around B.C. communities that honour:

- reconciliation and learning;
- diversity and inclusion; and
- resiliency and the next 150 years.

Investments will raise cultural awareness, recognize the diversity that contributes to B.C.'s vibrant social and economic fabric, and support resiliency and recovery across the province to mark this milestone. More details will be shared on the program in the summer, closer to the anniversary date.

Table 1.2.11 Investments to Support Recovery for Communities

($ millions)	2021/22	2022/23	2023/24	Total
Connectivity	10	10	20	40
B.C. Parks investments and campsite expansion	10	12	14	36
BC 150+*	30	-	-	30
Total	**50**	**22**	**34**	**106**

Note: Table may not sum due to rounding

**Pandemic and Recovery Contingencies allocations*

Investing in Infrastructure to Support Recovery

Community Infrastructure: Building Better Communities and a Sustainable Economy for Everyone

The *StrongerBC Economic Recovery Plan* announced in September 2020 provided over $400 million as a first step towards targeted investments in community infrastructure to support economic recovery by creating jobs and building better communities. This includes investments to revitalize community infrastructure, enhance connections between communities by road and air, improve broadband and cellular access and to help get people back to work.

Budget 2021 builds on community infrastructure investments by providing $147 million in new funding over the fiscal plan. This includes supports to further improve broadband and cellular access in rural, remote and Indigenous communities to better enable people to access essential services and work. There are also new investments to maintain and improve community and arts infrastructure, including upgrades to B.C. parks and campsites as British Columbians head to the outdoors and to prepare for the return of tourism throughout the province. B.C. will also provide $41 million over the fiscal plan to partner with the federal government in the Investing in Canada Infrastructure program for clean energy and community infrastructure projects.

The Province also continues to invest in key strategies that contribute to a more equitable and sustainable economy. As part of the *StrongerBC Economic Recovery Plan*, the Province invested $99 million in 2020/21 to ensure child care spaces were safe and available for parents and accelerated the creation of more child care spaces to support recovery efforts. Building even more child care spaces is instrumental in enabling parents, particularly women, to enter or rejoin the workforce. Through the New Spaces Fund, inclusion in the construction of new schools and other grant funding, the Province has funded over 26,000 new child care spaces since *Budget 2018*. *Budget 2021* provides more towards the creation of new spaces over the fiscal plan (see page 13) as government works to integrate child care into the broader learning environment.

Budget 2018 committed to invest $7 billion over 10 years in the homes people need and B.C. continues to deliver on its commitment to build housing that is safe and more affordable. The Province is providing more than $1.6 billion over the next three years to support the construction of new low- and middle-income housing throughout B.C. *Budget 2021* also provides up to $2 billion in low-cost financing to expand the HousingHub program. This program will facilitate the creation of approximately 9,000 additional units of affordable rental housing and homeownership options for middle-income British Columbians over the next three to five years.

Budget 2021 includes $7.6 billion in transportation investments over the next three years, as shown in Table 1.7 (page 53). Along with highway rehabilitation and upgrades, transportation investments include the replacement of the George Massey Tunnel with a new crossing, which has advanced to the business case review stage, and completing the planning for the Surrey-Langley SkyTrain project. The infrastructure investments keep B.C. on the path to a sustainable future, through shorter commute times and greener transportation. *Budget 2021* also includes the Richmond Hospital redevelopment project, which has advanced to the business case review stage. Investing in renewal and expansion of health authority-owned long-term care facilities is a priority for *Budget 2021*. Over 20 projects across the Province are in planning. In total, the projects are expected to result in the replacement of approximately 2,850 beds, and the creation of over 1,500 net new beds.

New buildings incorporate modern energy-efficient design to reduce the carbon footprint of public-sector buildings. For example, Glenmerry Elementary, Mills Memorial Hospital and Dawson Creek and District Hospital will exceed the energy performance

typically achieved by a Leadership in Energy and Environmental Design (LEED) Gold design. The UVic Student Housing project is being built to the innovative Passive House standard. For existing buildings, *Budget 2021* provides an additional $12 million for schools to reduce emissions and lower energy costs through the Carbon Neutral Capital Program.

The Province also remains committed to promoting the use of mass timber where feasible, to support a more resilient and competitive forestry sector, by incorporating mass timber into projects like Bayview Elementary and Begbie Elementary. The British Columbia Institute of Technology Student Housing project uses mass timber, has a lower carbon footprint compared to traditional concrete construction, and has an energy-efficient design that supports the Province's commitment to meeting legislated greenhouse gas reduction targets.

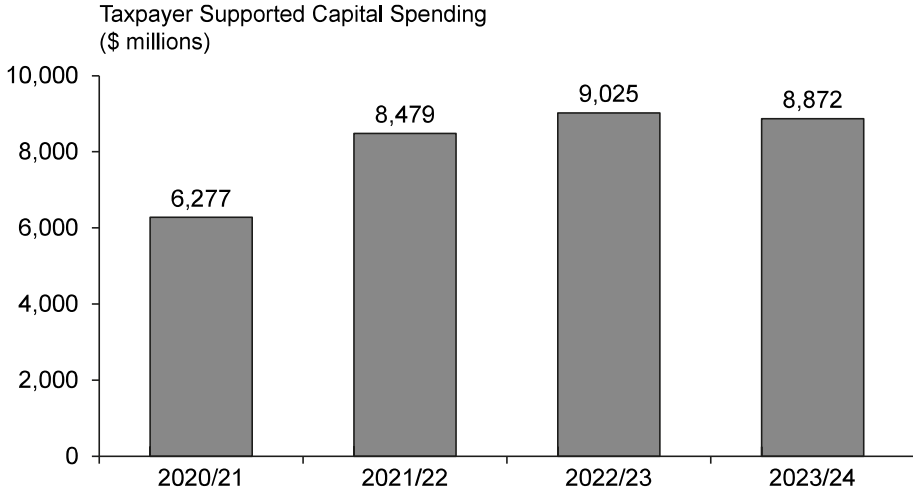
Major Capital Infrastructure: Creating Jobs While Growing Our Province

With the record $26.4 billion capital plan, *Budget 2021* is making a historic investment in major infrastructure to deliver the critical services people count on as communities grow, keeping B.C. a desirable destination to work, study and live. This record capital spending over three years is $3.5 billion higher than *Budget 2020* with infrastructure recovery investments in the areas of health, education and transportation. Rising capital investments are needed to replace older infrastructure, protect existing assets and build new ones. By leveraging existing capital project planning and with interest rates forecast to remain low by historical standards, the capital plan is well-positioned to support the recovery with shovel-ready projects, spanning all sectors and regions across the Province.

Overall, capital investments are anticipated to create over 85,000 jobs in the fiscal plan period. This includes direct construction jobs as well as indirect jobs, such as offsite employment at suppliers (for example, material manufacturing and food services). These benefits ripple out into the broader economy with the additional income being spent in the community and further supports recovery.

The capital investments include more apprenticeship and training opportunities in local communities, in particular for Indigenous peoples, women, people with disabilities and other traditionally under-represented groups who want to build a career in the skilled trades. The Broadway subway project, which is beginning construction, will provide opportunities under the Province's Community Benefits Agreement. Altogether, these investments will allow the Province to build back better, create good-paying jobs, provide economic stimulus and form the foundation of B.C.'s long-term prosperity for decades to come.

The Capital Plan



Economic Recovery and the Path to Fiscal Balance

As required under the *Budget Transparency and Accountability Act*, government presented a balanced budget on February 18, 2020 for 2020/21 – 2022/23. This plan was suddenly impacted by the COVID-19 pandemic. The Province's strong fiscal and economic position, as highlighted by successive past balanced budgets, allowed government to respond to the pandemic with health, social and economic supports. Within weeks of the onset of the pandemic, B.C. took early leadership in its fiscal response and implemented its COVID-19 Action Plan to deliver critical services and provide financial relief and supports to people and businesses.

Responding to the pandemic meant that government needed to pause the requirement to table balanced budgets for 2021/22 to 2023/24. This approach is consistent with general economic policy that encourages governments to provide appropriate supports and stimulus as needed to address economic downturns and extraordinary events, even if those supports and stimulus result in time-limited deficits.

Given the unprecedented economic impacts, the increased level of supports and the commitment to transparency, government enhanced its financial reporting by providing timely updates of the Ministry of Finance's evolving forecast and economic scenarios as well as all of the pandemic response measures, including detailed reporting about allocations from the pandemic-related Contingencies votes. This reporting started with the *July 14, 2020 Economic and Fiscal Update*, which was not required under the *Budget Transparency and Accountability Act*. Government also maintained quarterly fiscal updates and continued to provide enhanced reporting about response measures and changes to allocations from the pandemic-related Contingencies votes in the *First Quarterly Report* in September and the *Fall 2020 Economic and Fiscal Update* in December.

Third Quarter Results for 2020/21 and the Updated Fiscal Plan

Government's 2020/21 deficit is projected to be $8.1 billion, an improvement from the projected $13.6 billion deficit forecast in the fall 2020 update (as detailed in the *Third Quarterly Report* starting on page 107). This is consistent with past practice whereby government aims to meet or exceed its fiscal forecasts. The improvement is mainly due to: higher tax revenue results; reducing the $1.0 billion forecast allowance; moderately lower spending than anticipated; and a number of other changes, including a one-time Canada Health Transfer top-up provided late in March 2021 from the federal government.

The deficit is forecast to increase moderately compared to the 2020/21 deficit to $9.7 billion (which includes a $1.0 billion forecast allowance). While there is lower forecasted pandemic-related spending and improved overall revenue forecasts in 2021/22, this year-over-year deficit increase is partly attributed to the $3.2 billion in one-time federal funding that was received last year (2020/21) to support pandemic measures, including funding under the Safe Restart Agreement. B.C. welcomes the time-limited federal funding in 2020/21 and support for vaccine roll out in 2021/22. Moving forward, B.C. will need to see sustained and long-term federal funding for health care and other important services. See the Topic Box titled "*A Collaborative Approach to Address COVID-19 Through Partnership with the Federal Government*" on page 45 for more information about B.C.'s priorities for enhanced federal transfers and other supports for British Columbians.

Beginning in 2021/22, the fiscal plan reflects ongoing and declining deficits in the medium term as B.C.'s economy continues to respond to and recover from the pandemic. It is important to note that the projected declining deficits incorporate higher than normal levels of

Operating Statement – 2008/09 to 2023/2024

($ billions)	Actual 2008/09	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Revenue	38.7	38.0	40.7	41.8	42.1	43.7	46.1	47.6	51.4	52.0	57.1	58.7	61.0	58.9	63.3	65.1
Expense	(38.6)	(39.8)	(40.9)	(43.6)	(43.2)	(43.4)	(44.4)	(46.8)	(48.7)	(51.7)	(55.6)	(59.0)	(69.1)	(67.6)	(68.0)	(69.0)
Forecast Allowance		-	-	-	-	-	-	-	-	-	-	-	-	(1.0)	(0.8)	(0.4)
Surplus (deficit)	**0.1**	**(1.8)**	**(0.2)**	**(1.8)**	**(1.1)**	**0.3**	**1.7**	**0.8**	**2.8**	**0.3**	**1.5**	**(0.3)**	**(8.1)**	**(9.7)**	**(5.5)**	**(4.3)**

prudence across the three-year track as shown in the Budget Prudence Measures table on the next page.

Budget 2021 Fiscal Planning Framework

The pausing of the balanced budget requirement is not unprecedented as similar action occurred after the global financial crisis of 2008/09 (or the Great Recession), allowing for multiple deficit years. However, the duration, depth, and breadth of the pandemic recession is materially different from the Great Recession.

The Ministry of Finance estimates that B.C.'s real GDP fell by 5.3 per cent in 2020, much deeper than the 2.4 per cent decline in 2009. This is further discussed in the Economic Outlook chapter beginning on page 79.

During this year's consultation with the Economic Forecast Council, members noted that adaptive and targeted government supports are needed throughout the pandemic with careful consideration about when and how they are withdrawn in B.C. and Canada. From a longer-term perspective, it was agreed that the B.C. government should remain disciplined in its fiscal planning to maintain the solid fiscal position with which it entered the pandemic.

Budget 2021 builds on the Province's COVID-19 response and recovery measures implemented over the past year and focuses on taking care of people, businesses and supporting a just economic recovery. Government will return to balanced budgets after the pandemic has ended and the province is on a path to stable economic recovery.

As a first step, *Budget 2021* uses fiscal guardrails to help maintain fiscal discipline and guide government's decision-making while B.C. continues to manage its response to the pandemic and prepare for recovery.

Budget 2021 Fiscal Guardrails

Government has established a framework of fiscal guardrails to guide financial decisions for *Budget 2021*. These include:

- **Year-over-year declining deficits –** *Budget 2021* presents declining deficits starting in 2021/22, with deficit projections of $9.7 billion, $5.5 billion and $4.3 billion over the next three years. The significant yearly improvements include the tapering of supports, where possible, that address immediate needs caused by the pandemic and recovery over the short term.
- **Targeted spending criteria –** Permanent and time-limited spending on new initiatives are focused on health and safety, supports for people and businesses, and measures to help B.C. to prepare for recovery. This includes supports to address gaps that were exposed or exacerbated by the pandemic, including supports for vulnerable populations such as seniors, those receiving income and disability assistance and people experiencing homelessness.
- **Increased prudence levels: –** *Budget 2021* includes increased prudence compared to past budgets, such as more prudent forecasts compared to the Economic Forecast Council; a larger Contingencies Vote to account for any additional urgent government spending, including placeholders for future budget needs such as caseload growth and priority initiatives; and higher forecast allowance to cover fluctuations in revenues.
- **Pandemic and Recovery Contingencies –** The unprecedented nature of the COVID-19 pandemic required a unique response that will taper off when the pandemic passes. These initiatives are funded through a time-limited Pandemic and Recovery

Budget Prudence Measures

	Budget 2020	Budget 2021		
	2020/21	2021/22	2022/23	2023/24
Real GDP Growth Below EFC (percentage points, pp)*	0.4pp	0.5pp	0.5pp	0.2pp
Contingencies – General Programs	$600 million	$1.00 billion	$800 million	$700 million
Contingencies – Pandemic and Recovery	$8.00 billion (Supplementary Estimates)	$3.25 billion	$1.00 billion	$300 million
Contingencies – Caseload pressures and Priority Investments	-	-	$1.50 billion	$2.00 billion
Forecast Allowance	$300 million	$1.00 billion	$750 million	$400 million

** Calendar Year*

Contingencies, including a reserve that will be limited to the most urgent health and recovery needs. Access will be restricted to measures that are time-limited in nature and that do not create increased costs to government in the future. Reserve funding that is not needed will be held in order to reduce the government's forecasted operating deficit.

- **"Best in Class" Debt Metrics and Debt Affordability** – Debt-to-GDP and debt-to-revenue ratios are measures used to monitor the Province's overall level and sustainability of debt. Government has set overall envelopes for *Budget 2021* operating and capital funding investments so that the level of debt remains affordable while making progress on important new and existing infrastructure projects and related programs and services. (See the Topic Box titled "*Investing in Infrastructure to Support Recovery*" on page 28 for a description of government's capital investments and priorities). Even after continuing to make significant investments in schools, hospitals, housing, transportation and other priorities, the debt-to-GDP ratio is projected to remain below 30 per cent in all years of the fiscal plan at 22.8 per cent in 2021/22, 25.0 per cent in 2022/23 and 26.9 per cent by 2023/24. Debt-to-revenue is projected to be 125.9 per cent in 2021/22, 135.4 per cent in 2022/23, and 147.5 per cent in 2023/24. These metrics continue to compare favorably to debt metrics in other "peer" jurisdictions.
- **Transparent and Timely Reporting** – As demonstrated throughout 2020/21, government is committed to transparent and timely reporting and will continue to provide updated economic forecasts as well as detailed reporting of pandemic measures, including Pandemic and Recovery Contingencies allocations.

Government's Economic Framework

British Columbia has a strong economic foundation, which has helped to manage the impacts of the COVID-19 pandemic. As the pandemic evolved, government introduced new measures to keep people safe and to prepare for recovery. This included the September 2020 *StrongerBC Economic Recovery Plan* which delivered early economic recovery programs to create jobs and opportunities, help businesses to adapt, and spur economic stimulus to foster stronger, more resilient communities[1].

Budget 2021 continues to build on the *StrongerBC Economic Recovery Plan*, by adapting government's response with a focus on innovative, inclusive and sustainable growth. Increasingly, the Province's support for innovation will be channeled into projects that address social and environmental issues, along with economic ones. This includes the new $500 million InBC Strategic Investment Fund for B.C. businesses as described on page 26.

[1] Further detail is provided as part of the *2020/21 Third Quarterly Report* about the broad suite of measures implemented by the BC Government since the start of the pandemic (see page 111)

Announced in September, the fund will invest to achieve a financial return as well as specific social, economic and environmental policy objectives.

Budget 2021 makes continued investment to balance economic interests with sound environmental management and government's commitment to reconciliation. Government's commitment to engage with Indigenous peoples on land and resource activities is supported through the $180 million in stable, ongoing funding over the fiscal plan (see page 16) and signifies the importance of reconciliation to the economic prosperity of all British Columbians. B.C.'s mining sector is poised to play a critical role in supporting the transition to a low-carbon future both here and abroad, as metals and minerals found within B.C. are used to create green technology, such as electric vehicles and wind turbines, and B.C.'s mining operations stand out as having a lower greenhouse gas intensity than most global competitors. In addition, continued funding of $519 million over the fiscal plan period to the CleanBC Program for Industry will help large industry, including forestry and mining operations, transition to low-carbon technology, furthering B.C.'s environmental advantage (see page 25). *Budget 2021* also adds $11 million over the fiscal plan to support timely permitting for land-based decisions and ensure the Province is more appropriately resourced to promote sustainable economic development. This approach presents a competitive advantage, particularly as capital markets are increasingly focused on investing in jurisdictions that reflect a strong record of environmental, social and governance factors and will help ensure that the resource wealth in B.C. continues to be a key source of the province's economic strength.

The pandemic has reinforced the importance of a strong and sustainable economy that produces good paying jobs and raises the standard of living for British Columbians. In the coming months, the Province will engage with workers, businesses, industries, and Indigenous and community leaders to renew the economic framework. The framework will be released this fall and will continue to focus on ensuring our future economy is:

- innovative, generating new ideas, products, services and processes,
- inclusive, with everyone in British Columbia engaged in and benefiting from economic growth, and
- sustainable, meeting people's needs today without compromising our future.

B.C.'s renewed economic framework will include strategies to grow B.C.'s advanced manufacturing and technology sectors; advance sustainable natural resource development; attract high growth businesses and talent to anchor in B.C.; and build upon the province's legacy as a leader in global climate change and clean energy.

The Path to Balanced Budgets

Given the unprecedented level of uncertainty resulting from the ongoing impacts of the pandemic, it is too early to forecast a specific timeline to balance. However, preliminary analysis indicates a return to balanced budgets within a range of seven to nine years (the period of 2028/29 - 2030/31), consistent with projections tabled by other provinces in their 2021 budgets.

While the analysis incorporates economic growth scenarios and other assumptions, the Province will be working over the coming months to finalize a specific timeline to return to balance. Decisions required to achieve the timeline and the approach to balancing will be carefully guided by indicators that monitor the health of the economy, communities, and businesses. This will ensure a thoughtful approach that protects the momentum of the recovery and sustains important investments for British Columbians. The specific timeline, approach and plan will be presented in *Budget 2022* when there will be greater certainty about the path and pace of economic recovery.

BC Public Service

Full-time equivalent (FTE) staff utilization in core government ministries is projected to be 32,750 FTEs across the fiscal plan. This is an increase of 350 FTEs compared to the 2020/21 FTE forecast. The anticipated FTE growth is mainly due to increased staffing needs across the public service to respond to the COVID-19 pandemic, and for expansion of programs including CleanBC, mental health services, housing, and natural resource permitting. It also accounts for FTE growth related to bringing key services, such as revenue and tax administration services, back into core government.

BC Public Sector Compensation

There are nearly 490,000 people in British Columbia's public sector working in the core public service, at Crown corporations and agencies, in health and community social services, K-12 public education and post-secondary institutions. Of those people, approximately 385,000 are unionized employees.

Budget 2021 provides funding to support collective agreements settled over the past year under the three-year 2019 *Sustainable Services Negotiating Mandate*. Over the fiscal plan period, a total of $1.6 billion in funding is provided for agreements signed under the mandate. The mandate supports government's commitment to improve the services people count on, make life more affordable and invest in sustainable economic growth.

Spending Recovered from Third Parties

Government projects that, over the fiscal plan period, it will incur almost $10 billion in program spending which will be recovered from third parties.

A total of $3.5 billion of programs will be delivered with funding from the federal government, such as the Labour Market Development Agreement, the Canada Job Grant, public transit, health, and child and family support programs.

Recovered costs include an estimated $2.6 billion in interest payments from commercial Crown corporations through the fiscal agency loan program and from sinking fund investment returns.

$3.8 billion in government spending is supported by various recovery sources, primarily other jurisdictions, other levels of government, agencies, and fees and licenses. Expenses that relate to these recoveries include health care, PharmaCare, transportation projects, and grants to various organizations in the community, and employee health benefits costs collected from participating government agencies.

Program spending from recoveries have no net impact to the government's fiscal plan as the recoveries are reported as revenue and the spending is expensed as it is incurred.

Transfers to Service Delivery Agencies

Around 62 per cent of ministry spending takes the form of transfers (both operating and capital) to service delivery agencies for the provision of services on behalf of government. These transfers will total $103 billion over the three-year fiscal plan period and will support education, health care, social services, housing, and transportation programs delivered by the agencies. These service delivery agencies include the SUCH sector (schools, universities, colleges and health organizations), Community Living BC, BC Housing Management Commission, BC Transit, and the BC Transportation Financing Authority.

Service Delivery Agency Spending

Service delivery agency spending is projected to increase from $39.5 billion in 2021/22 to $40.9 billion by 2023/24, an increase of $900 million or 3.5 per cent. Additional funding may be allocated to agencies during the year out of pandemic and recovery contingencies, which may result in higher actual spending in 2021/22.

School district spending is projected to increase from $7.48 billion in 2021/22 to $7.53 billion in 2023/24, an increase of over $40 million reflecting higher salary and benefits and other operating costs.

Post-secondary institution spending is projected to rise from $7.0 billion in 2021/22 to $7.4 billion by 2023/24 — an increase of $400 million, or 5.7 per cent. The spending increase is primarily due to higher staffing and operating costs related to higher enrolment.

Health authority and hospital society spending is projected to increase from $18.3 billion in 2021/22 to $19.3 billion in 2023/24 an increase of $1 billion or 5.5 per cent; this reflects increased funding from the government, as discussed on page 8.

Projected spending by other service delivery agencies is forecast to remain stable around $6.7 billion over the fiscal plan. This spending relates mainly to services in the transportation, social services, and housing sectors.

Table 1.3 Expense by Ministry, Program and Agency

($ millions)	Updated Forecast 2020/21 [1]	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Office of the Premier	11	15	15	15
Advanced Education and Skills Training	2,366	2,592	2,583	2,592
Agriculture, Food and Fisheries	95	100	100	100
Attorney General	1,154	1,272	1,311	1,337
Children and Family Development	2,224	2,393	2,427	2,430
Citizens' Services	554	604	609	619
Education	6,694	7,132	7,162	7,162
Energy, Mines and Low Carbon Innovation	114	109	99	99
Environment and Climate Change Strategy	261	301	346	396
Finance	1,768	990	1,048	956
Forests, Lands, Natural Resource Operations and Rural Development	929	888	858	854
Health	22,190	23,873	24,650	25,414
Indigenous Relations and Reconciliation	97	179	194	182
Jobs, Economic Recovery and Innovation	78	79	80	80
Labour	17	17	17	17
Mental Health and Addictions	13	13	13	13
Municipal Affairs	149	308	247	247
Public Safety and Solicitor General	992	901	907	907
Social Development and Poverty Reduction	3,682	4,360	4,455	4,478
Tourism, Arts, Culture and Sport	159	162	162	162
Transportation and Infrastructure	929	949	949	949
Total ministries and Office of the Premier	**44,476**	**47,237**	**48,232**	**49,009**
Management of public funds and debt	1,248	1,340	1,401	1,528
Contingencies - general programs	736	1,000	800	700
Contingencies - caseload pressures and priority initiatives	-	-	1,500	2,000
Pandemic and Recovery Contingencies	7,510	3,250	1,000	300
Funding for capital expenditures	2,192	3,448	3,930	4,161
Refundable tax credit transfers	2,367	1,871	1,953	2,036
Legislative Assembly and other appropriations	232	174	166	166
Total appropriations	**58,761**	**58,320**	**58,982**	**59,900**
Elimination of transactions between appropriations [2]	(15)	(14)	(14)	(16)
Prior year liability adjustments	(80)	-	-	-
Consolidated revenue fund expense	**58,666**	**58,306**	**58,968**	**59,884**
Expenses recovered from external entities	4,335	3,535	3,242	3,204
Funding provided to service delivery agencies	(33,891)	(33,682)	(34,319)	(35,005)
Total direct program spending	**29,110**	**28,159**	**27,891**	**28,083**
Service delivery agency expense:				
School districts	7,535	7,482	7,522	7,526
Universities	5,368	5,510	5,690	5,859
Colleges and institutes	1,456	1,497	1,508	1,539
Health authorities and hospital societies	19,371	18,271	18,655	19,314
Other service delivery agencies	6,271	6,708	6,754	6,676
Total service delivery agency expense	**40,001**	**39,468**	**40,129**	**40,914**
Total expense	**69,111**	**67,627**	**68,020**	**68,997**

[1] Restated to reflect government's current organization and accounting policies.

[2] Reflects payments made under an agreement where an expense from a voted appropriation is recorded as revenue by a special account.

Table 1.4 Revenue by Source

($ millions)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Taxation revenue				
Personal income	11,118	11,170	11,565	12,047
Corporate income	4,807	3,409	5,728	5,736
Employer health	1,840	1,923	2,000	2,073
Sales [1]	7,446	7,872	8,492	8,865
Fuel	933	983	992	969
Carbon	1,640	1,985	2,221	2,116
Tobacco	720	780	800	800
Property	2,324	2,970	3,108	3,230
Property transfer	2,000	1,975	1,912	1,877
Insurance premium	705	715	725	735
	33,533	**33,782**	**37,543**	**38,448**
Natural resource revenue				
Natural gas royalties	191	286	315	366
Forests	1,121	1,204	948	916
Other natural resources [2]	903	1,042	1,114	1,107
	2,215	**2,532**	**2,377**	**2,389**
Other revenue				
Post-secondary education fees	2,485	2,508	2,625	2,711
Other fees and licences [3]	1,957	2,129	2,080	2,157
Investment earnings	1,205	1,174	1,185	1,186
Miscellaneous [4]	3,151	3,409	3,578	3,642
	8,798	**9,220**	**9,468**	**9,696**
Contributions from the federal government				
Health and social transfers	8,285	7,939	8,176	8,578
COVID-19 related funding	2,616	175	40	-
Other federal government contributions [5]	2,459	2,416	2,248	2,332
	13,360	**10,530**	**10,464**	**10,910**
Commercial Crown corporation net income				
BC Hydro	691	712	712	712
Liquor Distribution Branch	1,151	1,099	1,103	1,146
BC Lottery Corporation [6]	383	771	1,283	1,403
ICBC	709	154	202	229
Other [7]	127	129	134	141
	3,061	**2,865**	**3,434**	**3,631**
Total revenue	**60,967**	**58,929**	**63,286**	**65,074**

[1] Includes provincial sales tax, HST/PST housing transition tax and harmonized sales tax related to prior years.

[2] Columbia River Treaty, Crown land tenures, other energy and minerals, water rental, and other resources.

[3] Health-care-related, motor vehicle, and other fees.

[4] Includes reimbursements for health care and other services provided to external agencies, and other recoveries.

[5] Includes contributions for health, education, community development, housing and social service programs, and transportation projects.

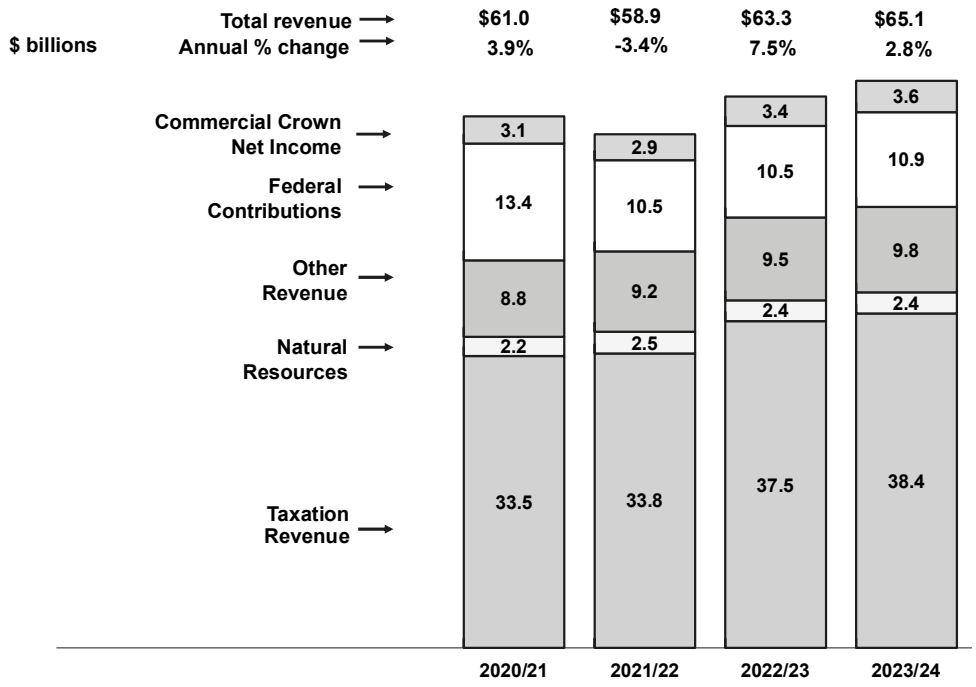
[6] Net of payments to the federal government and beginning in 2021/22 also net of payments under the gaming revenue sharing agreement with First Nations.

[7] Includes Columbia Power Corporation, BC Railway Company, Columbia Basin power projects, and other agencies' self-supported subsidiaries.

Revenue

Total revenue growth is expected to average 2.2 per cent annually over the three-year period to 2023/24, with growth in taxation, natural resources, other sources, and net income of commercial Crown corporations and declining revenue from federal government contributions.

Chart 1.2 Revenue Forecast



Revenue growth in taxation sources averages 4.7 per cent over the three-year fiscal plan period. B.C. and the federal government continue to support business competitiveness in the face of ongoing global developments through the continuation of corporate income tax relief through the incentives for investment in capital assets, such as buildings, machinery and equipment. The effects of these changes, combined with the impacts of economic growth and LNG Canada's final investment decision to build an LNG facility in Kitimat, result in a 4.7 per cent average annual growth in the taxation revenue forecast.

Natural resource revenue is forecast to increase by 14.3 per cent in 2021/22, with higher revenues from natural gas royalties, forests, the mineral tax on coal mine operations, electricity sales under the Columbia River Treaty and water rentals, which are partly offset by declining revenue from bonus bids and rents on drilling licences and leases. The revenue is expected to decline in 2022/23 by 6.1 per cent mainly due to lower forest stumpage revenues reflecting lumber prices decreasing from historically high prices experienced in early 2021. Natural resource revenue is expected to be relatively flat in 2023/24, rising by 0.5 per cent.

Table 1.5.1 Comparison of Major Factors Underlying Revenue

Calendar Year	*April 20, 2021*				*February 18, 2020*			
Per cent growth unless otherwise indicated	2020	2021	2022	2023	2020	2021	2022	2023
Real GDP	-5.3	4.4	3.8	2.2	2.0	1.9	1.9	1.9
Nominal GDP	-4.5	6.4	5.4	4.0	3.9	3.9	3.9	3.9
Household income	4.9	0.8	2.8	3.4	3.8	3.8	3.8	3.8
Wages and salaries	-0.7	4.5	4.0	3.7	4.0	3.9	4.0	4.0
Corporations net operating surplus	-13.6	9.2	8.8	3.3	2.0	2.6	2.6	3.0
Employment	-6.6	4.7	2.4	1.6	1.0	1.0	1.0	1.0
Consumer expenditures on durable goods	-2.3	2.6	3.1	2.8	1.7	2.4	2.5	2.4
Consumer expenditures on goods and services	-4.8	5.3	5.9	5.7	4.5	4.4	4.5	4.5
Business investment	-9.3	5.6	6.4	6.3	4.1	4.5	5.8	4.8
Residential investment	-6.9	3.5	4.6	4.8	3.7	3.3	5.0	5.0
Retail sales	2.6	3.7	3.4	3.4	3.0	3.3	3.5	3.5
Residential sales value	35.7	8.0	-3.3	-2.7	4.6	5.3	5.6	5.6
B.C. Housing starts	-16.0	-8.6	-3.0	-1.3	-22.1	-8.5	-4.8	0.0
U.S. Housing starts	7.0	3.6	-1.4	-2.1	-1.5	0.8	1.6	0.0
SPF 2x4 price ($US/thousand board feet)	$570	$650	$475	$450	$380	$360	$350	$350
Exchange rate (US cents/Canadian dollar)	74.6	79.0	79.0	78.0	76.3	76.1	77.0	77.5
Fiscal Year	2020/21	2021/22	2022/23	2023/24	2020/21	2021/22	2022/23	2023/24
Natural gas price ($Cdn/GJ at plant inlet)	$1.23	$1.48	$1.48	$1.50	$0.62	$0.74	$0.88	$0.96
Bonus bid average bid price per hectare ($)	$0	$0	$200	$300	$350	$350	$350	$300
Electricity price ($US/mega-watt hour, Mid-C)	$27	$37	$34	$33	$34	$36	$34	$35
Metallurgical coal price ($US/tonne, fob Australia)	$135	$136	$145	$148	$155	$155	$152	$152
Copper price ($US/lb)	$3.05	$3.52	$3.35	$3.20	$2.81	$2.90	$2.97	$3.07
Average stumpage rates ($Cdn/cubic metre)	$23.32	$24.21	$19.05	$18.36	$16.83	$16.03	$15.67	$15.46
Crown harvest volumes (million cubic metres)	46.0	46.0	45.0	45.0	46.0	46.0	46.0	45.0

Other revenue consists of fees, licences, investment earnings and other miscellaneous sources, incorporating estimates provided by ministries and taxpayer-supported agencies. Over the next three years, these revenues are projected to average 3.3 per cent annual growth, slightly lower than the *Budget 2021* real GDP outlook.

Federal government contributions in 2020/21 include one-time COVID-19 related funding; as a result, the forecast for 2021/22 shows a 21.2 per cent decline year-over-year. The federal contributions are expected to increase by 1.8 per cent annually over the next two years mainly due to expected increases in the Canada Health Transfer (CHT) and the Canada Social Transfer (CST) disbursements. The combined CHT and CST contributions are forecast to average 3.9 per cent annual growth over next two years in the fiscal plan and represent about 77 per cent of total federal government contributions. Other federal government transfers are projected to decline at an average of 1.8 per cent annually over the three-year fiscal plan.

The net income of commercial Crown corporations is expected to average 5.9 per cent growth annually over the next three years reflecting a full recovery of BC Lottery Corporation's net income to pre-pandemic levels, and stable growth in the other agencies. More details on commercial Crown corporations net income are provided beginning on page 44.

Major Revenue Sources

Key assumptions and sensitivities relating to revenue are provided in Appendix Table A5. The assumptions and factors that are the major drivers for preparing projections of individual revenue sources include sensitivities which provide a sense of potential impacts to revenue projections if there are changes to these underlying assumptions and factors. The following text references the forecasts of these assumptions and factors in explaining individual revenue sources. An analysis of historical volatility of the economic variables related to revenue sources can be found in the *2020 British Columbia Financial and Economic Review* (pages 16-17). The major revenue components are detailed below.

Taxation revenue

Personal income tax revenue is forecast to average 2.7 per cent growth over the next three years, in line with projected increases in wages and salaries and household income.

Corporate income tax revenue is mainly based on cash instalments and settlement adjustments for prior years; this often results in a year-over-year volatility which is exacerbated by the effects of the pandemic. Revenue is expected to decline 29.1 per cent in 2021/22 mainly due to a decrease in instalments for 2021 tax year reflecting the effects of COVID-19 pandemic on the national corporate tax base and a lower settlement payment for prior years. Average annual growth over the next two years is forecast to be 29.7 per cent due to annual increases in instalments reflecting the federal government's projection of national corporate taxable income as well as annual changes in settlement payments relating to prior years.

Table 1.5.2 Corporate Income Tax Revenue

($ millions)	2020/21	2021/22	2022/23	2023/24
Advance instalments:				
– Payment share	14.41%	13.32%	14.42%	14.32%
– Instalments	4,899	4,371	5,462	5,772
Prior-years' settlement payment	(92)	(962)	266	(36)
Corporate income tax revenue	**4,807**	**3,409**	**5,728**	**5,736**
Annual per cent growth	-4.1%	-29.1%	68.0%	0.1%

Provincial sales tax revenue is expected to average 6.0 per cent growth annually over the three-year fiscal plan, in line with expected increases in nominal GDP and consumer expenditures on taxable goods and services. The forecast incorporates the exemption for electric bicycles and tricycles effective April 21, 2021 outlined in *Part 2: Tax Measures* and the effect of delaying tax measures initially announced in *Budget 2020*.

Table 1.5.3 Sales Tax Revenue

($ millions)	2020/21	2021/22	2022/23	2023/24
Provincial sales taxes	**7,446**	**7,872**	**8,492**	**8,865**
Annual per cent change (calendar year)	2020	2021	2022	2023
Consumer expenditures on durable goods	-2.3%	2.6%	3.1%	2.8%
Consumer expenditures on goods and services	-4.8%	5.3%	5.9%	5.7%
Residential investment	-6.9%	3.5%	4.6%	4.8%
Government expenditures	13.6%	-0.4%	3.7%	2.2%
Nominal GDP	-4.5%	6.4%	5.4%	4.0%
Retail sales	2.6%	3.7%	3.4%	3.4%

Motor fuel tax revenue growth is expected to average 1.3 per cent annually over the three-year plan. Diesel volumes are forecasted to grow 2 per cent annually and other fuel volumes rise in line with real GDP growth. In 2023/24 the forecast assumes that gasoline purchases decline due to provincial policy measures relating to clean energy initiatives.

Carbon tax revenue is forecast to rise an average of 8.9 per cent annually over the next three years as the carbon tax rate increases from $45/tonne of CO_2 equivalent emissions in 2021/22 to $50 in 2022/23. In 2023/24 the revenue is projected to decline in line with provincial policy measures relating to clean energy initiatives.

Tobacco tax revenue is projected to be $780 million in 2021/22 and $800 million in the following two years of the fiscal plan. The forecast incorporates increased tobacco tax rates, effective July 1, 2021.

Property tax revenue is expected to grow 27.8 per cent in 2021/22 due to a return to pre-pandemic tax rates for commercial properties in the 2021 tax year. The temporary tax relief measure for commercial property owners in the 2020 tax year was estimated at $714 million. The tax revenue is expected to grow by an average of 4.3 per cent annually over the following two years, consistent with expected housing starts, non-residential investment and inflation.

Property transfer tax revenue is expected to decline slightly in 2021/22 reflecting an anticipated moderation of market activity in 2022 and assuming a portion of strong revenues received in 2020/21 do not carry forward. This decline is expected to be followed by an average annual decline of 2.5 per cent over the next two years, consistent with the expected annual changes in residential sales values.

Employer health tax revenue is forecast at $1.9 billion in 2021/22. Over the next two years, revenue growth is expected to average 3.8 per cent annually, consistent with growth in wages and salaries.

More information on tax measures is detailed in *Part 2: Tax Measures*.

Natural resource revenue

Natural gas royalties are expected to increase 49.7 per cent in 2021/22 mainly due to higher natural gas prices, increased royalties from natural gas liquids and an improved outlook for natural gas production volumes, partially offset by increased utilization of royalty program credits. Over the next two years, royalties are expected to increase at a 13.1 per cent average annual rate as the effects of rising prices and production volumes and increasing royalties from natural gas liquids are partially offset by increased utilization of royalty programs and infrastructure credits.

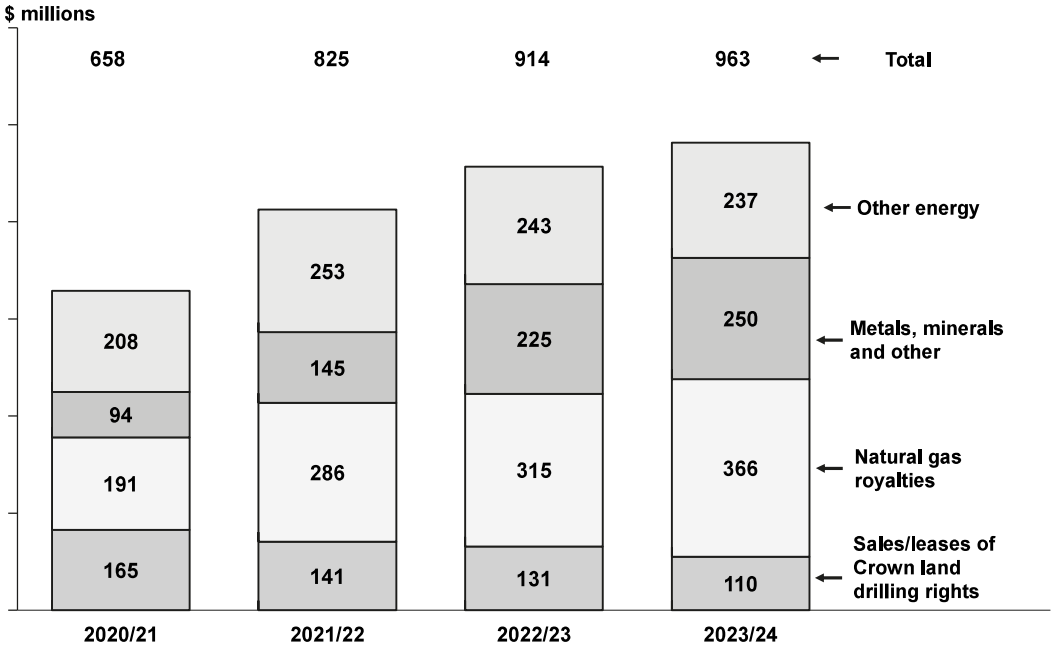
The forecast assumes an average price of $1.48 ($Cdn/gigajoule, plant inlet) in 2021/22, up from $1.23 in 2020/21. This assumption is within the 20th percentile of the private sector forecasters, continuing the prudence incorporated since 2013/14. Prices are expected to increase over the next two years, averaging $1.48 in 2022/23 and $1.50 in 2023/24, consistent with the growth of the average of the private-sector forecasts. Over the three-year fiscal plan period, the projected natural gas prices average 14 cents lower than the average of the private-sector forecasters.

See Appendix Table A6 for more details regarding natural gas price forecasts.

Revenue from bonus bids and rents on drilling licences and leases is forecast to decline over the next three years, from $165 million in 2020/21 to $110 million in 2023/24. The decrease is due to declining deferred revenue. The bonus bid revenue recognition reflects ten-year deferral of cash receipts from sale of Crown land tenures. Cash sales are expected to increase from no sales in 2021/22 to $6 million in 2023/24. More detail is provided in Appendix Table A5.

Mining and minerals: Revenue from mineral tax, fees and miscellaneous mining receipts is forecast to increase 54.3 per cent in 2021/22 mainly due to improving prices and production volumes for coal and copper, reflecting increased global demand. Coal forecasts have improved due to increased demand from China while copper forecasts have benefited from global stimulus spending by governments and corporations through increased electrification and reductions to carbon emissions. Over the next two years revenue is projected to average a 31.3 per cent annual increase mainly due to the expected improvement in mining taxes from coal operations.

Chart 1.3 Revenue from Energy, Metals, and Minerals



Other energy revenue is comprised of electricity sales under the Columbia River Treaty, petroleum royalties, and fees collected by the Oil and Gas Commission. These revenues are expected to increase by an average of 4.4 per cent annually over the three-year fiscal plan mainly due to higher Mid-Columbia electricity prices.

Forest revenue is expected to increase 7.4 per cent in 2021/22 due to the impacts of higher overall stumpage rates and logging tax revenue mainly reflecting improved outlook for lumber prices. Forest revenue is expected to decline an average of 12.8 per cent annually over the following two years mainly due to lower expected overall stumpage rates, lower harvest levels and lumber prices decreasing from the historically high levels experienced in early 2021. Total harvest levels on Crown land are projected to decrease from 46 million cubic metres in 2021/22 to 45 million cubic metres over the next two years. Over the four years to 2023/24, the forecast assumes that the Ministry of Indigenous Relations and Reconciliation will recover $167 million of stumpage revenue in support of funding the Forest Consultation and Revenue Sharing Agreements with First Nations.

Other natural resource revenue is comprised of water rentals and fees for hunting and fishing licences collected under the *Wildlife Act*. These revenues are expected to increase an average of 5.4 per cent annually over the next three years mainly reflecting higher water rentals collected under the *Water Sustainability Act.*

Other Taxpayer-Supported Revenue

Fees and licences: Over the three-year fiscal plan, revenue from fees and licences is expected to average 3.1 per cent annual growth mainly due to increasing projections for post-secondary institutions, the K-12 sector and health authorities. Over the next three years, fee revenue projections from the Schools, Universities, Colleges, and Health (SUCH) sector account for over 70 per cent of the total fee revenue forecast.

Investment earnings are expected to decline an average of 0.5 per cent annually over the three-year fiscal plan mainly due to lower recoveries through the fiscal agency loan program. Lower revenue from these recoveries has an equal and offsetting lower expense resulting in no net impact on the projected annual surplus. These recoveries are expected to comprise approximately 74 per cent of total investment earnings.

Miscellaneous revenue is projected to average 4.9 per cent annual growth over the fiscal plan period. Over 54 per cent of the total miscellaneous revenue of approximately $3.5 billion is expected to be collected by SUCH sector entities.

Federal Government Transfers

Canada Health Transfer and Canada Social Transfer contributions are expected to decline 4.2 percent in 2021/22 mainly due to an additional one-time $542 million contribution included in 2020/21 forecast, supporting the recovery of the health care systems following the pandemic. Over the next two years, contributions are expected to increase at a 3.9 per cent average annual rate mainly reflecting increasing national cash transfers and a rising B.C. population share of the national total. The plan assumes the national Canada Health Transfer (CHT) cash disbursement increases 3.0 per cent in the first two years of the plan, followed by an increase of 5.5 per cent in 2023/24. The national CHT cash disbursement in 2021/22 is based on a three-year average (2019 to 2021) of Canada's nominal GDP growth, subject to a minimum annual growth rate of 3.0 per cent. The forecast adopts the most recent federal government outlook for national nominal GDP. The national CST cash disbursement is projected to increase 3.0 per cent annually, consistent with the federal government forecast.

COVID-19 pandemic relief funding in the 2020/21 to 2022/23 totals $2,831 million and includes funding in support of the following:

- Safe Return to Class funding ($242 million)
- Safe Restart Agreement ($1,963 million)
- COVID-19 Essential Workers Support Fund ($371 million)
- Canada's COVID-19 Immunization Plan ($135 million)
- Financial Assistance Agreement to Support Closure and Restoration of Oil and Gas Sites in British Columbia ($120 million)

Table 1.5.4 Federal Government Contributions

($ millions)	2020/21	2021/22	2022/23	2023/24
Canada Health Transfer	6,243	5,843	6,017	6,353
Canada Social Transfer	2,042	2,096	2,159	2,225
Total Health and Social Transfers	8,285	7,939	8,176	8,578
COVID-19 related funding	2,616	175	40	-
Disaster Financial Assistance Agreements	147	-	62	145
Low Carbon Economy Leadership Fund	29	13	2	-
BC Housing Management Commission	208	166	152	157
Ministry Vote Recoveries	1,094	1,294	1,068	1,046
Other Transfers to Ministries and Agencies	981	943	964	984
Total Other Contributions	2,459	2,416	2,248	2,332
Total Federal Government Contributions	**13,360**	**10,530**	**10,464**	**10,910**
BC share of national population (June 1)	13.55%	13.55%	13.55%	13.56%

Other federal government contributions are expected to decline an average of 1.8 per cent annually over the fiscal plan. These contributions include B.C.'s share of the federally imposed cannabis duty, funding under the Disaster Financial Assistance Arrangements, as well as transfers in support of housing initiatives, labour market development, home care, mental health, public transit and other ministry programs.

Commercial Crown Corporations

British Columbia Hydro and Power Authority (BC Hydro): BC Hydro's net income is set by regulation at $712 million in 2021/22 and 2022/23 and is forecast to remain at $712 million in 2023/24. The payment of dividends was phased out to assist with stabilizing rate increases and improve BC Hydro's capital structure to a 60:40 debt-to-equity ratio (currently 80:20). No dividend payments are forecast during the fiscal plan period.

British Columbia Liquor Distribution Branch (LDB): LDB is projecting a net income of $1.099 billion in 2021/22 and growing to $1.146 billion in 2023/24. The forecast is lower than at *Budget 2020,* which reflects a reduced mark-up after the Province's implementation of wholesale pricing for liquor licencees, such as restaurants, bars and pubs (estimated at $71 million annually).

British Columbia Lottery Corporation (BCLC): BCLC's operations were disrupted due to the pandemic, with the closure of all gambling facilities for the entire 2020/21 fiscal year in compliance with provincial health orders. BCLC's net income is forecast to recover to pre-pandemic levels over the fiscal plan from $383 million in 2020/21, to $1.4 billion in 2023/24 (net of payments under the Province's gaming revenue sharing agreement with First Nations, and $11 million in annual payments to the federal government). Government will distribute approximately 25 per cent of its gaming income to charities, First Nations, and local governments.

Insurance Corporation of British Columbia (ICBC): ICBC is forecasting positive net incomes for 2021/22 and beyond, including $154 million in 2021/22, $202 million in 2022/23, and $229 million in 2023/24. Amongst other changes, this forecast includes the continuation of the positive effects from the April 1, 2019 product reform changes; declining crash frequency trends; the COVID-19 rebate in respect of 2020/21; and the May 1, 2021 transition to the new enhanced care-based system.

For more information relating to commercial Crown corporations, please see Service Plans listed on the *Budget 2021* website or the corporations' respective websites.

A Collaborative Approach to Address COVID-19 Through Partnership with the Federal Government

British Columbians have benefitted from the complementary efforts of both the provincial and federal governments in responding to COVID-19.

Through the Safe Restart Program and other supports, the federal government provided B.C. with over $3 billion to increase pandemic response in health care, child care, schools, infrastructure and emergency supports for the province's most vulnerable people. This includes over $1.3 billion for a number of provincial-federal cost shared programs, including: supports for local governments and transit providers; financial relief for commercial tenants; and temporary pandemic pay for frontline workers. While these pandemic-related federal supports have largely ended, the pandemic and its wide-ranging impacts have not. The collaborative investments that have supported British Columbians during the pandemic will continue to be needed as we emerge from the pandemic and move towards recovery.

The pandemic's impacts made it clear that there were gaps in the social safety net in Canada, gaps which were addressed on a short-term basis through the B.C. Emergency Benefit for Workers, crisis supplements, and the B.C. Recovery Benefit, as well as federal measures such as Canada Emergency Response Benefit and the federal sickness, caregiver and recovery benefits, and temporary changes to make employment insurance more accessible and flexible. B.C. supports making the temporary changes to employment insurance permanent and welcomes any opportunities to work with the federal government to address other gaps in the safety net, such as permanent paid sick leave.

The pandemic increased health care costs substantially in 2020/21, and it will have lasting impacts on health care going forward. Even before the pandemic, provincial health care systems were under strain from known cost drivers such as inflation, population growth, and aging. System funding pressure was further exacerbated by the federal decision to proceed with a reduction in the growth rate of the Canada Health Transfer in 2017-18. While one-time federal funding has helped with the immediate pressures of the pandemic, it does not address the long-term funding partnership. The Parliamentary Budget Officer has indicated that the federal government is in a position to permanently increase spending over the long term. Premiers have made enhancing long-term federal health care funding their top priority for federal negotiations. This includes calling for increasing the Canada Health Transfer to 35 per cent of provincial/territorial health care spending and adopting a growth rate that maintains that federal share, as discussed in provincial/territorial finance ministers' February 2021 report to the Council of the federation.

B.C. joins other provinces in calling for additional improvements to the federal government's Fiscal Stabilization program that are needed to address significant annual declines in provincial revenues due to extraordinary economic circumstances such as those brought about as a result of the COVID-19 pandemic.

As the province looks ahead, there is an ongoing need for targeted federal investments to help B.C. to build back better; such investments are needed to support infrastructure projects, expand broadband and cellular access, increase skills training to help people get back in the workforce and increase access to child-care which is essential to our recovery. British Columbia joins other provinces and territories in requesting that a meaningful portion of federal stimulus funding be earmarked for key provincial priorities to recognize the important role provinces and territories are playing in fostering economic growth. This would help B.C. continue to boost recovery and bolster the province's economic resilience.

Capital Spending

In *Budget 2021*, capital spending on schools, hospitals, roads, bridges, housing, hydro-electric projects and other infrastructure around the province is expected to total $39.5 billion over the three-year fiscal plan period. These investments will help ensure that the necessary infrastructure is in place to deliver the services that people count on in communities around the province and create jobs that support a strong and sustainable economy. For more information on how infrastructure investments are supporting economic recovery and a stronger BC please see the topic box on page 28.

Taxpayer-Supported Capital Spending

Taxpayer-supported capital spending over the next three years will total $26.4 billion, the highest level ever. This includes completion of existing approved projects along with new investments to expand and sustain provincial infrastructure including schools, post-secondary facilities, affordable housing, roads, bridges and hospitals. The *Budget 2021* three-year total is $3.5 billion higher than *Budget 2020* mainly due to new capital spending in the areas of health, education and transportation, as well as revised timing for capital projects.

Table 1.6 Capital Spending

($ millions)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Taxpayer-supported				
Education				
Schools (K–12)	972	1,197	1,114	1,187
Post-secondary institutions	931	1,263	1,271	1,261
Health	1,533	2,245	2,603	2,972
BC Transportation Financing Authority	1,525	2,162	2,539	2,264
BC Transit	114	113	199	257
Government ministries	435	641	521	457
Social housing [1]	679	671	574	335
Other [2]	88	187	204	139
Total taxpayer-supported	**6,277**	**8,479**	**9,025**	**8,872**
Self-supported				
BC Hydro	3,573	4,738	4,413	3,305
Columbia Basin power projects [3]	8	9	13	25
BC Railway Company	3	11	4	2
ICBC	107	68	42	46
BC Lottery Corporation	89	96	120	90
Liquor Distribution Branch	32	54	48	21
Total self-supported commercial	**3,812**	**4,976**	**4,640**	**3,489**
Total capital spending	**10,089**	**13,455**	**13,665**	**12,361**

[1] Includes BC Housing Management Commission and Provincial Rental Housing Corporation.

[2] Includes BC Pavilion Corporation, Royal BC Museum and other service delivery agencies.

[3] Joint ventures of the Columbia Power Corporation and Columbia Basin Trust.

Investments in Schools

Over the three years of the fiscal plan, approximately $3.5 billion will be invested to maintain, replace, renovate or expand K-12 facilities. This includes continued investment in new school space to accommodate increasing enrollment in growth districts, as well as in the program to seismically upgrade or replace schools.

Examples of K-12 capital investments in *Budget 2021* include:

- The new Stitos Elementary Middle School in the Chilliwack School District will provide 930 new spaces for students in kindergarten to Grade 8. This new school has a total budget of $53.6 million, will be designed to meet LEED gold standards, and is scheduled to be complete in September 2022. It will feature a neighbourhood learning centre with space for child care programming.
- Cowichan Secondary in the Cowichan Valley School District is being replaced under the ministry's Seismic Mitigation Program. The school will be replaced with a 1,100-student-capacity secondary school on its current site. The $82-million replacement school is scheduled to be complete in 2024 and will be partially funded by the Cowichan Valley School District. The neighbourhood learning centre will include a Gathering Place, Elder Place and an Audio Recording Room for Indigenous language.
- Two schools in the Pacific Rim School District will be upgraded and partially replaced under the ministry's Seismic Mitigation Program. The $45-million project will deliver a 240-student-capacity Ucluelet Elementary and a 250-student-capacity Ucluelet Secondary. The schools are scheduled to open in 2022. Included in the project is a neighbourhood learning centre that will feature space for child care programming.
- The new Grandview Heights Secondary School is currently under construction in the Surrey School District and will provide 1,500 new spaces for students in Grade 8 to 12. This new school has a total budget of $82.8 million, is designed to meet LEED gold standards, and is scheduled to be complete in September 2021.
- The new Regent Road Elementary School is currently under construction in the Surrey School District and will provide 655 new spaces for students in Grade K to 7. This new school has a total budget of $33.3 million, is designed to meet LEED gold standards, and is scheduled to be complete in September 2022.
- The new Tatalu Elementary School in the Surrey School District will provide 655 new spaces for students in Grade K to 7. This new school has a total budget of $44.1 million, will be designed to meet LEED gold standards, and is scheduled to be complete in 2023. It will feature a neighbourhood learning centre with space for child care programming.
- The new Southwest Yorkson Elementary School is currently under construction in the Langley School District and will provide 555 new spaces for students in Grade K to 5. This new school has a total budget of $32.2 million, is designed to meet LEED gold standards, and is scheduled to be complete in September 2021. It will feature a neighbourhood learning centre with space for child care programming.
- The new Hornby Island Community School is currently under construction in the Comox Valley School District and will replace the old school, which was destroyed by fire in 2018. The new school has a budget of $10.4 million and is scheduled to be complete in early 2022. This school will provide 95 spaces for grades K to 7 students and will have a neighbourhood learning centre in the form of a larger gym. The gym is the largest indoor space on the island and will act as a community hub.

- The upgraded and renovated Gudangaay Tlaats'gaa Naay School in the Haida Gwaii School District will be made seismically safe and will convert a secondary school to accommodate students in Grade K to 12. This project has a total budget of $16.5 million and is scheduled to be complete in fall 2022. The project will reduce district costs associated with operating two underutilized facilities and will ensure students are in safe seats. The project also includes the construction of a tsunami tower, as this school is located in a low-lying area that is vulnerable to tsunamis and without an adequate evacuation route.
- The new Parkcrest Elementary School in the Kamloops-Thompson School District will replace the previous school destroyed by a fire in 2019 and will provide 510 spaces for students in Grade K to 6. This new school has a budget of $37.3 million, will be designed to reduce greenhouse gas emissions and annual energy costs, and is scheduled to be complete in September 2024. It will feature a neighbourhood learning centre with space for child care programming. The school will also feature a larger gymnasium funded by the City of Kamloops.
- Two new schools are approved for the Sooke School District. The $89 million project will bring a new 500-student-capacity Pexsisen Elementary, and a new 700-student-capacity Centre Mountain Lellum Middle school. The elementary school will feature a neighbourhood learning centre, with space for child care programming. The two new schools are scheduled to open in September 2022.
- Quesnel Junior School in the Quesnel School District is approved for replacement on a new site, to address the significant structural and building conditions issues at the school. This new 550-student-capacity middle school has a total budget of $52.4 million, will be designed to meet LEED gold standards, and is scheduled to be complete in 2022.

Spending to Support Post-Secondary Education

Budget 2021 includes $3.8 billion in total capital spending over the next three years by post-secondary institutions throughout the province. Investments in priority projects will build capacity and help meet the province's future workforce and economic development needs in key sectors, including health, science, trades and technology. A significant portion of this capital investment is funded through other sources, including foundations, donations, internal sources, revenues generated from services, and federal funding.

Current and planned investments in the post-secondary sector include:

- Construction of a new $88-million health science building at British Columbia Institute of Technology's Burnaby campus. The new building will provide flexible simulation space for health education.
- $10 million to modernize space to expand programming focused on the technology sector at British Columbia Institute of Technology's downtown Vancouver and Burnaby campuses.
- $13-million renovation to the Library & Academic Building at Coast Mountain College's Terrace campus to provide a dedicated space for students to study, modernized registration and learning spaces, and address issues following a flood in 2018.

- $27-million National Centre for Indigenous Laws as an addition to the Fraser Law building at the University of Victoria that will be home to the world's first joint degree in Indigenous legal orders and Canadian common law, as well as the Indigenous Law Research Unit.
- $15 million for a new First Peoples Gathering House at Simon Fraser University's Burnaby campus, which contains a large Ceremonial Hall for ceremonies and learning events.
- The provincial student housing program, announced in 2018, to build approximately 5,000 new student housing beds at B.C.'s public post-secondary institutions. Examples of approved projects include:
  - $68 million to construct five new mass timber student housing buildings with 376 beds at Okanagan College, across three campuses — Kelowna, Vernon and Salmon Arm.
  - $114 million to build a 12-storey mass timber student housing building with 464 beds at British Columbia Institute of Technology's Burnaby campus.
  - $232 million to construct two student housing buildings at the University of Victoria. The buildings include 621 net new beds, a dining facility and multi-purpose program space.
  - $104 million to build a student housing building with 386 beds and to renovate and expand the current dining facility at the Simon Fraser University Burnaby campus.
  - $25 million to build a 220-bed student housing building at the University of British Columbia Okanagan campus.
- Three grant-supported projects for student housing projects located in rural regions:
  - $5 million to construct 12 beds for Indigenous students at the College of New Caledonia Prince George campus.
  - $19 million to construct 100 student housing beds at the College of the Rockies in Cranbrook.
  - $22 million to replace and expand housing for 104 students (33 net new beds) at the Coast Mountain College's Terrace campus.
- The B.C. Knowledge Development Fund provides capital investment funding for vital research infrastructure for public post-secondary institutions, teaching hospitals and affiliated non-profit agencies across the province, enabling institutions to attract researchers and skilled technicians. Examples of approved projects include:
  - $11 million for specialized equipment to develop a facility, with capabilities for the study of quantum systems under normal and extreme conditions. Quantum mechanics, which provides a description of the microscopic world of atoms and their constituents, is fundamental to materials being developed for transformational technologies, such as green chemicals, electric vehicle batteries and efficient and safer nuclear power plants. Simon Fraser University is leading the collaboration with McMaster University, Mount Alison University, UBC, TRIUMF and the Université de Montréal.

- $10 million for specialized equipment for the development and installation of an independent, symbiotic target module at TRIUMF's ARIEL facility at the UBC Vancouver campus to harness residual proton beam remains left over from other experiments and use them to produce medical isotopes, which can be processed and distributed to partners across Canada for use in the development of novel therapeutic radiopharmaceuticals, helping to launch a new generation of cancer therapies at the BC Cancer Agency and other partners.
- $9.5 million for specialized equipment to develop a state-of-the-art facility intended to revolutionize understanding of the ocean and what drives ocean and climate variability, allowing better prediction of weather, climate changes, and fish stocks, to help move towards carbon-free energy sources by exploiting ocean waves and wind. The Canadian Pacific Robotic Oceanic Observing Facility (C-PROOF) will be led by the University of Victoria, and data sent to Ocean Networks Canada for distribution across the world.

Expanding and Upgrading Health Facilities

Capital spending on infrastructure in the health sector will total $7.8 billion over the next three years. These investments support new major construction projects and upgrading of health facilities, medical and diagnostic equipment, and information management/technology systems. These investments are supported by funding from the Province as well as other sources, such as regional hospital districts and foundations.

Key capital investments in the health sector include:

- A new St. Paul's Hospital at the Station Street site in Vancouver, which will include capacity for 548 inpatient beds, a new and larger emergency department, a surgical suite, consolidated specialty outpatient clinics and an underground parkade. Construction started in March 2021 and the new hospital is expected to be open for patients in early 2027.
- A net-new integrated hospital and cancer centre in Surrey to help meet the needs of a growing and aging population in the region. The new hospital will include 168 inpatient beds, emergency department, medical imaging department including computed tomography (CT) and magnetic resonance imaging (MRI), surgical suite, pharmacy, laboratory, and academic space. The new cancer centre will include an oncology ambulatory care unit, chemotherapy, radiation therapy, functional imaging, and a new cyclotron. Construction is planned to begin in summer 2023 and the new facility is expected to be open for patients in summer 2027.
- Phase 2 of the Royal Columbian Hospital Redevelopment, which includes a new 348-bed acute care tower with six floors of inpatient beds, including critical care and maternity, a new and expanded emergency department, a new surgical and interventional suite with 18 operating rooms and an underground parkade. Procurement started in fall 2018 and completed in 2020. Construction started in December 2020 and the new acute care tower is expected to open for patients in 2025.
- Replacement of the 54-year-old Cowichan District Hospital in Duncan with a new hospital on a greenfield site in North Cowichan. The replacement hospital will increase inpatient beds from 134 to 201 and increase emergency department treatment spaces from 17 to 36. The facility will also increase the number of operating rooms, replace the mobile MRI with a fixed MRI, and add a helipad to the roof of the inpatient tower. Construction is expected to start in spring 2022 and be completed in 2026.

- Replacement of the Mills Memorial Hospital in Terrace, which was originally built in 1959. The new hospital will include 78 inpatient beds, an increase of 34 beds. Construction is planned to start in 2021 and be completed in 2024. Demolition and site redevelopment will continue until 2026.
- Phase 1 of the Burnaby Hospital Redevelopment, which involves construction of a new patient care tower, new energy centre, renovation and expansion of the Support Facilities Building, minor renovation of the nursing tower and demolition of the West Wing and Cascade Buildings. The new six-storey tower will accommodate relocated services, including medical and surgical inpatient services, outpatient services, a consolidated maternity/labour and delivery unit, and a mental health and substance use patient unit. Renovations and expansion of the support facilities building will improve access to care by providing additional operating rooms, a new medical device reprocessing department, additional parking, and renovations to key support services. Construction is expected to start in 2021 and be completed in 2025.
- A new 107-bed patient care tower at the Royal Inland Hospital in Kamloops that will improve patient experience and outcomes by significantly increasing the number of single-patient rooms, providing new and larger operating rooms, and expanding the existing emergency department. Construction on the new patient care tower started in fall 2018 and it is expected to open to patients in 2022. Internal renovations to the emergency department, pediatric unit and morgue are scheduled to begin in 2022 and be completed in 2024.
- Replacement of the Dawson Creek and District Hospital on a 10-acre greenfield site in Dawson Creek. The new hospital will include 70 inpatient beds, an increase of 24 beds. The emergency department, surgical and operating room space and ambulatory care services will also be expanded. Construction of the new hospital is expected to commence in 2022 and be completed in 2026.
- A new patient care tower, including a surgical services centre, at the Penticton Regional Hospital that will improve patient experience and outcomes. The new patient care tower opened in April 2019. A second phase involving renovations to the existing emergency department and pharmacy started in 2019 and is planned to complete in 2022.
- Redevelopment of the Cariboo Memorial Hospital in Williams Lake. The project includes construction of a three-storey addition and renovation of vacated spaces in the existing hospital. Once the project is complete, the redeveloped hospital will include 53 inpatient beds, an increase of 25 beds, and a new and larger emergency department. Construction of the three-storey addition is planned to start in 2021 and expected to be completed in 2023. The renovations are planned to begin in 2023 and be completed in 2026.
- Replacement of the Stuart Lake Hospital in Fort St. James. The hospital will be built on the same site as the existing one. Once complete, the existing facility will be demolished to make way for parking. The new hospital will be three times larger than the current facility. The project scope includes an emergency department with two treatment rooms, a trauma bay and ambulance bay, and a primary care centre that will consolidate services currently offered in Fort St. James. Construction is expected to begin in 2022 and complete in 2024.

Supporting the Transportation Investment Plan

Budget 2021 includes further investments in government's Transportation Investment Plan. The Province has secured federal cost sharing on projects and has also leveraged investments through partnerships with private organizations. B.C. continues to work with federal and municipal governments to confirm priorities for funding under the Investing in Canada Infrastructure Program and pursue federal funding available through merit-based Investing in Canada Plan infrastructure programs.

Over the three years of the fiscal plan, transportation capital investments totalling $7.5 billion will maintain the flow of people and goods to support the B.C. economy. Timing of capital spending on these projects is subject to several factors, including funding from partners such as the federal government infrastructure programs and market conditions.

Examples of key capital investments in the transportation sector include:

- Replacing the Pattullo Bridge with a new four-lane bridge (expandable to six-lanes) that meets current seismic and road design standards and the removal of the existing bridge. It will provide a safe and reliable crossing for vehicles, pedestrians and cyclists, and network connections in Surrey and New Westminster.
- Obtaining a final decision on the scope, budget, delivery and schedule for the George Massey Crossing and interim works projects and completing planning for the Surrey-Langley SkyTrain and Highway 1 widening from Langley to Whatcom Road in Abbotsford projects, to meet the needs of growing regions and ease congestion in key corridors.
- Constructing the Broadway Subway, which will add 5.7 kilometres of SkyTrain line and six stations, to provide frequent and reliable access to one of the most congested transit corridors in Metro Vancouver, meet current and future transportation needs, reduce traffic congestion and air pollution, and improve livability.
- Four-laning the final 4.8 kilometres of the 26-kilometre section of Highway 1 through the Kicking Horse Canyon between Highway 95 and the western boundary of Yoho National Park to improve safety and reliability, and facilitate the movement of goods.
- Four-laning 16.4 kilometres of Highway 1 between Kamloops and Golden to improve safety and traffic flow and renew aging infrastructure, including: Illecillewaet (east of Revelstoke); Chase Creek Road to Chase Creek Bridge (Chase); 1st Avenue SW to 10th Street SW (Salmon Arm); Quartz Creek Bridge replacement (west of Golden) and R.W. Bruhn Bridge replacement (Sicamous).
- Widening ten kilometres of Highway 1 through Langley between 216th Street and 264th Street to accommodate new high-occupancy vehicle lanes, including reconfiguring the 232 Street interchange, new underpasses at Glover Road and the CP Rail crossing and a truck parking lot near Highways 1 and 17 for up to 150 commercial trucks and 45 passenger vehicles.
- Improvements along highway corridors in Delta to increase travel safety and efficiency, including: upgrading the Highway 91 at Nordel Interchange; Highway 91 Connector at Nordel Way intersection; Highway 17 at 80th Street intersection (Tilbury); 27B Avenue On-Ramp to Deltaport Way and 27B Avenue between Deltaport Way and 41B Street; and a new interchange at Highway 17 and Highway 91 Connector (Sunbury).

- Improvements to Highway 14 along the southern coast of Vancouver Island to improve safety and traffic flow and facilitate transit usage, including: widening and realigning 1.5 kilometres between Glinz Lake Road and Connie Road; a new park and ride facility on Gillespie Road; and wider shoulders between Otter Point Road and Woodhaven Road.
- Construction of a flyover from Highway 17 northbound to Keating Cross Road westbound in Central Saanich to improve safety by eliminating left turn across highway traffic onto Keating Cross Road and realigning the southbound highway on-ramp.
- Procuring an electric-ready ferry vessel for service on Kootenay Lake and upgrading the Balfour and Kootenay Bay terminals. The new vessel will have almost twice the capacity of the existing MV *Balfour* and be able to carry between 50 and 60 vehicles.
- Constructing a 5.4 kilometre two-lane realignment of West Fraser Road to bypass a section through active slides that was washed-out in 2018 and provide a safe, reliable, and efficient roadway to get local people to and from their homes, schools, jobs and appointments, including a new bridge over Narcosli Creek and rock stabilization work.
- Upgrading intersections and providing passing lanes on provincial highway corridors to improve safety and traffic flow, a signalized T-intersection on Highway 97 at Swan Lumber Road near Fort St. John, improvements along Highway 97 between Racing and Quesnel-Hydraulic Roads in Quesnel and westbound passing lanes on Highway 16 near Broman Lake east of Topley and Toboggan Lake west of Smithers.
- Expansion of SkyTrain fleet and upgrades to stations and facilities in Metro Vancouver to serve rapidly growing transit demand and to support the Broadway Subway project.
- Procurement and delivery of the first 10 battery electric buses for use by BC Transit in Victoria to reduce carbon emissions and improve rider experience.
- Construction of the Victoria HandyDART Centre for use by BC Transit, which will facilitate growth of Victoria's bus system and support introducing a low-carbon fleet of vehicles that will enhance HandyDART services.

Table 1.7 Provincial Transportation Investments

	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Fiscal Plan Total
Provincial investments:					
– Highway corridor rehabilitation	258	314	292	213	819
– Side road improvements	129	162	115	118	395
– Pattullo Bridge replacement	228	225	310	288	823
– Highway 1 to Alberta border	136	267	311	259	837
– Broadway Subway	185	337	363	381	1,081
– Transit Infrastructure [1]	112	136	272	341	749
– Transportation and Trade Network Reliability[2]	226	360	442	299	1,101
– Safety improvements	40	41	30	30	101
– Community and other programs	19	18	13	26	57
Total provincial investments	**1,333**	**1,860**	**2,148**	**1,955**	**5,963**
Investments funded through contributions from other partners	385	534	581	532	1,647
Total investments in transportation infrastructure [3]	**1,718**	**2,394**	**2,729**	**2,487**	**7,610**

[1] Includes notional funding for Surrey-Langley SkyTrain.

[2] Includes notional funding for George Massey Crossing.

[3] Total investments include operating and capital spending.

The public and private sectors will provide about $7.6 billion for transportation operating and capital investments over the next three years, including:

- $6.0 billion of provincial investment in transportation infrastructure; and
- $1.6 billion of investment leveraged through federal cost sharing and partnerships with private organizations, local governments and other agencies.

Ministry Capital Spending

Budget 2021 includes $1.6 billion in capital spending by government ministries over the plan period. This will support investments in maintaining, upgrading and expanding infrastructure, such as provincial park amenities, courthouses, correctional centres, office buildings and information systems.

Current and planned capital investments made by government ministries include:

- An expansion of BC Parks facilities to enhance recreation opportunities across the province, including new campgrounds and amenities, as well as further development of accessible and back-country trails.
- A new Nanaimo Correctional Centre will replace the existing 190-bed outdated correctional centre and increase capacity with a 12-room unit for women. The centre will be culturally responsive and is designed to the LEED gold standard.
- In order to preserve, protect and provide better access to the human and natural history collections of British Columbia, government is planning for a capital project to modernize and renew the Royal BC Museum. The museum's new collections and research building is expected to break ground in Colwood in 2022 with anticipated completion in 2024.

Capital Project Reserves

The Province has included $220 million in project reserves in its three-year capital plan as a prudent planning measure. In addition to covering risks from unforeseen costs for ministry capital projects, the reserves may be used to fund emerging capital priorities of government ministries.

Financing Capital Projects

Provincial capital infrastructure spending is financed through a combination of sources:

- operating cash surplus;
- cost sharing with partners (e.g. federal government, regional hospital districts);
- partnerships with the private sector (public-private partnerships, or P3s); and
- direct borrowing.

Self-Supported Capital Spending

Capital investments of self-supported commercial Crown agencies are projected to total $13.1 billion over the fiscal plan period. Self-supported capital investments include:

- $12.5 billion (95 per cent) of total self-supported capital spending is for electrical generation, transmission and distribution projects to meet growing customer demand and to enhance reliability. Included in this total is construction of a third dam and hydroelectric generating station on the Peace River through the Site C project. BC Hydro's electricity system was largely built in the 1960s, 1970s, and 1980s and B.C.'s population and economy continue to grow. BC Hydro is upgrading and maintaining aging assets and building new infrastructure so that British Columbians continue to receive reliable and clean electricity.
- $306 million will be used for BC Lottery Corporation projects, including replacement of key legacy business systems, expansion of the lottery distribution network, and acquisition of gaming equipment to support lottery, PlayNow internet gaming, casino and community gaming activities.
- $156 million will be used for ICBC projects, including investment in information technology and facility maintenance and upgrades.
- $123 million will be used for Liquor Distribution Branch projects, including investments for updates and improvements to liquor stores, expansion of cannabis stores, technology-related projects and ongoing operating equipment replacements.

Table 1.8 provides information on major capital projects, and further details on provincial capital investments are shown in the service plans of ministries and Crown agencies.

Projects Over $50 Million

Approved major capital projects with multi-year budgets totaling $50 million or more, including provincial funding, are shown in Table 1.8. Annual allocations of the budget for these projects are included as part of the provincial government's capital investment spending shown in Table 1.6.

In addition to financing through provincial sources, major projects may be cost-shared with the federal government, municipalities and regional districts, and/or the private sector. Total capital spending for these major projects is $41.3 billion, reflecting provincial financing of $36.2 billion, including internal sources and P3 liabilities, as well as $5.1 billion in contributions from the federal government and other sources, including private donations.

Major capital investments include $3.0 billion for K-12 school projects; $732 million for post-secondary institutions; $11.2 billion for health facilities; $6.9 billion for major transportation capital infrastructure; $749 million for projects in other sectors; $18.5 billion for power generation and transmission capital projects by BC Hydro; and $96 million for ICBC's Enhanced Care Coverage Program.

Three projects have been added to the table since the *Fall 2020 Economic & Fiscal Update:*

- Okanagan College – Student Housing project ($68 million), expected to be complete in 2023;
- New Surrey Hospital and Cancer Centre ($1.66 billion), expected to be complete in 2028; and
- Mica modernize controls project through BC Hydro ($56 million), expected to be complete in 2023.

Since the *Fall 2020 Economic & Fiscal Update*, the Highway 97 Williams Lake Indian Reserve to Lexington Road project has been completed and is no longer listed in the table.

Changes since the *Fall 2020 Economic & Fiscal Update* for existing projects include:

- Centennial Secondary project's year of completion was amended from 2021 to 2017;
- Argyle Secondary project's year of completion was amended from 2020 to 2021 to align with the revised project schedule;
- Eric Hamber Secondary project's anticipated total cost increased from $105 million to $106 million. Internal borrowing was amended from $93 million to $94 million to reflect updated costing;
- West Langford Elementary and Middle project name changed to Pexsisen Elementary and Centre Mountain Lellum Middle;
- The Seismic Mitigation Program's anticipated total cost increased from $1.5 billion to $2.0 billion to reflect additional funding provided in *Budget 2021;*
- British Columbia Institute of Technology's Student Housing project's anticipated total cost was amended from $115 million to $114 million to reflect the revised project cost estimate. Internal borrowing decreased from $109 million to $108 million;
- Interior Heart and Surgical Centre's anticipated total cost of the direct procurement portion was amended from $248 million to $243 million to reflect the revised project cost estimate. Internal borrowing decreased from $213 million to $208 million;
- Children's and Women's Hospital project's anticipated total cost of the direct procurement portion was amended from $308 million to $298 million to reflect the revised project cost estimate. Internal borrowing decreased from $178 million to $168 million;
- Penticton Regional Hospital – Patient Care Tower project's anticipated total cost of the direct procurement portion was amended from $80 million to $76 million to reflect the revised project cost estimate. Internal borrowing decreased from $22 million to $18 million;
- Royal Columbian Hospital – Phase 1 project's anticipated total cost was amended from $259 million to $251 million to reflect the revised project cost estimate. Internal borrowing decreased from $250 million to $242 million;
- Royal Columbian Hospital – Phases 2 & 3 project's anticipated total cost was amended from $1.236 billion to $1.244 billion to reflect the revised project cost estimate. Internal borrowing increased from $1.174 billion to $1.182 billion;

- Peace Arch Hospital Renewal project's anticipated total cost was amended from $84 million to $91 million to reflect the updated project cost estimate. Funding from Other Contributions was revised from $76 million to $83 million to reflect increased contributions from the Peace Arch Hospital Foundation and Fraser Health Authority;
- St. Paul's Hospital's year of completion was amended from 2026 to 2027 to align with the revised project schedule. The project's anticipated total cost was revised from $2.083 billion to $2.174 billion to reflect updated costing. Internal borrowing increased from $1.158 billion to $1.327 billion and other contributions decreased from $925 million to $847 million;
- Dawson Creek and District Hospital project's year of completion was amended from 2025 to 2026 to align with the revised project schedule;
- Highway 1 Illecillewaet Four-Laning and Brake Check improvements project's year of completion was amended from 2022 to 2021 to align with the revised project schedule;
- Highway 14 Corridor improvements project's anticipated total cost was revised from $86 million to $77 million to reflect the post-tender budget. Internal borrowing decreased from $56 million to $48 million and federal contributions decreased from $30 million to $29 million;
- Highway 1 Chase Four-Laning project's anticipated total cost was revised from $260 million to $220 million to reflect the post-tender budget. Internal borrowing decreased from $248 million to $208 million;
- Highway 1 Salmon Arm West project's anticipated total cost was revised from $185 million to $155 million to reflect the post-tender budget. Internal borrowing decreased from $154 million to $124 million;
- Pattullo Bridge Replacement project's year of completion was amended from 2023 to 2024 to align with the revised project schedule;
- Nanaimo Correctional Centre Replacement project's anticipated total cost was amended from $157 million to $167 million to reflect updated costing;
- Horne Payne substation upgrade project's anticipated total cost increased from $71 million to $72 million to reflect revised estimates for the final designs;
- Fort St. John and Taylor Electric Supply project's anticipated total cost decreased from $53 million to $52 million to reflect the revised project cost estimate;
- UBC load increase Stage 2 project's year of completion was amended from 2021 to 2020 to align with the revised project schedule;
- Downtown Vancouver Electricity Supply – West End strategic property purchase project's year of completion was amended from 2020 to 2021 to align with the revised project schedule;
- Wahleach refurbish generator project's year of completion was amended from 2021 to 2022 to align with the revised project schedule;
- G.M. Shrum G1 to 10 control system upgrade project's year of completion was amended from 2023 to 2022 to align with the revised project schedule; and
- As announced on February 26, 2021, the cost of the Site C project is estimated at $16.0 billion, with a one year delay to 2025 for the project in-service date. BC Hydro continues to review the updated cost estimate, along with risks, further to recommendations in the Milburn Report.

Table 1.8 Capital Expenditure Projects Greater Than $50 million [1]

Note: Information in bold type denotes changes from the *Fall 2020 Economic & Fiscal Update* released on December 17, 2020.

($ millions)	Year of Completion	Project Cost to Dec. 31, 2020	Estimated Cost to Complete	Anticipated Total Cost	Project Financing: Internal/ Borrowing	Project Financing: P3 Liability	Project Financing: Federal Gov't	Project Financing: Other Contrib'ns
		Taxpayer-supported						
Schools								
Centennial Secondary [2]	**2017**	58	3	61	61	-	-	-
Argyle Secondary	**2021**	61	1	62	50	-	-	12
Grandview Heights Secondary	2021	57	26	83	63	-	-	20
Handsworth Secondary	2022	28	41	69	69	-	-	-
New Westminster Secondary	2021	88	19	107	107	-	-	-
Burnaby North Secondary	2022	17	91	108	99	-	-	9
Eric Hamber Secondary	2023	12	94	**106**	**94**	-	-	12
Stitos Elementary Middle	2022	17	37	54	49			5
Sheffield Elementary	2022	5	47	52	47	-	-	5
Pexsisen Elementary and Centre Mountain Lellum Middle	2022	19	70	89	89	-	-	-
Victoria High School	2022	11	69	80	77	-	-	3
Quesnel Junior School	2022	6	46	52	52	-	-	-
Cowichan Secondary	2024	3	79	82	80			2
Seismic mitigation program [3]	2030	682	1,344	**2,026**	**2,026**	-	-	-
Total schools		1,064	1,967	3,031	2,963	-	-	68
Post-secondary institutions								
Simon Fraser University – Energy Systems Engineering Building [2,4]	2019	124	2	126	45	-	45	36
British Columbia Institute of Technology – Health Sciences Centre for Advanced Simulation	2022	29	59	88	66	-	-	22
Simon Fraser University – Student Housing	2022	14	90	104	73	-	-	31
University of Victoria – Student Housing	2023	42	190	232	128	-	-	104
Okanagan College – Student Housing	**2023**	**-**	**68**	**68**	**67**	**-**	**-**	**1**
British Columbia Institute of Technology – Student Housing	2024	-	114	**114**	**108**	-	-	6
Total post-secondary institutions		209	523	732	487	-	45	200
Health facilities								
Royal Inland Hospital Patient Care Tower								
– Direct procurement	2024	13	116	129	39	-	-	90
– P3 contract	2022	200	88	288	-	164	-	124
Vancouver General Hospital – Jim Pattison Pavilion Operating Rooms	2021	81	21	102	35	-	-	67
Interior Heart and Surgical Centre [2]								
– Direct procurement	2018	176	67	**243**	**208**	-	-	35
– P3 contract	2015	133	-	133	4	79	-	50
Children's and Women's Hospital								
– Direct procurement	2020	286	12	**298**	**168**	-	-	130
– P3 contract	2018	368	-	368	167	187	-	14
Penticton Regional Hospital – Patient Care Tower								
– Direct procurement	2022	34	42	**76**	**18**	-	-	58
– P3 contract	2019	231	1	232	-	139	-	93
Royal Columbian Hospital – Phase 1	2020	242	9	**251**	**242**	-	-	9
Royal Columbian Hospital – Phases 2 & 3	2026	59	1,185	**1,244**	**1,182**	-	-	62
Peace Arch Hospital Renewal	2022	25	66	**91**	8	-	-	**83**
Red Fish Healing Centre for Mental Health and Addiction - θəqiʔ ɬəwʔənəq leləm	2021	93	38	131	131	-	-	-
Dogwood Complex Residential Care	2022	4	54	58	-	-	-	58
Lions Gate Hospital – New Acute Care Facility	2024	2	253	255	89	-	-	166
St Paul's Hospital	**2027**	11	2,163	**2,174**	**1,327**	-	-	**847**

Health facilities continued on the next page



Table 1.8 Capital Expenditure Projects Greater Than $50 million [1] (continued)

Note: Information in bold type denotes changes from the *Fall 2020 Economic & Fiscal Update* released on December 17, 2020.

($ millions)	Year of Completion	Project Cost to Dec. 31, 2020	Estimated Cost to Complete	Anticipated Total Cost	Project Financing: Internal/ Borrowing	P3 Liability	Federal Gov't	Other Contrib'ns
Health facilities continued								
Mills Memorial Hospital	2026	14	433	447	337	-	-	110
Burnaby Hospital Redevelopment - Phase 1 [5]	2025	4	573	577	543	-	-	34
Cariboo Memorial Hospital	2026	-	218	218	131	-	-	87
Stuart Lake Hospital	2024	1	115	116	98	-	-	18
Cowichan District Hospital	2026	-	887	887	605	-	-	282
Dawson Creek & District Hospital	**2026**	-	378	378	247	-	-	131
New Surrey Hospital and Cancer Centre	**2028**	**-**	**1,660**	**1,660**	**1,660**	**-**	**-**	**-**
Clinical and Systems Transformation	2025	488	215	703	702	-	-	1
iHealth Project – Vancouver Island Health Authority	2025	99	56	155	55	-	-	100
Total health facilities		2,564	8,650	11,214	7,996	569	-	2,649
Transportation								
Highway 91 Alex Fraser Bridge Capacity Improvements [2]	2019	66	4	70	37	-	33	-
Highway 1 widening and 216th Street Interchange [2]	2020	60	2	62	28	-	22	12
Highway 1 – Admirals Road/McKenzie Avenue Interchange [2]	2020	96	-	96	63	-	33	-
Highway 7 Corridor improvements [2]	2020	70	-	70	48	-	22	-
Highway 99 10-Mile Slide	2021	45	15	60	60	-	-	-
Highway 1 Lower Lynn Corridor improvements	2021	159	39	198	77	-	66	55
Highway 1 Illecillewaet Four-Laning and Brake Check improvements	**2021**	41	44	85	69	-	16	-
Highway 14 Corridor improvements	2022	18	59	**77**	**48**	-	**29**	-
West Fraser Road Realignment	2023	7	96	103	103	-	-	-
Highway 1 Chase Four-Laning	2023	36	184	**220**	**208**	-	12	-
Highway 91 to Highway 17 and Deltaport Way Corridor improvements	2023	93	167	260	87	-	82	91
Highway 1 Salmon Arm West	2023	43	112	**155**	**124**	-	31	-
Highway 1 RW Bruhn Bridge	2023	23	202	225	134	-	91	-
Highway 1 Quartz Creek Bridge Replacement	2023	10	111	121	71	-	50	-
Kootenay Lake ferry service upgrade	2023	7	78	85	68	-	17	-
Pattullo Bridge Replacement [6]	**2024**	263	1,114	1,377	1,076	301	-	-
Highway 1 216th - 264th Street widening	2024	13	222	235	99	-	109	27
Highway 1 Kicking Horse Canyon Phase 4 [7]	2024	90	511	601	386	-	215	-
Broadway Subway	2025	365	2,462	2,827	1,380	450	897	100
Total transportation		1,505	5,422	6,927	4,166	751	1,725	285
Other taxpayer-supported								
Abbotsford courthouse – Direct procurement	2020	15	3	18	18	-	-	-
– P3 contract	2020	134	-	134	48	80	-	6
Nanaimo Correctional Centre Replacement	2023	4	163	**167**	**167**	-	-	-
6585 Sussex Ave (Affordable Rental Housing)	2021	30	45	75	43	-	-	32
Stanley New Fountain Hotel (Affordable Rental Housing)	2022	25	44	69	19	-	-	50
Clark & 1st Ave (Affordable Rental Housing)	2024	4	105	109	75	-	-	34
Royal BC Museum – Collections and Research Building	2024	15	162	177	177	-	-	-
Total other		227	522	749	547	80	-	122
Total taxpayer-supported		**5,569**	**17,084**	**22,653**	**16,159**	**1,400**	**1,770**	**3,324**

Table 1.8 Capital Expenditure Projects Greater Than $50 million [1] (continued)

Note: Information in bold type denotes changes from the *Fall 2020 Economic & Fiscal Update* released on December 17, 2020.

($ millions)	Year of Completion	Project Cost to Dec. 31, 2020	Estimated Cost to Complete	Anticipated Total Cost	Project Financing: Internal/ Borrowing	P3 Liability	Federal Gov't	Other Contrib'ns
Power generation and transmission								
BC Hydro								
– Horne Payne substation upgrade project [2]	2019	71	1	**72**	**72**	-	-	-
– John Hart generating station replacement [2]	2019	977	2	979	979	-	-	-
– Bridge River 2 units 5 and 6 upgrade project [2]	2019	73	1	74	74	-	-	-
– South Fraser transmission relocation project [8]	TBD	30	46	76	76	-	-	-
– Fort St. John and Taylor Electric Supply [2]	2020	51	1	**52**	**52**	-	-	-
– Supply Chain Applications project [2]	2020	67	2	69	69	-	-	-
– UBC load increase stage 2 project [2]	**2020**	48	7	55	55	-	-	-
– Downtown Vancouver Electricity Supply: West End strategic property purchase	**2021**	67	14	81	81	-	-	-
– Peace Region Electricity Supply (PRES) project [9]	2021	193	92	285	285	-	TBD	-
– LNG Canada load interconnection project	2021	65	17	82	58	-	-	24
– Bridge River 2 upgrade units 7 and 8 project	2021	50	36	86	86	-	-	-
– Wahleach refurbish generator project	**2022**	24	27	51	51	-	-	-
– Mica replace units 1 to 4 generator transformers project	2022	41	39	80	80	-	-	-
– G.M. Shrum G1 to 10 control system upgrade	**2022**	51	24	75	75	-	-	-
– Mount Lehman substation upgrade project	2023	20	39	59	59	-	-	-
– Street light replacement program	2023	4	76	80	80	-	-	-
– 5L063 Telkwa relocation project	2023	15	51	66	66	-	-	-
– Mica modernize controls project	**2023**	**26**	**30**	**56**	**56**	-	-	-
– Capilano substation upgrade project	2024	11	76	87	87	-	-	-
– Sperling substation (SPG) metalclad switchgear replacement project	2024	5	49	54	54	-	-	-
– Site C project [10]	**2025**	6,455	9,545	**16,000**	**16,000**	-	-	-
Total power generation and transmission		8,344	10,175	18,519	18,495	-	-	24
Other self-supported								
Enhanced Care Coverage Program (ICBC)	2022	63	33	96	96	-	-	-
Total self-supported		**8,407**	**10,208**	**18,615**	**18,591**	**-**	**-**	**24**
Total $50 million projects		**13,976**	**27,292**	**41,268**	**34,750**	**1,400**	**1,770**	**3,348**

[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 highlight projects that still require final approval. Capital costs reflect current government accounting policy.

[2] Assets have been put into service and only trailing costs remain.

[3] The Seismic Mitigation Program consists of all spending to date on Phase 2 of the program and may include spending on projects greater than $50 million included in the table above.

[4] Simon Fraser University and private donors contributed $26 million toward the project, and the university also contributed land valued at $10 million.

[5] The concept plan for Phase 2 of the Burnaby Hospital Redevelopment has been approved. Financial information will be added to the table upon business case approval.

[6] Pattullo Bridge forecasted to open to the public in 2024 with old bridge decommissioning to follow. Forecasted amount reflects total expenditures including capitalized and expensed items.

[7] Kicking Horse Canyon Project costs exclude $11 million of past planning costs which are expensed.

[8] Construction work on the South Fraser transmission relocation project is currently suspended pending the government's review of the George Massey Tunnel replacement.

[9] The total cost represents the gross cost of the project and has not been netted for Federal Government contributions. The Federal Government's contribution amount is dependent on the final actual project costs and what costs are eligible under the agreement.

[10] As announced on February 26, 2021, the cost of the Site C project is estimated at $16 billion, with a one year delay to 2025 for the project in-service date. BC Hydro continues to review the updated cost estimate, along with risks, further to recommendations in the Milburn Report. Site C project total anticipated cost and project cost to date include capital costs, charges subject to regulatory deferral and certain operating expenditures.

Provincial Debt

Table 1.9 Provincial Debt Summary[1]

($ millions unless otherwise indicated)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Taxpayer-supported debt				
Provincial government				
Operating	8,799	14,939	19,483	22,912
Capital [2]	33,823	37,180	41,145	45,740
Total Provincial government	42,622	52,119	60,628	68,652
Taxpayer-supported entities				
BC Transportation Financing Authority	13,441	15,538	17,779	19,962
Health Authorities and Hospital Societies	1,845	1,841	1,800	1,755
Post Secondary institutions	837	858	875	886
Social Housing [3]	932	990	1,362	1,098
Other	285	296	327	379
Total taxpayer-supported debt	**59,962**	**71,642**	**82,771**	**92,732**
Self-supported debt	**27,524**	**30,238**	**32,688**	**33,882**
Total debt before forecast allowance	**87,486**	**101,880**	**115,459**	**126,614**
Forecast allowance [4]	**-**	**1,000**	**750**	**400**
Total provincial debt	**87,486**	**102,880**	**116,209**	**127,014**
Taxpayer-supported debt to GDP ratio	**20.3%**	**22.8%**	**25.0%**	**26.9%**
Total provincial debt to GDP ratio	**29.6%**	**32.7%**	**35.1%**	**36.9%**
Taxpayer-supported debt per capita ($)	**11,648**	**13,829**	**15,779**	**17,443**
Taxpayer-supported interest bite (cents per dollar of revenue)	**3.1**	**3.4**	**3.4**	**3.6**

[1] Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

[2] Includes debt incurred by the government to fund the building of capital assets in the education, health, social housing and other sectors.

[3] Includes the BC Housing Management Commission and the Provincial Rental Housing Corporation. BC Housing Management Commission has been approved for up to $2 billion for future borrowing to fund investments in affordable housing through HousingHub. The debt forecast reflects projects that have been approved as of February 2021.

[4] Reflects the operating statement forecast allowance for each year (amounts are not cumulative). Since it is unknown as to which agency would require this debt, the forecast allowance is shown as a separate item over the plan.

Government obtains financing from outside sources mainly through debt instruments that are to be repaid on future dates.

Total provincial debt is projected to increase by $39.5 billion over the fiscal plan period to reach $127.0 billion by 2023/24.

Taxpayer-supported debt is forecast to increase by $32.8 billion to $92.7 billion by 2023/24, resulting in an increasing taxpayer-supported debt-to-GDP ratio, which is forecast to remain below 30 per cent in each year of the fiscal plan. This increased borrowing is to finance the annual operating deficits and to fund significant investments in capital infrastructure over the next three years, including $7.3 billion for education, $7.8 billion for health facilities, $7.5 billion for transportation sector projects, $1.6 billion for social housing and $2.2 billion for other initiatives.

The Province's operating results have generally been better than forecast, reflecting the prudence built into the budget and fiscal plan; as a result, actual debt levels have been lower than projected. Furthermore, changes in the timing of capital project spending may reduce borrowing requirements and debt needed to fund capital investments in the near term.

The self-supported debt of commercial Crown corporations is forecast to increase by $6.4 billion over the fiscal plan period, ending at $33.9 billion. This increase is mainly for capital investments related to improving and expanding British Columbia's hydroelectric generation assets.

As is the case with other jurisdictions in Canada and around the world that have been impacted by the COVID-19 pandemic, B.C. government's debt is expected to increase significantly to finance the operating and capital investment needs of the province. In spite of the debt level increase, debt servicing costs remain at a historically low level due to prevailing low interest rates. A common metric of affordability is the interest bite, or the taxpayer-supported interest costs as a percentage of revenue, which is forecast at 3.4 per cent in 2021/22 and 3.6 per cent by 2023/24.

Chart 1.4 Debt to GDP

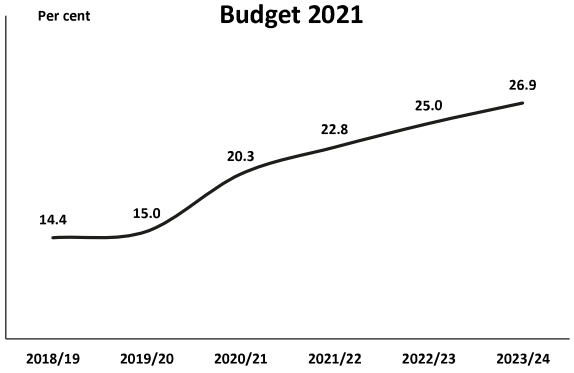
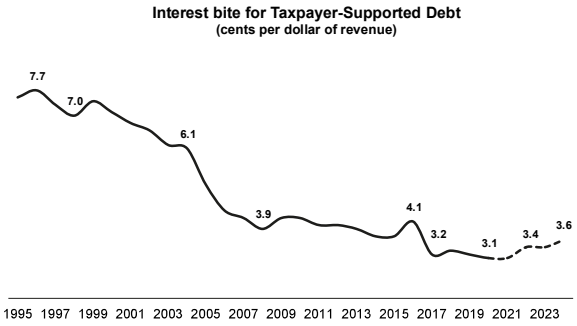


Chart 1.5 Debt Affordability



Government's borrowing requirements over the fiscal plan period are anticipated to total $51.9 billion, which will finance government's operating and capital investments, as well as refinancing of debt maturities.

Total provincial debt is presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking fund investments and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

Table 1.10 Provincial Borrowing Requirements

($ millions)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Total provincial debt[1] at beginning of year	**72,161**	**87,486**	**102,880**	**116,209**
New borrowing [2]	17,914	18,248	17,969	15,249
Direct borrowing by Crown corporations and agencies	519	389	57	62
Retirement of debt [3]	(3,108)	(4,243)	(4,447)	(4,156)
Change in forecast allowance	-	1,000	(250)	(350)
Net change in total debt	15,325	15,394	13,329	10,805
Total provincial debt[1] at year end	**87,486**	**102,880**	**116,209**	**127,014**
Annual growth in debt (per cent)	**21.2**	**17.6**	**13.0**	**9.3**

[1] Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

[2] New long-term borrowing plus net change in short-term debt.

[3] Sinking fund contributions, sinking fund earnings and net maturities of long-term debt (after deduction of sinking fund balances for maturing issues).

The reconciliation between provincial debt and the financial statement debt is shown in Appendix Table A16.

Additional details on government's outstanding debt are provided in Appendix Tables A17 to A19.

Relationship Between Surplus (Deficit) and Debt

In addition to operating results, the change in debt is affected by cash balance changes and other working capital changes, as well as the debt financing requirements of government's capital plan. Table 1.11 reconciles the forecast deficits with changes in debt.

Table 1.11 Provincial Debt Changes

($ millions)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24
Total provincial debt[1] at beginning of year	**72,161**	**87,486**	**102,880**	**116,209**
Taxpayer-supported debt changes				
Annual deficit (before forecast allowance)	8,144	8,698	4,734	3,923
Non-cash items	(2,582)	(2,633)	(2,862)	(2,879)
Changes in cash balances [2]	837	(2,516)	201	176
Changes in other working capital balances [3]	1,057	(348)	31	(131)
Taxpayer-supported capital spending	6,277	8,479	9,025	8,872
Annual change in total taxpayer-supported debt	**13,733**	**11,680**	**11,129**	**9,961**
Self-supported debt changes				
Net operating cash flows	(2,220)	(2,262)	(2,190)	(2,295)
Commercial crown capital spending	3,812	4,976	4,640	3,489
Annual change in total self-supported debt	**1,592**	**2,714**	**2,450**	**1,194**
Annual change in forecast allowance	**-**	**1,000**	**(250)**	**(350)**
Annual change in total provincial debt	**15,325**	**15,394**	**13,329**	**10,805**
Total provincial debt[1] at year end	**87,486**	**102,880**	**116,209**	**127,014**

[1] Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

[2] Changes in cash balances include all cash balances from the Consolidated Revenue Fund, School Districts, Universities, Colleges, Health Authorities, Hospital Societies and other taxpayer-supported agencies.

[3] Changes in other working capital balances include changes in accounts receivables, accounts payable, accrued liabilities, deferred revenue, investments, restricted assets and other assets.

Risks to the Fiscal Plan

Table 1.12 provides the estimated fiscal impacts of the identified sensitivities for some of the key variables in the fiscal plan projections on an individual basis. However, inter-relationships between the variables may cause the actual variances to be higher or lower than the estimates shown in the table. For example, an increase in the US/CDN dollar exchange rate may be partly offset by higher commodity prices.

The assumptions and risk sensitivities for individual revenue sources and major program areas can be found in Appendix Tables A5 and A6, beginning on page 152.

Table 1.12 Key Fiscal Sensitivities

Variable	Increases of	Annual Fiscal Impact ($ millions)
Nominal GDP	1%	$150 – $250
Lumber prices (US$/thousand board feet)	$50	$125 – $175 [1]
Natural gas prices (Cdn$/gigajoule)	25 cents	$40 – $60 [2]
US exchange rate (US cent/Cdn $)	1 cent	-$25 to -$50
Interest rates	1 percentage point	-$156
Debt	$500 million	-$8 to -$10

[1] Sensitivity relates to stumpage revenue only.

[2] Sensitivities can vary significantly especially at lower prices.

Own Source Revenue

The main areas that may affect own source revenue forecasts are B.C.'s overall economic performance, the relative health of its major trading partners, the exchange rate and commodity prices.

Revenues are sensitive to economic performance. For example, taxation and other revenue sources are driven by economic factors, such as household income, consumer expenditures, housing starts, employment, population growth and the exchange rate. The revenue forecast contained in the fiscal plan is based on the economic forecast detailed in *Part 3: British Columbia Economic Review and Outlook*. As well, it incorporates commodity price forecasts developed by the Ministry of Forests, Lands, Natural Resource Operations and Rural Development and the Ministry of Energy, Mines and Low Carbon Innovation based on private sector information.

The continuation of investment incentives provided over the four years starting in 2019/20 due to B.C. joining with the federal government to enhance competitiveness, assumes a behavioural response from businesses in acquisition of capital assets. Changes in the timing or strength of the B.C. business response could result in different impacts. Income-tax revenue forecasts are based on projections of household income and net operating surpluses of corporations. The forecasts are updated from reports on tax assessments provided by the Canada Revenue Agency. As a result, revenue estimates and tax credits can be affected by timing lags in the reporting of current and prior year tax assessments by the Canada Revenue Agency as well as the federal government estimates of national corporate taxable income.

Natural resource revenues in British Columbia can also be volatile, largely due to the influence of the cyclical natural resource sector in the economy and the importance of natural resource revenues in the Province's revenue base. Changes in commodity prices, such as natural gas, lumber or coal may have a significant effect on natural resource revenues and economic growth.

The economic and revenue forecasts could be affected by trade related issues, such as the ongoing U.S.-Canada softwood lumber dispute. The imposition of countervailing and anti-dumping duties by the U.S. on Canadian softwood lumber exports has the effects of increasing market uncertainty and volatility as well as increasing costs for Canadian producers. B.C. disagrees with the views that the lumber industry is subsidized or that it sells lumber into the U.S. at below cost or sales value in Canada, and is supporting the federal government in its appeals of the application of duties to the World Trade Organization and under Chapter 19 of the *North American Free Trade Agreement* and under Chapter 10 of the *Canada US Mexico Free Trade Agreement*.

Over the fiscal plan period, the outlook for forest revenue incorporates declining stumpage rates, rising interest rates and an appreciation in the Canadian dollar. The impacts of the mountain pine beetle infestation and forest fires have reduced the supply of saw logs available to the forest industry. In addition, the industry continues to pay duties on their exports of softwood lumber products into the United States. As a result, some B.C. communities and residents that are reliant on the forest sector have been adversely affected by the continuing uncertainty and volatility. Actual results for a number of factors including assumptions for lumber prices, harvest volumes, interest and exchange rates could pose risks to the fiscal plan.

Details on major assumptions and sensitivities resulting from changes to those assumptions are outlined in Appendix Table A5.

Federal Government Contributions

Potential policy changes regarding federal government allocations, including health and social transfers and cost-sharing agreements, could affect the revenue and the expenditure forecasts.

Crown Corporations

Crown corporations provided financial forecasts and statements of assumptions approved by their boards, which were used to prepare the fiscal plan. These forecasts, along with further details on assumptions and risks, are also included in the service plans of these corporations and agencies, being released with the budget.

SUCH Sector

Health authorities have submitted an overall balanced financial plan for 2021/22 to 2023/24. The individual plans have been signed off by the board chairs of the respective health authorities. The Ministry of Health will continue to work with the health authorities to manage any emerging revenue and spending pressures.

Forecasts for the universities, colleges, and institutions have been signed off by chairs of the board or audit committee and lead financial officers.

Forecasts for the combined school districts have been compiled by the Ministry of Education based on the requirements of the *School Act,* the current year plans developed by the school districts, and ministry policy assumptions respecting future funding allocations. Variances from these assumptions could impact the fiscal plan.

The fiscal plan incorporates three-year projections for school districts, post-secondary institutions, and health authorities, based on plans submitted by those entities.

Spending

Government funds several demand-driven programs, including those delivered through third-party delivery agencies, such as health care, K-12 and post-secondary education, income assistance and community social services. The budgets for these programs reflect reasonable estimates of demand and other factors such as price inflation. If demand is higher than estimated, this will result in a spending pressure to be managed.

The spending plans for the Ministry of Forests, Lands, Natural Resource Operations and Rural Development, and the Ministry of Public Safety and Solicitor General include base amounts to fight wildfires and deal with floods and other public emergencies. Unanticipated or unpredictable occurrences may affect expenses in these ministries.

Increasing levels of debt result in a higher potential impact from the risk of interest rate increases.

Details on major assumptions and sensitivities resulting from changes to those assumptions are shown in Appendix Table A7 and in ministry service plans.

Capital Risks

The capital spending forecasts included in the fiscal plan may be affected by subsequent planning (i.e. design development) and procurement activities (i.e. receipt/review of construction bids) resulting in project costs that are higher than the initial approved budgets. For large capital projects, government will review the budget and scope risks, and the strategies to mitigate these risks.

Other risks affecting capital spending forecasts include:

- changes in the timing of capital project spending, which may reduce borrowing requirements and debt needed to fund capital investments in the near term;
- weather and geotechnical conditions, including the outcome of environmental impact studies, causing project delays and/or unexpected costs;
- changes in market conditions, including service demand, the impact of inflation on building material costs, the availability of, and wage rates for, skilled workers, and borrowing costs;
- the accuracy of capital project budget and construction schedule forecasts;
- the successful negotiation/timing of cost-sharing agreements with the federal government and other funding partners; and
- the timing and outcomes of public-private sector partnership negotiations.

Pending Litigation

The spending plan for the Ministry of the Attorney General contains provisions for payments under the *Crown Proceeding Act* based on estimates of expected claims, judgments and related costs of settlements likely to be incurred. Litigation developments may occur that are beyond the assumptions used in the plan (for example, higher-than-expected volumes, or size of claim amounts and timing of judgments and settlements). These developments may affect government revenues and/or expenditures in other ministries. Litigation may also impact government agencies and corporations.

Write-downs and Other Adjustments

Ministry budgets provide for anticipated levels of asset or loan write-downs where these expenses can be reasonably estimated. The overall spending forecast does not make allowance for extraordinary items other than the amount provided in the contingencies vote.

Prudence and Risk

The economic, financial, and external variables and factors that impact the estimates of revenues, expenditures, capital spending and debt will change throughout the year as new information becomes available with potentially material impacts. As a result, the actual operating surplus/deficit, capital expenditure and debt figures may differ from the current forecast. Government will continue to update the fiscal plan throughout the year.

Government incorporates four main levels of prudence to help mitigate risks to the budget plan projections. These prudence measures generally have resulted in government positively exceeding its budget targets.

- The *Budget 2021* economic outlook is lower than the average of the forecasts provided by the members of the Economic Forecast Council (EFC). The *Budget 2021* plan assumes annual real GDP growth of 4.4 per cent in 2021, 3.8 per cent in 2022, and range between 2.1 per cent and 2.5 per cent annually over the 2023 to 2025 period. This is lower than the EFC average by 0.5 percentage points in both 2021 and 2022 (somewhat more than usual), and by 0.2 percentage points in both 2023 and 2024. The prudent outlook compared to the private sector acknowledges the downside risks to the economic forecast over the forecast horizon.
- The *Budget 2021* natural gas price forecast is lower than the private sector average over the next three years, reflecting the recommendation of Dr. Tim O'Neill in 2013 to adopt more caution in preparing the natural gas royalty forecast. Over the ensuing three years, the *Budget 2021* natural gas price projection averages 14 cents lower than the average of the private sector forecasters (see Appendix Table A6 for details).
- *Budget 2021* includes higher than normal forecast allowances, recognizing the increased forecasting uncertainty, with $1.0 billion in 2021/22, $750 million in 2022/23, and $400 million in 2023/24. The forecast allowance helps offset the impacts of revenue volatility and statutory spending such as additional costs to fight wildfires and to deal with floods and other public emergencies.

- The *Budget 2021* expense forecast includes a contingencies allocation of $1.0 billion in 2021/22, $800 million in 2022/23 and $700 million 2023/24. The contingencies allocation is a prudent measure to provide for unforeseen and unbudgeted costs that may arise, and to fund priority initiatives. In addition to the usual contingency provisions, *Budget 2021* includes Pandemic and Recovery Contingencies of $3.25 billion in 2021/22, $1.0 billion in 2022/23, and $300 million in 2023/24. Furthermore, *Budget 2021* also includes notional allocations for caseload pressures and priority initiatives that may require funding in future budgets, providing $1.5 billion in 2022/23 and $2.0 billion in 2023/24.

The EFC provides advice to the Minister of Finance annually on issues facing the global economy and B.C.'s economic outlook, including areas of concern, risks and opportunities for the B.C. economy. The Minister of Finance receives advice from staff and colleagues on the various levels of prudence incorporated in the fiscal plan, tax policy initiatives for consideration and the potential risks that could arise over the next three years. Since the risks could be ongoing or one-time in nature and could impact both revenues and expenditures, consideration is given to both the forecast allowance and contingencies vote allocations. However, since a number of these risks are not readily quantifiable, there is no specific formulaic approach in the determination of the forecast allowance and contingencies vote allocations.

Table 2.1 Summary of Tax Measures

	Effective Date	Taxpayer Impacts 2021/22	2022/23
		($ millions)	
Income Tax Act			
• Extend book publishing tax credit	April 1, 2021	(3)	(3)
• Waive requirement to repay B.C. Emergency Benefit for Workers	March 1, 2020	-	-
• Extend mining flow-through share tax credit eligibility period	March 1, 2018	*	*
• Align climate action tax credit increase with carbon tax rate increase	July 1, 2021	33	10
Probate Fees			
• Provide remission of probate fees on memorial grants	July 1, 2021	*	*
Carbon Tax Act			
• Delay carbon tax rate increase	April 1, 2021	(228)	-
Motor Fuel Tax Act			
• Expand eligibility for the fuel tax refund for persons with disabilities	April 20, 2021	*	*
Provincial Sales Tax Act			
• Introduce exemption for electric bicycles and tricycles	April 21, 2021	(7)	(7)
• Expand exemption for new resident's effects	March 11, 2019	*	*
• Address provincial sales tax refunds on "grey market" vehicle transactions	Regulation	*	*
Tobacco Tax Act			
• Increase tobacco tax rates for cigarettes, heated tobacco products and loose tobacco	July 1, 2021	60	80
Home Owner Grant Act			
• Increase threshold for home owner grant phase-out to $1.625 million from $1.525 million	January 1, 2021	*	*
School Act			
• Set provincial residential class school property tax rates	January 1, 2021	*	*
• Set provincial non-residential class school property tax rates	January 1, 2021	*	*
Taxation (Rural Area) Act			
• Set provincial rural area property tax rates	January 1, 2021	*	*
Speculation and Vacancy Tax Act			
• Introduce exemption for corporations owned by agents of government	2021 tax year	*	*
• Introduce exemption for registered charities that hold property through a trustee	November 27, 2018	*	*
• Amend definition of beneficial owner	November 27, 2018	*	*
Various Acts			
• Various technical measures	Various	*	*
Total		**(145)**	**80**

* Denotes measures that have no material impact on taxpayers.

Tax Measures — Supplementary Information

For more details on tax changes see:
www.gov.bc.ca/budgettaxchanges

Income Tax Act

Book Publishing Tax Credit Extended

As announced on March 10, 2021, the book publishing tax credit is extended for five years to March 31, 2026.

The book publishing tax credit supports an industry with a predominantly female work force.

Requirement to Repay B.C. Emergency Benefit for Workers Waived

Self-employed individuals are not required to repay the B.C. Emergency Benefit for Workers if they would have qualified for the benefit or the Canada Emergency Response Benefit on their gross income. This mirrors a federal change to the Canada Emergency Response Benefit.

Approximately 57 per cent of individuals who benefit from this relief are women. The average age of individuals who benefit from this relief is higher than that of B.C. Emergency Benefit for Workers recipients as a whole.

Mining Flow-Through Share Tax Credit Eligibility Period Extended

As previously announced, the mining flow-through share tax credit eligibility period during which an expenditure must be incurred by the issuer to be renounced in favour of flow-through shares is temporarily extended by 12 months. This aligns with proposed temporary federal timelines due to COVID-19. The 12-month extension applies to flow-through share agreements entered into on or after March 1, 2018 and before 2021 when using the general rule. It also applies to agreements entered into in 2019 or 2020 when using the look-back rule.

Purchasers of mining flow-through shares who claim the tax credit tend to be high-income earners and are predominantly male. This measure is not expected to change who will be claiming the credit.

The credit also supports mining, which has a predominantly male work force with above-average wages. The proportion of mining industry workers who are Indigenous is higher than in the B.C. labour market overall.

Climate Action Tax Credit Increase Aligned with Carbon Tax Rate Increase

Effective July 1, 2021, the climate action tax credit rate remains at $174 per adult and $51 per child due to the delay in the carbon tax rate increase. Rates will increase to $193.50 per adult and $56.50 per child on July 1, 2022, in line with the corresponding carbon tax rate increase.

This alters the schedule established by *Budget 2019* by one year. Delaying the climate action tax credit increase aligns with the delay to carbon tax increases, which support businesses and families during the COVID-19 pandemic while keeping B.C. on track to reach the federally mandated price of $50 per tonne of carbon dioxide equivalent emissions by 2022.

Approximately 63 per cent of the climate action tax credit goes towards single people. Single people comprise 75 per cent of the recipients, of which 57 per cent are female and 43 per cent are male.

The climate action tax credit helps offset the effects of carbon taxes paid by low- to moderate-income individuals and families.

Probate Fees

Remission of Probate Fees on Memorial Grants Provided

Effective July 1, 2021, amounts received from the federal Memorial Grant Program for First Responders by a person's estate will not be subject to probate fees under the *Probate Fee Act*.

Carbon Tax Act

Carbon Tax Rate Increases Delayed

As announced on September 2, 2020, carbon tax rates are set at $45 per tonne of carbon dioxide equivalent emissions (CO_2e) effective April 1, 2021. Rates will increase to $50 per tonne of CO_2e on April 1, 2022.

This alters the schedule established by *Budget 2017 Update*, which would have increased carbon tax rates to $45 and $50 per tonne of CO_2e on April 1, 2020, and April 1, 2021, respectively. Delaying the carbon tax increases will support businesses and families during the COVID-19 pandemic while keeping B.C. on track to reach the federally mandated price of $50 per tonne of CO_2e by 2022.

The corresponding increase to the climate action tax credit is also delayed by one year.

Carbon tax applies broadly and does not specifically target individuals based on their gender, class, sexuality, race, ethnicity, religion, age or ability status. It is estimated that households pay approximately 28 per cent of the carbon tax, with businesses paying approximately 72 per cent. Research suggests that B.C.'s carbon tax is progressive. The negative effect on households with below-median income is smaller than that on households with above-median income. The climate action tax credit helps offset the effects of carbon taxes paid by low- to moderate-income individuals and families.

Motor Fuel Tax Act

Eligibility for the Fuel Tax Refund for Persons with Disabilities Expanded

Effective April 20, 2021, eligibility for the motor fuel tax refund for persons with disabilities is expanded to include recipients of disability assistance, or a disability supplement, from Indigenous Services Canada. Eligibility is also expanded to include anyone who is in receipt of a 100 per cent disability pension resulting from service as a member of Her Majesty's forces, whether or not this pension relates to an injury sustained in a war.

The motor fuel tax refund for persons with disabilities provides refunds of up to $500 per calendar year to people with qualifying disabilities.

If a person receives disability assistance or supplements under the *Employment and Assistance for Persons with Disabilities Act*, they are eligible to participate in the fuel tax refund program. Indigenous Services Canada provides comparable disability assistance or supplements to persons with disabilities who live on reserve lands. While people who live on reserve lands are eligible to participate in the fuel tax refund program if they meet other eligibility criteria, adding the on-reserve federal funding program to the eligibility criteria addresses a potential inequity.

Similarly, while an existing fuel tax refund program criterion relates to disability pensions that arise out of service in Her Majesty's forces, eliminating the requirement that the pension relate to active service in a war recognizes that disabilities can arise out of other forms of service.

Provincial Sales Tax Act

Exemption for Electric Bicycles and Tricycles Introduced

Effective April 21, 2021, electric bicycles and tricycles are exempt from provincial sales tax. In addition, conversion kits used to electrify conventional bicycles and tricycles, and parts and services for electric bicycles and tricycles, are exempt from provincial sales tax.

For the purpose of these exemptions, electric bicycles or tricycles must have pedals or hand cranks that allow for human propulsion, wheels with a minimum diameter of 350 millimetres and maximum motor power of 500 watts. Additionally, they must be limited to a motor-assisted speed of 32 kilometres per hour and must not have a combustion engine or be marketed or designed to have the appearance of a motorcycle, moped or scooter. These exemptions support the Province's Active Transportation Strategy goal of doubling the number of trips taken with active transportation by 2030.

Sixty-three per cent of British Columbians who commute to work by bicycle are male and 37 per cent are female. Older adults and people with physical limitations are also underrepresented. The adoption of electric bicycles or tricycles helps reduce these disparities by providing additional power to make longer and faster trips. Research shows that factors that keep women from biking more include increased concern for safety, the need to make multiple stops while hauling items such as groceries and transporting passengers. Electric bicycles and tricycles reduce these barriers by facilitating travel with cargo and children, as well as allowing for longer trips and providing trip times that are comparable to motor vehicle travel within 10 kilometres.

Increased usage of electric bicycles or tricycles by underrepresented groups enhances access to physical activity and the community, contributing to better health outcomes that result in societal benefits.

Exemption for New Resident's Effects Temporarily Expanded

Effective March 11, 2019, the exemption for a new resident's effects is expanded to provide more time for new residents to bring their vehicles and other goods into B.C. without being subject to provincial sales tax. Under normal conditions, the personal effects of a new resident are generally exempt from provincial sales tax if they are brought into B.C. within one year of the individual becoming a resident. The expanded time frame is provided in response to COVID-19 travel restrictions and recognizes that it could have been challenging for people who became residents up to one year before the pandemic to complete their moves within the time frame allowed by the exemption.

With this temporary expansion, a new time frame applies to any person who became a resident of B.C. on or after March 11, 2019. Individuals who would otherwise qualify for the exemption will now have until the earlier of January 1, 2023 or one year following the end of the most recent quarantine order made under the *Quarantine Act* (Canada), to bring their personal effects into B.C.

Government does not have data on individuals who would be expected to pay provincial sales tax in the absence of this measure, but expects the benefits to accrue primarily to new residents who originate from locations ordinarily accessible from B.C. by road, such as other Canadian provinces and the United States. The measure enables these individuals to delay travelling back to their former residences for the purpose of personally transporting their vehicles and other goods to B.C. for personal use.

Measures to Address Provincial Sales Tax Refunds on "Grey Market" Vehicle Transactions to be Introduced

Effective on a date to be set by regulation, the provincial sales tax refund for motor vehicles purchased in B.C. and resold within seven days will be eliminated. Concurrently, persons who purchase vehicles in B.C. will be deemed to have purchased the vehicles for their own use, and not for resale, unless they represent otherwise to the seller at the time of purchase.

Provincial sales tax is not payable on goods purchased solely for resale. Under the current rules, a person who intends to resell a vehicle could claim a provincial sales tax exemption by informing the seller of the vehicle of their intentions. However, many motor vehicle dealers will not sell vehicles to resellers. For this reason, "grey market" purchasers who intend to resell vehicles do not state their intentions, pay the provincial sales tax and apply to the government for a refund. The changes announced in *Budget 2021* maintain the longstanding provincial sales tax treatment of resale inventory but close the provincial sales tax refund process to the type of "grey market" activity described in Peter German's money laundering report.

The Ministry of Finance does not collect, or have readily available, data on the gender, class, sexuality, race, ethnicity, religion, age or ability status of provincial sales tax refund applicants. Therefore, the distributional effects of these measures to curtail provincial sales tax refunds associated with "grey market" vehicle transactions are not known.

Tobacco Tax Act

Tobacco Tax Rates for Cigarettes, Heated Tobacco Products and Loose Tobacco Increased

Effective July 1, 2021, the tax rate on cigarettes is increased to 32.5 cents from 29.5 cents per cigarette (to $65 from $59 per carton of 200 cigarettes). The default tax on heated tobacco products is also increased to 32.5 cents from 29.5 cents per heated tobacco product. A heated tobacco product is a product that contains tobacco and is designed to be heated, but not combusted, in a tobacco heating unit to produce a vapour for inhalation.

Also, effective July 1, 2021, the tax rate on loose tobacco (tobacco in a form other than cigarettes, cigars or heated tobacco products) is increased to 65 cents from 39.5 cents per gram. This increase better aligns the tax on "roll-your-own" tobacco with the level of tax that applies to premade cigarettes.

This measure will create an added incentive to reduce tobacco consumption. Smoking rates are higher among men and lower-income individuals. These populations will bear a greater proportion of the tax increase.

Home Owner Grant Act

Threshold for Home Owner Grant Set

As announced on January 5, 2021, the threshold for the phase-out of the home owner grant is increased to $1.625 million from $1.525 million for the 2021 tax year. For properties valued above the threshold, the grant is reduced by $5 for every $1,000 of assessed value that exceeds the threshold.

The home owner grant program provides a benefit to Canadian citizens and permanent residents of Canada who live in their home as their principal residence. The home owner grant program benefits home owners, who on average have higher incomes and wealth than renters. The program does not have an income test. The grant does not benefit renters or landlords, or owners for their second homes or vacation homes, corporate owners, foreign owners, or owners of vacant land or residential class improvements other than a home.

Canada-wide, homeownership is strongly related to age. For example, in 2016, a person aged 65 and older was 1.7 times more likely to own a home than a person aged 20 to 34. The homeownership rate was highest at 76.3 per cent for people aged 55-64, and was slightly lower, at 74.6 per cent for the population aged 65 and over.

Under the B.C. home owner grant program, seniors over the age of 65, certain veterans of older conflicts and their surviving spouses, and owners who house a person with disabilities are eligible for an additional grant amount of up to $275.

The reduction of the home owner grant amount for properties over the threshold means that otherwise-eligible owners of the most expensive homes receive only a partial grant or no grant at all. Low-income owners who would be eligible for the additional grant amount but who lose some of or all their grant because of the high value of their home can apply to the grant administrator for a low-income supplement which replaces the lost amount of grant. A similar program benefits all low-income veterans.

School Act

Provincial Residential Class School Property Tax Rates Set

The longstanding rate-setting policy is that average residential class school property taxes, before application of the home owner grant, increase by the previous year's provincial inflation rate. This rate-setting policy has been in place since 2003 and continues in 2021.

Provincial Non-Residential Class School Property Tax Rates Set

A single province-wide school property tax rate is set for each of the non-residential property classes. Consistent with longstanding policy, the rates for 2021, except for the rate for the industrial property classes, will be set so that non-residential class school tax revenue will increase by inflation plus tax on new construction from the 2019 tax revenues. The major industry class tax rate and the light industry class tax rate will be set at the same rate as the business class tax rate, consistent with the policy announced in *Budget 2008*.

This rate-setting policy has been in place since 2005, except for the 2020 tax year when significant property tax relief was delivered to commercial property classes through a reduction in school property tax rates.

The tax rate policy seeks to achieve an equitable balance between taxpayers in different areas of the province. Tax rates are lower in school districts that have the highest average assessed values. Still, a residential taxpayer with an average home value in a school district with low average values pays less school tax on their home than a taxpayer with an average home value in a school district with higher average assessed values.

The personal characteristics of the owners of non-residential property are generally not collected or available through the property tax system. Businesses most affected by a property tax are those that rely on brick and mortar operations.

Taxation (Rural Area) Act

Provincial Rural Area Property Tax Rates Set

A single rural area residential property tax rate applies province-wide. The longstanding rate-setting policy that average residential rural property taxes increase by the previous year's provincial inflation rate continues for 2021.

Consistent with longstanding policy, non-residential rural area property tax rates are set so that total non-residential rural area tax revenue increases by inflation plus tax on new construction.

With the exception of utility and industrial properties in the Peace River Regional District, there is one rural tax rate per property class, province-wide. This means the tax falls more heavily in areas where average values are higher. The effect is relatively minor because average values do not vary widely in rural areas across B.C.

Speculation and Vacancy Tax Act

Exemption for Corporations Owned by Agents of Government Introduced

Beginning in the 2021 tax year, corporations owned by agents of government can claim an exemption from the speculation and vacancy tax, consistent with corporations owned by municipalities, regional districts and Indigenous nations.

This exemption directly benefits agents of government rather than individuals.

Exemption for Registered Charities that Hold Property through a Trustee Introduced

Effective November 27, 2018, a residential property owned by a trustee of a trust who is holding legal title for the benefit of a registered charity can claim an exemption from the speculation and vacancy tax. The *Speculation and Vacancy Tax Act* already provides an exemption for owners that are registered charities. The new exemption ensures that registered charities are also exempt when they are not on legal title, and instead hold property through a trust.

The known cases of trustees who are holding legal title for the benefit of registered charities are all trustees of religious organizations. If these properties are liable for speculation and vacancy tax, they will presumably have less funds to perform their charitable activities, which will primarily negatively affect the people who rely on these charities.

Definition of Beneficial Owner Amended

Effective November 27, 2018, the *Speculation and Vacancy Tax Act* is amended to clarify that a beneficial owner, whose interest in a residential property is registered in the name of a trustee of a trust and contingent on the death of another individual, is not considered a beneficial owner for the purpose of the speculation and vacancy tax. This change harmonizes the definition of beneficial owner with the *Land Owner Transparency Act* and the *Business Corporations Act*.

Life interest trusts are commonly used by property owners as part of their end-of-life planning. This change to the definition of beneficial owner with respect to ownership interest contingent on death will most notably affect seniors and spouses of seniors who own homes and are residents of B.C.

Various Acts

Various Technical Measures

Budget 2021 introduces a number of technical amendments to various tax acts including the *Assessment Act*, *Employer Health Tax Act*, *Hydro and Power Authority Act*, *Income Tax Act*, *Police Act*, *Ports Property Tax Act*, *Property Transfer Tax Act*, *Provincial Sales Tax Act*, *Speculation and Vacancy Tax Act* and *Vancouver Charter* for clarity and certainty:

- Effective on royal assent the *Assessment Act* is amended to:
  - allow BC Assessment to deliver notices electronically with taxpayer consent;
  - allow BC Assessment to make accessible through other online portals reports that are currently accessible only through BC Online; and
  - align with the terminology in the *Vancouver Charter*.
- Effective March 30, 2021, the *Employer Health Tax Act* is amended to provide administrative provisions in respect of the Increased Employment Incentive. The incentive provides a 15 per cent refundable tax credit for employers who created new jobs for B.C. workers or increased payroll for existing low- or middle-income employees over the last quarter (October to December) of 2020.
- Effective January 1, 2019, the *Hydro and Power Authority Act* is amended to clarify that the *Employer Health Tax Act* applies to BC Hydro.
- The *Income Tax Act* is amended:
  - effective March 13, 2020, to extend the deadline to file tax credits to the earlier of December 31, 2020 and six months from the original filing deadline for the book publishing tax credit, film tax credits, interactive digital media tax credit, mining exploration tax credits, scientific research and experimental development tax credit and the training tax credits;
  - effective March 25, 2020, to ensure that federal COVID-19 response measures do not affect the operation of B.C. income tax benefits and remittances of provincial income tax withholdings; and
  - effective December 18, 2020, to provide administrative provisions in respect of the BC Recovery Benefit. The benefit is a refundable tax credit of up to $500 for an individual and up to $1,000 for a family.
- Effective on royal assent, the *Carbon Tax Act*, *Employer Health Tax Act*, *Forest Act*, *Income Tax Act*, *Insurance Premium Tax Act*, *International Business Activity Act*, *Logging Tax Act*, *Mineral Tax Act*, *Motor Fuel Tax Act*, *Property Transfer Tax Act*, *Provincial Sales Tax Act*, *Speculation and Vacancy Tax Act* and *Tobacco Tax Act* are amended to harmonize appeal procedures with the *Court of Appeal Act*. This will allow parties to appeal a Supreme Court of British Columbia decision without having to first obtain leave of a justice of the Court of Appeal.
- Effective on royal assent, the *Carbon Tax Act*, *Home Owner Grant Act*, *Insurance Premium Tax Act*, *Land Tax Deferment Act*, *Logging Tax Act*, *Motor Fuel Tax Act*, *Property Transfer Tax Act*, *Provincial Sales Tax Act* and *Taxation (Rural Area) Act* are amended to allow Ministry of Finance officials to perform analysis of tax data to develop fiscal policy.

- Effective on a date to be specified by regulation, the *Employer Health Tax Act*, *Income Tax Act* and *Speculation and Vacancy Tax Act* are amended to further protect taxpayer information from unintended disclosures.
- Effective on January 1, 2022, the *Police Act* is amended to base the calculation of rates and apportionments on the estimate of costs by the Solicitor General for the previous taxation year rather than the current taxation year. This will allow tax rates to be set earlier in the taxation year.
- Effective for the 2021 taxation year, the *Ports Property Tax Act* is amended to add District of Stewart to the list of municipalities receiving compensation following the designation of Stewart World Port.
- Effective April 20, 2021, the *Property Transfer Tax Act* is amended to restrict a taxpayer's choice of arbitration to disputes about the fair market value portion of an assessment.
- The *Provincial Sales Tax Act* is amended to:
  - effective April 1, 2021, clarify that the exemption for water does not apply to beverages taxed under the soda beverage measures announced in *Budget 2020*;
  - effective on royal assent and on a date to be specified by regulation, make minor changes in terminology to provisions related to multi-jurisdictional vehicles;
  - effective on royal assent, clarify that an agent is authorized to use the registration number of their principal when acting on their behalf; and
  - effective April 1, 2021, make minor clarifications to provisions related to registration thresholds for Canadian sellers of goods, along with Canadian and foreign sellers of software and telecommunication services.
- The *Speculation and Vacancy Tax Act* is amended to:
  - effective on royal assent, update the reference to line 150 of an income tax return to line 15000; and
  - effective January 1, 2022, clarify that the administrator can assess within the specified time period.
- Effective on royal assent, minor changes in terminology are made to the *Vancouver Charter* for consistency with technical amendments to the *Assessment Act*.

Summary

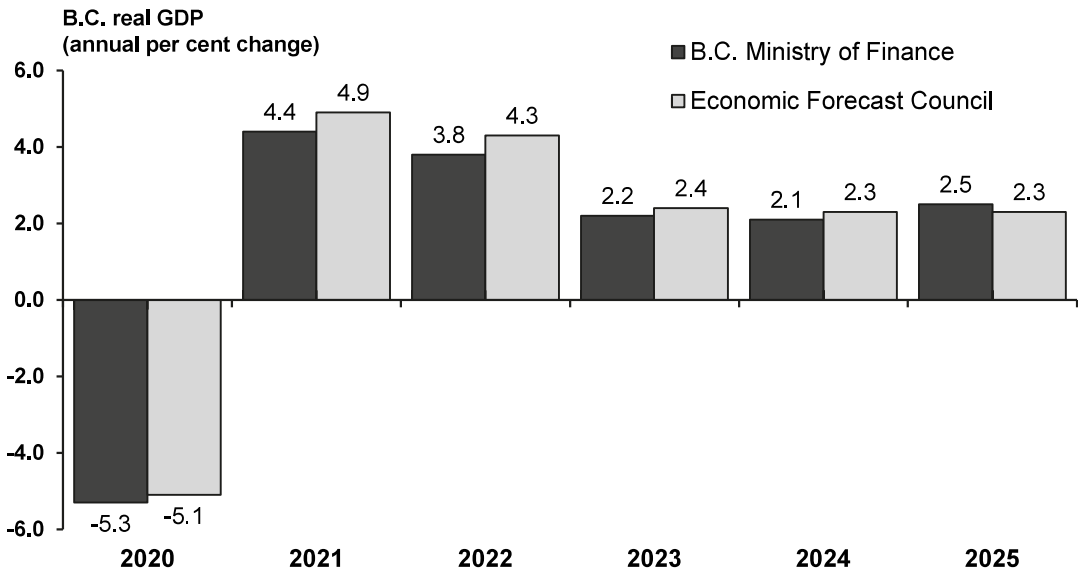
The COVID-19 pandemic pushed economies all over the world into deep recessions. B.C. was no exception. Widespread job losses strained households and unprecedented challenges weighed on businesses. While the reopening of the economy and government emergency response programs have gone a long way to support economic recovery, the pandemic is not over and significant challenges remain. The swift development of effective vaccines together with stronger than expected economic activity in 2020 have improved the outlook.

While there is a high degree of uncertainty, the Ministry of Finance (Ministry) is returning to its regular practice of providing a five-year economic outlook. The outlook is conditional on assumptions which could change substantially over the coming months. As such, the outlook is subject to a larger than normal degree of risk and potential revision.

The economic outlook assumes that provincial, national, and global economic activity broadly returns to pre-pandemic levels sometime in 2022. Underpinning the projected recovery are the assumptions that large-scale immunization campaigns will be well underway and that global travel restrictions will ease. The exact timing will vary by jurisdiction and industry. High-contact service industries such as tourism, hospitality, recreation, and retail will likely be challenged by the need for containment measures for some time. As such, the recovery is expected to continue to be uneven.

The Ministry estimates that the economy contracted by 5.3 per cent in 2020 and forecasts that it will expand by 4.4 per cent in 2021 and then 3.8 per cent in 2022. Over the medium-term (2023 to 2025), growth is expected to range between 2.1 per cent and 2.5 per cent annually.

Chart 3.1 Ministry's Outlook for B.C. Prudent Compared to Private Sector



[1] Reflects information available as of April 7, 2021, unless otherwise indicated.

The Ministry's forecast for B.C. real GDP growth is lower than the outlook provided by the Economic Forecast Council (EFC), with 0.5 percentage points of prudence in both 2021 and 2022 (somewhat more than usual), and 0.2 percentage points of prudence in both 2023 and 2024. This differential is one of the levels of prudence built into the fiscal plan. The Ministry's outlook for 2025 is slightly higher than the average EFC forecast as LNG production is anticipated to provide more support to the economy in that year.

The main downside risk to B.C.'s economic outlook continues to be uncertainty regarding the duration of the COVID-19 pandemic and the degree to which it will have lasting effects on provincial, national, and global economies. Other risks include ongoing uncertainty regarding global trade policies and lower commodity prices.

British Columbia Economic Activity and Outlook

The economic outlook has improved over the forecast horizon. The Ministry's current estimate of a 5.3 per cent decline in B.C. real GDP in 2020 is up from the 6.2 per cent decline forecast in the *Fall 2020 Economic & Fiscal Update*. Recent data has shown that growth in retail sales, housing activity, exports, and aggregate wages and salaries have outpaced expectations.

Table 3.1 British Columbia Economic Indicators

All data seasonally adjusted	Fourth Quarter Oct. to Dec. 2020 change from Jul. to Sep. 2020	Annual* Jan. to Dec. 2020 change from Jan. to Dec. 2019	Year-to-Date Jan. to Feb. 2021 change from Jan. to Feb. 2020
	Per cent change	Per cent change	Per cent change
Employment	+4.0	-6.6	-1.1
Manufacturing shipments[1]	+4.8	-3.3	+19.5
Merchandise exports	+8.8	-8.2	+24.4
Retail sales[1]	+4.0	+2.6	+15.3
Housing starts	+4.5	-16.0	+11.1
Non-residential building permits	+3.4	-14.8	-8.3

* Annual non-seasonally adjusted data [1] Data to January

Expectations for the coming years are also higher. The most significant development driving this shift was the approval and rollout of COVID-19 vaccines. It is prudently assumed that all British Columbian's who are eligible and choose to be vaccinated will receive it by September 2021. Vaccine rollout has spurred optimism among households, businesses, and governments and brought forward expectations of the resumption of economic activities constrained by the pandemic. The outlook for global trade is also brighter. As such, the rebound in the economy in 2021 is now expected to be 4.4 per cent, up from the *Fall 2020 Economic & Fiscal Update* forecast of 3.0 per cent. In 2022, growth is expected to be 3.8 per cent. Nevertheless, while an end to the pandemic is now conceivable, the timing is uncertain and economic conditions remain challenging. Consequently, risks to the outlook remain elevated. Over the medium-term, B.C.'s economy is forecast to grow by 2.3 per cent on average from 2023 to 2025.

The Ministry estimates that B.C. nominal GDP fell by 4.5 per cent in 2020 and will grow by 6.4 per cent in 2021 and by 5.4 per cent in 2022. This is an improvement from the *Fall 2020 Economic & Fiscal Update* projection of a 6.0 per cent decline in 2020 and a 3.9 per cent increase in 2021. Over the medium-term, B.C.'s nominal GDP is forecast to grow by 4.1 per cent on average from 2023 to 2025.

Private sector forecasters have revised up their near-term economic growth projections for B.C. in recent months. An average of six private sector forecasters[2] (a subset of the Economic Forecast Council) estimates that B.C. real GDP declined by 5.0 per cent in 2020 and forecasts growth of 5.8 per cent in 2021 and 4.4 per cent in 2022. This is better than the estimated decline of 5.4 per cent on average across Canada in 2020 and the expected national growth of 5.7 per cent in 2021 and 4.2 per cent in 2022.

Labour Market

B.C. lost an unprecedented number of jobs following the onset of the COVID-19 pandemic. At the beginning of 2020, B.C. had one of the strongest labour markets in the country with unemployment rates near historic lows. Then in March and April 2020, employment fell by 410,600 persons (-15.5 per cent). These losses were much worse than what the province experienced during the depths of the 2008/09 recession when B.C. lost fewer jobs over a longer period of time (around 69,000 jobs over seven months). Furthermore, pandemic-related employment losses have been uneven, mainly concentrated among lower-wage workers in high-contact services, where women and youth are overrepresented. And many who remained employed experienced reduced hours.

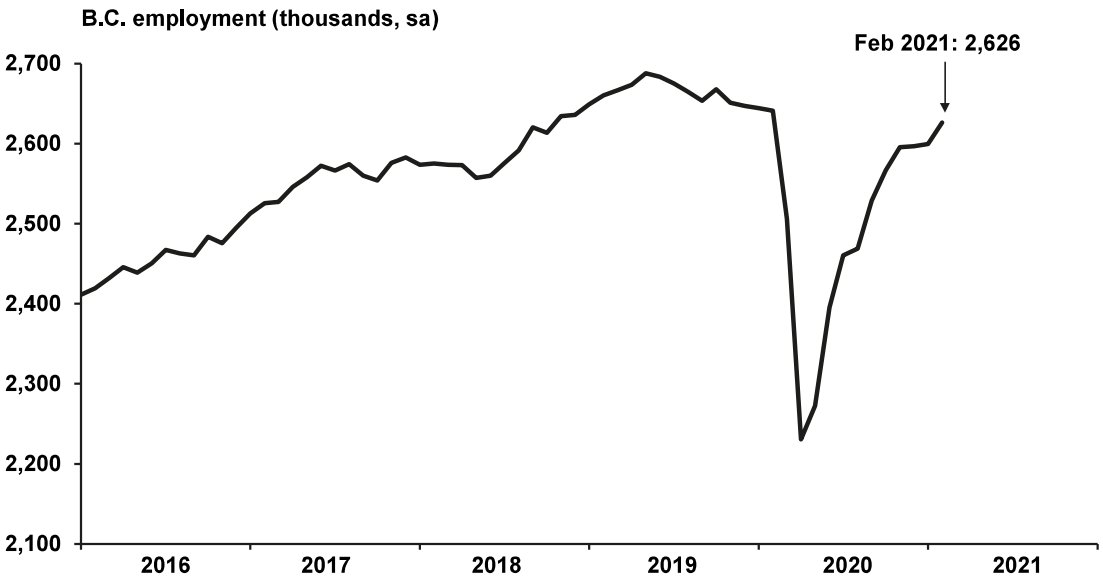
Employment has nearly recovered since the low in April 2020. As of February 2021, about 96 per cent of pandemic-related employment declines had been reversed, labour market participation rates had bounced back, and average hours worked had mostly recovered (bringing B.C. to 99.4 per cent of pre-pandemic employment levels). However, there were still 15,100 fewer people employed than in February 2020 (-0.6 per cent). Moreover, while the unemployment rate had retreated from a peak of 13.4 per cent in May 2020 to 6.9 per cent in February 2021, long-term unemployment had risen. The share of unemployed people that have been without work for twenty-seven weeks or more was 33.0 per cent in February 2021, its highest reading in thirty-six years (in February 2020 it was 12.8 per cent). Long-term unemployment is associated with the risks of skill erosion and labour market detachment.

In 2020 overall, employment fell by 6.6 per cent (-175,300 jobs) and year-to-date to February 2021 it was down by 1.1 per cent compared to the first two months of 2020. The year-to-date decline translated to a net loss of around 29,900 jobs, driven by 29,200 fewer full-time jobs and 750 fewer part-time jobs. Service industries heavily impacted by social distancing and travel restrictions continue to be negatively impacted by the pandemic. Industries less affected by social distancing or more able to adapt through remote work, on the other hand, have generally experienced growth. Year-to-date to February 2021, significant job losses were seen in construction (-32,000 jobs), accommodation and food services (-26,150 jobs), and wholesale and retail trade (-17,200 jobs), while employment gains were led by professional, scientific, and technical services (+29,800 jobs), public administration (+21,300 jobs), and healthcare and social assistance (+10,900 jobs).

In 2020, employee compensation (aggregate wages, salaries, and employers' social contributions) in B.C. declined by 0.7 per cent compared to 2019. This decline is smaller in magnitude than that of employment because low-wage workers dominated job losses.

[2] A subset of the Economic Forecast Council that regularly forecasts economic performance in all provinces (BMO, CIBC, National Bank, RBC, Scotiabank, and TD), as of April 7, 2021.

Chart 3.2 B.C. Employment



Sources: Statistics Canada (Labour Force Survey); Haver Analytics

Job losses in 2020 widened pre-pandemic inequalities. Among the industries hardest hit, youth, female, and visible minority workers tend to be overrepresented. Labour market outcomes among these groups have improved alongside the general employment recovery, but some gaps remain wider than before COVID-19. In February 2021, lower female youth employment accounted for over half of the remaining gap between pre-pandemic and current employment levels. And new labour force data shows that since at least July 2020 (when data became available), visible minorities in B.C. have experienced persistently higher unemployment rates than British Columbians who are neither Indigenous nor part of a group designated as a visible minority.

The B.C. unemployment rate averaged 8.9 per cent in 2020 and 7.5 per cent year-to-date to February 2021, up from 4.9 per cent in the first two months of 2020. Meanwhile year-to-date to February 2021, B.C.'s labour force grew by 1.7 per cent, reflecting population growth and a slight bump in the labour force participation rate from 64.9 per cent to 65.4 per cent.

Outlook

The outlook for B.C.'s labour market has improved. The approval and rollout of multiple COVID-19 vaccines has spurred optimism, but the path forward remains uncertain. Some sectors, such as tourism, hospitality, recreation, and retail, will take longer to operate near full capacity again. The Ministry forecasts employment in B.C. to increase by 4.7 per cent in 2021 (approximately +117,000 jobs), followed by annual growth of 2.4 per cent in 2022 (approximately +64,000 jobs). Growth is then expected to moderate over the medium-term, gradually slowing to 1.3 per cent by 2025.

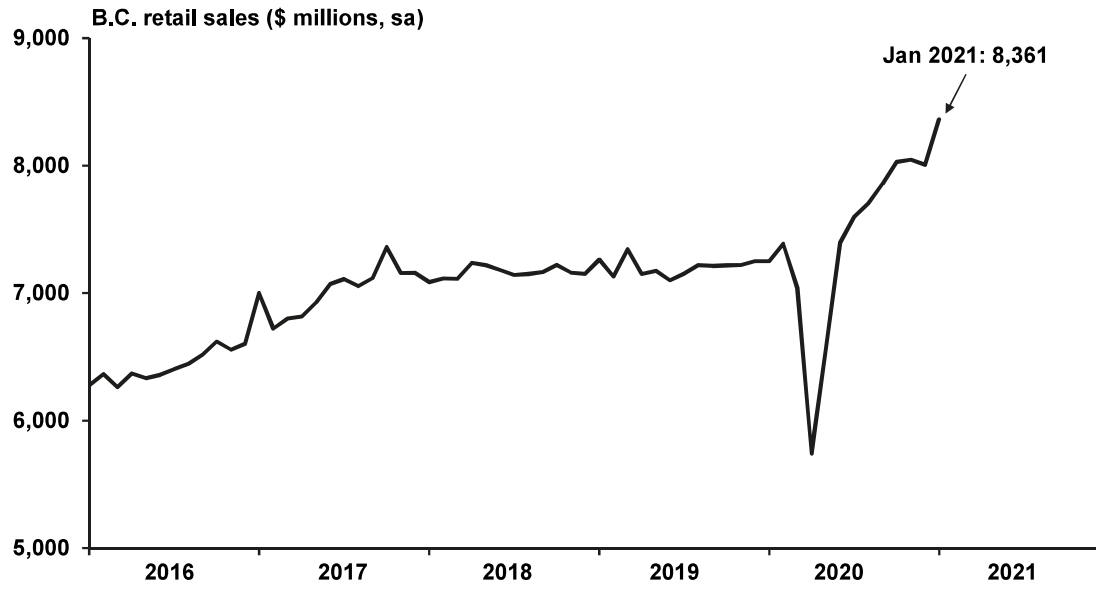
The province's unemployment rate is expected to average 7.5 per cent in 2021 and 6.7 per cent in 2022. After that, it is expected to gradually drift down each year until reaching 5.9 per cent in 2025.

Consumer Spending and Housing

In the wake of the COVID-19 pandemic, job losses, precautionary saving behaviour, reduced confidence, and physical distancing weighed on consumer spending and housing. Sharp contractions in retail and home sales however quickly reversed course as restrictions eased. By mid-2020, both were above their pre-pandemic levels. The resilience in spending was supported by government emergency response programs, adjusted business practices, a consumer pivot towards goods purchases while services were disrupted by the pandemic, low interest rates, and an increased demand for larger homes as the pandemic wore on and people continued to spend significantly more time at home. Furthermore, higher-wage workers were more likely to retain employment and maintain their income levels during the pandemic.

In 2020, nominal retail sales were 2.6 per cent higher than in 2019. Underlying the headline growth figure, however, were mixed results across retailers. Marked increases in purchases at retailers such as food and beverage (+15.2 per cent), building material and garden equipment and supplies (+15.7 per cent), and general merchandise (+8.0 per cent) stores contrasted with declining sales at clothing and clothing accessories stores (-25.1 per cent), gasoline stations (-12.4 per cent), and motor vehicles and parts dealers (-2.7 per cent). In January 2021, retail sales were up by 15.3 per cent compared to the same month a year earlier, driven by somewhat similar component movements.

Chart 3.3 B.C. Retail Sales



Sources: Statistics Canada; Haver Analytics

Despite the strength in spending on goods, surveys suggest that consumer confidence has been slower to recover. However, a marked uptick in March 2021 meant that the B.C. consumer confidence index averaged 116.1 points in the first three months of this year, roughly the same as during the first few months of 2020 (+0.3 percentage points).

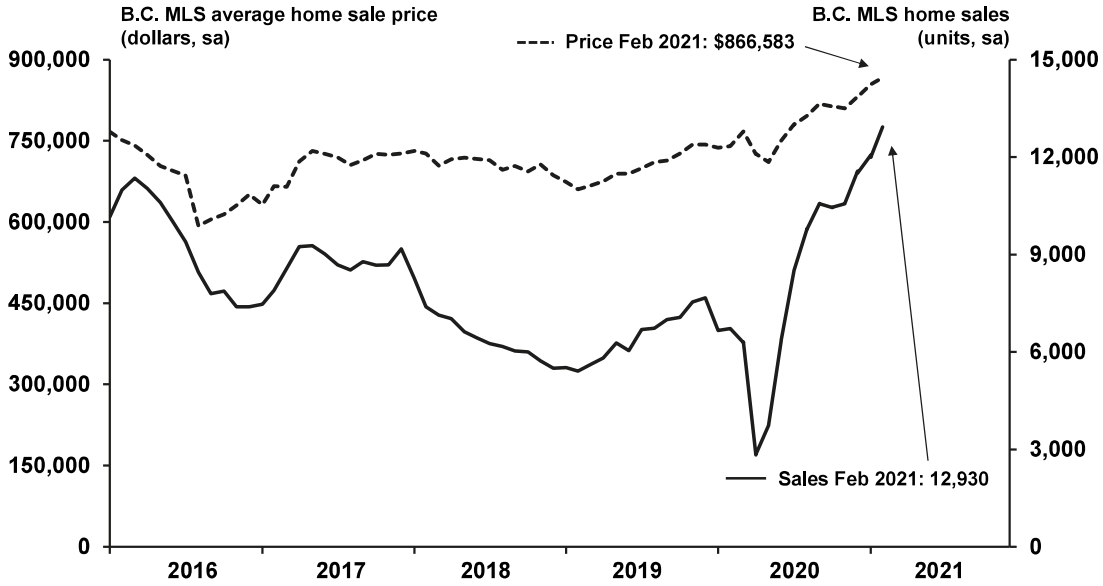
National and sector-specific data suggests that B.C. consumer spending on services has likely declined sharply during the pandemic. While retail trade data offers a clear indication of consumer spending on goods, there is a lack of timely comprehensive data for consumer spending on services at the provincial level. National data shows that

nominal Canadian consumer spending on services fell by 9.0 per cent in 2020, though. And data for sales at food services and drinking places in B.C., which provides a partial picture, showed a decline of 25.2 per cent in 2020 compared to 2019.

Monthly B.C. home sales reached record levels in late 2020 and have continued to grow in 2021. Resilient higher-wage employment, low interest rates, and increased demand for larger dwellings by remote workers fueled housing demand. MLS home sales increased by 21.5 per cent in 2020 compared to 2019. And year-to-date to February 2021, home sales were up by 86.7 per cent relative to the first two months of 2020. Underlying this year-to-date rise were higher sales in every region including the four largest: Greater Vancouver (+75.1 per cent), Fraser Valley (+110.8 per cent), Okanagan-Mainline (+94.6 per cent), and Victoria (+60.0 per cent). Sharp increases were also observed in Chilliwack (+153.0 per cent) and on Vancouver Island (+98.7 per cent). This may reflect a greater demand for housing outside of larger central business districts, as newly remote workers became less constrained geographically.

Meanwhile, the average home sale price in B.C. increased by 11.6 per cent in 2020 compared to 2019. Strong average sale price growth was observed in most markets in the province. Year-to-date to February 2021, prices were up by 16.5 per cent compared to the same period a year earlier.

Chart 3.4 B.C. Home Sales and Price

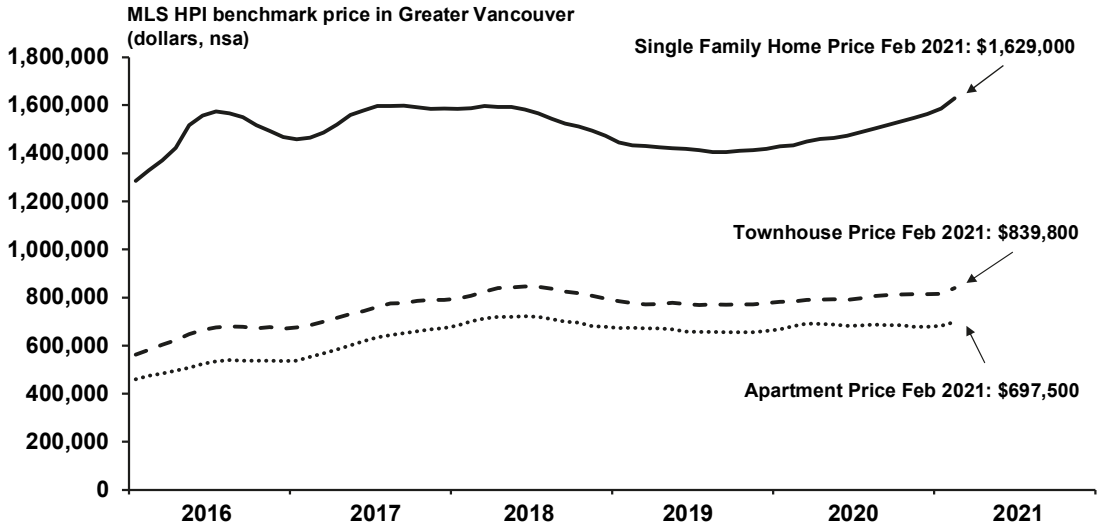


Sources: Canadian Real Estate Association; Haver Analytics

Regional MLS composite benchmark house prices (which incorporate all dwelling types) for Greater Vancouver and the Fraser Valley rose by 3.5 per cent and 3.6 per cent, respectively, in 2020. Price increases were observed across all dwelling types, but were strongest for single-family detached dwellings, followed by townhouses and then apartments. In February 2021, Greater Vancouver and Fraser Valley composite benchmark prices continued to rise, growing by 6.3 per cent and 10.6 per cent year-to-date, respectively.

Housing starts slowed but remained relatively strong in 2020, following a record high level in 2019. The 2016 to 2019 period was one of particularly strong housing starts in B.C. Although starts declined by 16.0 per cent in 2020, at 37,734 units, they were

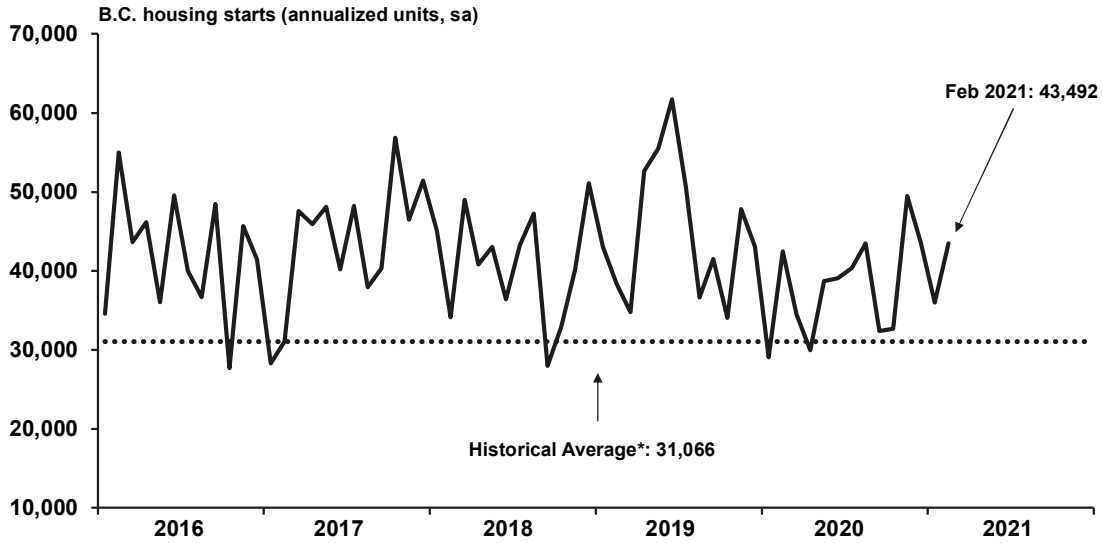
Chart 3.5 Greater Vancouver HPI Benchmark Price



Sources: Canadian Real Estate Association; Haver Analytics

well above the long-run historical average of around 31,100 units. Apartment and other multi-dwelling units were the key drivers of large increases in recent years and also the moderation in 2020. Year-to-date to February 2021, housing starts were 11.1 per cent higher than the same period a year earlier. The value of residential building permits, a leading indicator of home construction, fell by 9.6 per cent in 2020 overall but edged up 1.4 per cent year-to-date in February 2021.

Chart 3.6 B.C. Housing Starts



Sources: Canada Mortgage and Housing Corporation; Haver Analytics
* Historical average from Jan. 1990 to Dec. 2020

Outlook

Consumer spending is expected to pick up this year as employment prospects continue to improve and services move closer toward normal operations. Following an estimated decline of 5.6 per cent in 2020, the Ministry forecasts real household consumption of goods and services to increase by 3.7 per cent in 2021, followed by 3.8 per cent in 2022. Growth is then expected to moderate gradually to 2.1 per cent in 2025.

The Ministry expects nominal retail sales to continue to grow, expanding by 3.7 per cent in 2021 and then by 3.4 per cent in 2022. It is then expected to increase by 3.3 per cent each year on average over the 2023 to 2025 period.

The Ministry forecasts unit home sales to increase by 4.8 per cent in 2021, decline by 5.1 per cent in 2022 and a further 4.5 per cent in 2023, and then remain relatively flat over 2024 and 2025. The forecasted moderation in homes sales partly reflects an expectation of rising interest rates. Meanwhile, average home sale price growth in B.C. is expected to be relatively stable over the forecast horizon, rising 3.1 per cent in 2021, 1.9 per cent in 2022, and between 1.8 per cent and 2.0 per cent over the medium-term. Putting unit sales and prices together, the total value of home sales is forecast to increase by 8.0 per cent in 2021, fall by 3.3 per cent in 2022 and a further 2.7 per cent in 2023, and then average 2.2 per cent growth in 2024 and 2025.

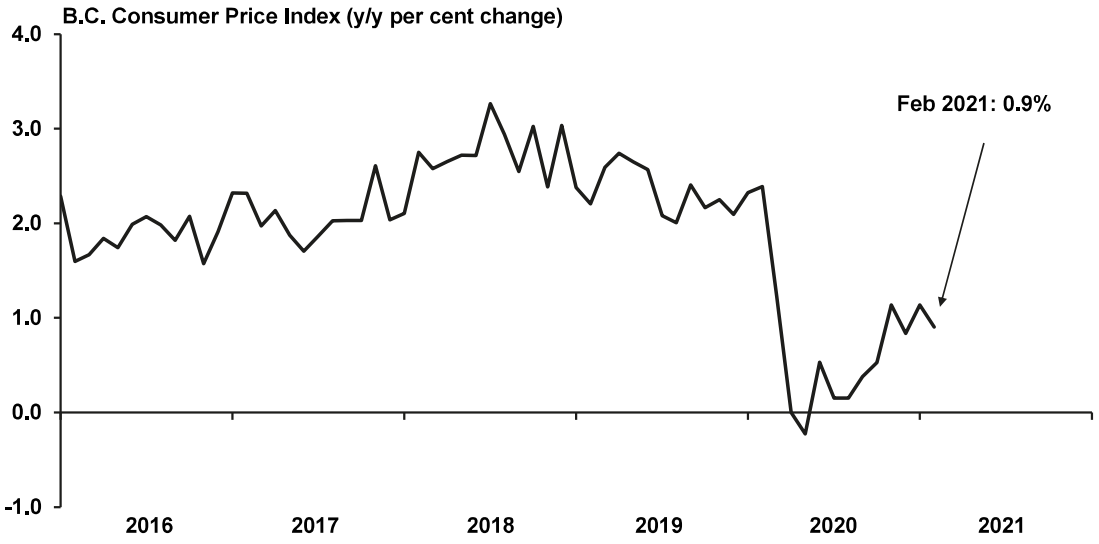
The Ministry expects B.C. housing starts to total approximately 34,500 units in 2021, 33,500 units in 2022, and average 32,000 units per year over the 2023 to 2025 period (above the long-run historical average).

Inflation

The pandemic has led to lower inflation. Travel restrictions prompted declines in global demand for crude oil and social distancing and stay-at-home guidance led to rising demand for goods like groceries but decreased purchases of products like clothing and high-contact services. While categories such as food and health and personal care saw price rises, price declines in other categories (particularly gasoline, recreation, and clothing and footwear) have led to weak overall growth in B.C.'s Consumer Price Index (CPI). The annual CPI inflation rate in 2020 was 0.8 per cent.

In February 2021, consumer prices rose by 1.0 per cent year-to-date compared to the same period in 2020. The underlying price movements were similar to those of 2020 overall, with higher prices for food, shelter, health and personal care, and other categories partially offset by lower prices for clothing and footwear and gasoline.

Chart 3.7 B.C. Inflation



Sources: Statistics Canada; Haver Analytics

Outlook

Consumer price inflation in B.C. is forecast to be 1.7 per cent in 2021 and rise to 2.0 per cent in 2022. In the medium-term, inflation is expected to remain around the 2.0 per cent Bank of Canada target. For Canada, annual rates of inflation are expected to be similar: 1.8 per cent in 2021, 1.9 per cent in 2022, and around 2.0 per cent over the medium-term.

Business and Government

Non-residential construction permitting slowed in 2020, following strong gains over the preceding few years. The total value of non-residential building permits fell by 14.8 per cent in 2020 compared to 2019. Underlying this were significant declines in permit issuance for commercial buildings (-26.6 per cent) and industrial buildings (-22.0 per cent). Meanwhile, the value of permit issuance for institutional and governmental buildings increased (+36.5 per cent). In February 2021, the value of non-residential building permits was down by 8.3 per cent year-to-date.

Small business confidence in B.C. has largely recovered since experiencing a significant setback during the initial months of the pandemic, according to the Canadian Federation of Independent Business index for the twelve-month outlook of small businesses. However, the comparable index for the short-term outlook has not fully recovered. Businesses remain particularly concerned about conditions over the next few months.

B.C.'s tourism sector has been severely impacted by COVID-19. The number of international travelers entering the province collapsed as travel restrictions were put in place to support containment. By April 2020, the inflow of international travelers had fallen by 96.7 per cent relative to February 2020. Visitor numbers have remained relatively unchanged since then. In 2020 overall, the number of international travelers visiting B.C. was down by 84.5 per cent compared to 2019 and in January 2021 it was down by 91.3 per cent relative to January 2020.

Outlook

Following an estimated decline of 4.8 per cent in 2020, the Ministry forecasts total real investment in B.C. (business and government) to rise by 5.8 per cent in 2021, 4.2 per cent in 2022, and range between 0.6 and 1.7 per cent growth annually over the 2023 to 2025 period.

Following an estimated decline of 9.2 per cent last year, real business investment is projected to grow by 5.6 per cent in 2021, with increases expected in all segments (non-residential, residential, machinery and equipment, and intellectual property). Looking further ahead, real business investment is forecast to grow by 4.2 per cent in 2022 and average 1.8 per cent growth annually over the medium-term. The LNG Canada project is expected to generate a significant amount of economic activity which will support B.C.'s economy over the forecast horizon.

Real expenditure on goods and services by all levels of government is estimated to have increased by 10.5 per cent in 2020, driven by the provincial and federal response to the COVID-19 pandemic. In 2021, real spending is forecast to tick down by 0.9 per cent as some of the extraordinary supports are temporary in nature, and then grow by 1.6 per cent in 2022. Over the 2023 to 2025 period, government expenditures are expected to be relatively flat.

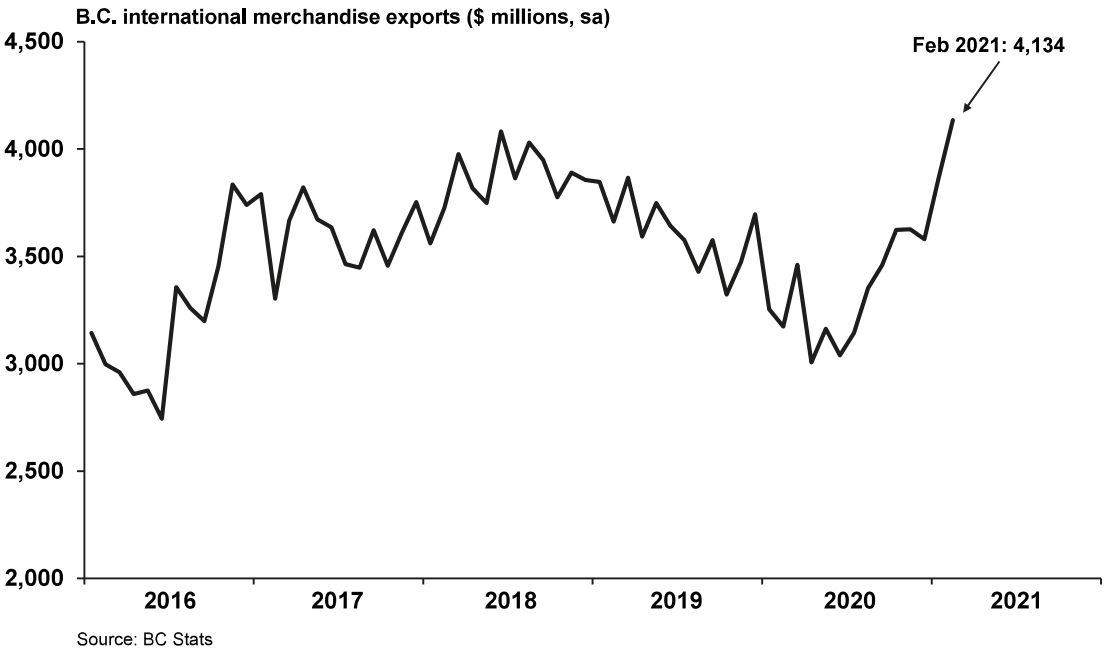
Following an estimated decline of 13.6 per cent, the Ministry expects the nominal net operating surplus of corporations (an approximation of corporate profits) to increase by 9.2 per cent in 2021 and 8.8 per cent in 2022. Over 2023 to 2025, the net operating surplus of corporations is expected to grow between 3.0 per cent and 7.5 per cent annually.

External Trade and Commodity Markets

As the pandemic unfolded, global international trade experienced pronounced disruptions. For B.C., broad-based declines reflected a combination of weaker global demand and lower commodity prices. Provincial merchandise goods exports contracted by 8.2 per cent in 2020. The majority of the decline was attributable to lower exports of energy products (-26.1 per cent), primarily coal. Exports of pulp and paper products (-19.2 per cent) and machinery and equipment (-7.7 per cent) also experienced significant declines. Conversely, solid wood products rose by 5.7 per cent, seeing rapid increases in the second half of 2020 and into 2021. Over the first two months of 2021, surging exports of solid wood products to the U.S. (supported by strong construction activity and subsequently high lumber prices) were a key driver behind the 24.4 per cent year-to-date increase in overall goods exports. Exports of natural gas to the U.S. were also a large contributor to the year-to-date rise in merchandise exports.

The value of merchandise exports to the U.S. (the destination for over half of B.C. exports) increased by 0.5 per cent in 2020, while exports to non-U.S. destinations fell by 17.0 per cent. Energy products posted the largest declines to both U.S. and non-U.S. destinations. However, while exports of solid wood products to non-U.S. international destinations contracted by about one-quarter, their shipments to the U.S. increased by about one-quarter. In February 2021, exports to the U.S. were up by 38.0 per cent year-to-date and exports destined elsewhere grew by 7.9 per cent.

Chart 3.8 B.C. Exports



B.C.'s manufacturing shipments fell by 3.3 per cent in 2020 compared to 2019. Declines were relatively broad-based and consistent with the declines seen in merchandise exports. Among durable goods, the bulk of declines were driven by lower shipments of

fabricated metal products (-16.3 per cent), transportation equipment (-20.4 per cent), and machinery (-10.2 per cent). Higher wood products shipments (+11.2 per cent) partly offset the overall decline. Lower shipments of non-durables were largely attributable to paper products (-17.1 per cent), although higher food manufacturing shipments (+5.5 per cent) provided some offset. In January 2021, shipments were however up by 19.5 per cent compared to the same month a year earlier.

B.C. tourism data and national export data suggest that B.C.'s exports of services declined sharply during the pandemic. Provincial-level data on exports of services in 2020 will not be available until late 2021. However, available national-level data shows that Canadian service exports were down 17.7 per cent in 2020 relative to 2019, with most of the losses occurring in the travel services category. In B.C., the number of international travelers entering the province nearly stopped during the pandemic and remains very low, indicating a similar decline in service exports.

In 2020 and into 2021, limited lumber supply and resilient Canadian and U.S. housing markets have supported high lumber prices. Notably, the price of Western spruce-pine-fir (SPF) 2x4 lumber averaged $570 US/000 board feet in 2020 (up by 53.3 per cent from 2019) and has averaged $986 US/000 board feet in the first three months of 2021.

Falling energy demand due to pandemic-related travel restrictions and excess supply, due to a temporary lapse in production limit agreements between OPEC nations, led to lower crude oil prices in 2020. The West Texas Intermediate (WTI) price averaged $39.23 US/barrel in 2020, down by 31.2 per cent compared to 2019. The WTI price then increased in late 2020 and over the first three months of 2021, reaching $62.33 US/barrel in March. Meanwhile, the plant inlet price of natural gas averaged $0.96 C/GJ in 2020, up by 20.5 per cent from 2019. In March 2021 it averaged $2.00 C/GJ year-to-date (+136.9 per cent). Natural gas prices have been supported by improved market access (pipelines being reopened or brought online) and reduced production outlooks in parts of the U.S.

Base metal and mineral prices experienced broad-based declines in 2020, as reduced global demand weighed on prices. Prices for molybdenum, zinc, lead, and metallurgical coal all recorded declines compared to 2019, while copper prices posted a modest gain. By contrast, prices for gold and silver increased substantially in 2020. More recently, nearly all of the above metals saw significant price increases and were up on a year-to-date to March 2021 basis. The exception was metallurgical coal, which saw lower prices than the same period a year earlier.

Outlook

Following an estimated contraction of 10.3 per cent in 2020, growth in real exports of goods and services is projected to be 5.6 per cent in 2021, 4.4 per cent in 2022, and then range between 2.8 per cent and 5.3 per cent annually over the 2023 to 2025 period. The anticipated production of LNG toward the end of the forecast horizon also provides support to the outlook.

The price of lumber is forecast to average $650 US/000 board feet in 2021 and $475 US/000 board feet in 2022, before gradually declining to reach $400 US/000 board feet in the medium-term. The plant inlet price for natural gas is expected to average $1.48 C/GJ in 2021/22, $1.48 C/GJ in 2022/23, and $1.50 C/GJ in 2023/24. The outlook is subject to considerable uncertainty, as commodity prices can be volatile.

Demographics

On July 1, 2020, B.C.'s population was 5.15 million people, up 1.1 per cent from July 1, 2019. B.C.'s population has changed little since the onset of the pandemic, as travel restrictions significantly slowed international migration.

In 2020, the province welcomed 20,395 net new migrants, down from a net increase of 79,887 persons in 2019. Underlying the annual change was a collapse in net international migration (from +65,961 persons in 2019 to -599 persons in 2020) and increasing net interprovincial migration (from +13,926 persons in 2019 to +20,994 persons in 2020).

Outlook

The forecast calls for B.C.'s July 1 population to increase by 0.6 per cent in 2021 and then by around 1.3 per cent each year between 2022 and 2025.

Total net migration is expected to be about 58,500 persons in 2021 and 68,100 persons in 2022. International migrants are expected to make up about 80 per cent of migrants, as they have in recent years (apart from 2020). Over the medium-term, total net migration is expected to reach about 68,800 persons. Expectations for the eventual easing of travel restrictions and the fall 2020 increase in federal immigration targets are supporting the forecast. However, the outlook is more uncertain than usual, as the COVID-19 pandemic could continue to have a material impact on international migration going forward.

Risks to the Economic Outlook

B.C.'s economy, like other provincial, national, and global economies, has been significantly impacted by the COVID-19 pandemic. There are various elements of uncertainty that will influence the depth and duration of the economic slowdown and recovery. The economic forecast is based on information that is currently available and assumptions about the future path of recovery, and the outlook is subject to a larger than normal degree of uncertainty and potential revision. While upside risks are present (primarily, faster than anticipated vaccine rollout), the current balance of risks are tilted to the downside. Downside risks to B.C.'s economic outlook include the following:

- delays in the achievement of broad immunity to COVID-19 through vaccination in B.C. or among B.C.'s trading partners;
- emergence of COVID-19 variants of concern and future outbreaks in B.C. or among B.C.'s trading partners;
- medium- to long-term damage to the economy due to the pandemic through channels such as persistent unemployment and labour market detachment, higher precautionary savings by households, business closures, or lower private capital investment;
- weakening global economic activity, exacerbated by COVID-19, resulting in reduced demand for B.C.'s commodity exports;
- ongoing global trade tensions and broader economic challenges in Asia, Europe, and the U.K.;
- higher volatility in international foreign exchange, stock, and bond markets;
- lower commodity prices, particularly for lumber, pulp, and coal; and
- timing of investment and hiring related to the LNG Canada project, similar to the risks that exist for other major capital projects.

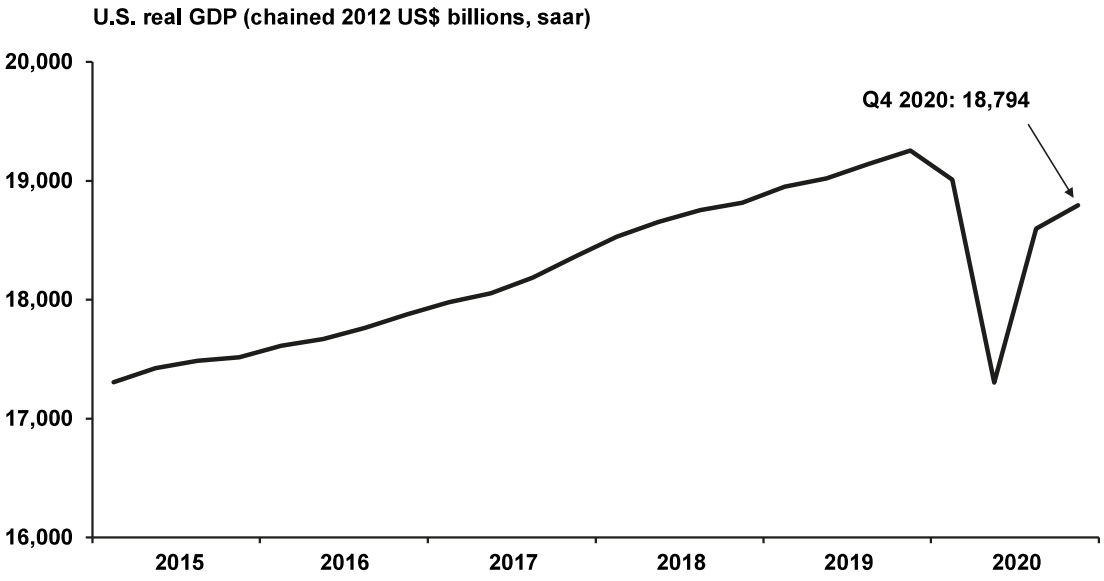
External Outlook

The external outlook deteriorated as the pandemic emerged and the global economy faced its largest annual contraction on record. The economic recovery has been protracted as many countries experienced second and third waves of COVID-19 cases. Faster than expected development of effective vaccines has fueled optimism though and provided more certainty around timelines for a return to pre-pandemic levels of economic activity. Nevertheless, near-term prospects are uneven across countries and industries. Prospects vary with the amount of time it is expected to take until broad immunity has been achieved through vaccines and the extent to which economic activities can take place in the presence of containment measures.

United States

U.S. real GDP shrank by 3.5 per cent in 2020. This was a more severe contraction than the 2009 2.5 per cent decline during the Great Recession and the largest contraction since the 1940's. Nevertheless, the decline in 2020 was smaller than those of other developed nations. Relatively less restrictive containment measures and generous government support programs contributed to the smaller contraction. Driving the declines in 2020 were lower consumption of services, exports, and business investment. Lower imports, higher consumption of goods, and increased government spending provided some offset. The U.S. economy finished the year growing by a 4.3 per cent annualized rate in the fourth quarter of 2020; this left real GDP 2.4 per cent lower than pre-pandemic (fourth quarter of 2019) levels.

Chart 3.9 U.S. Real GDP



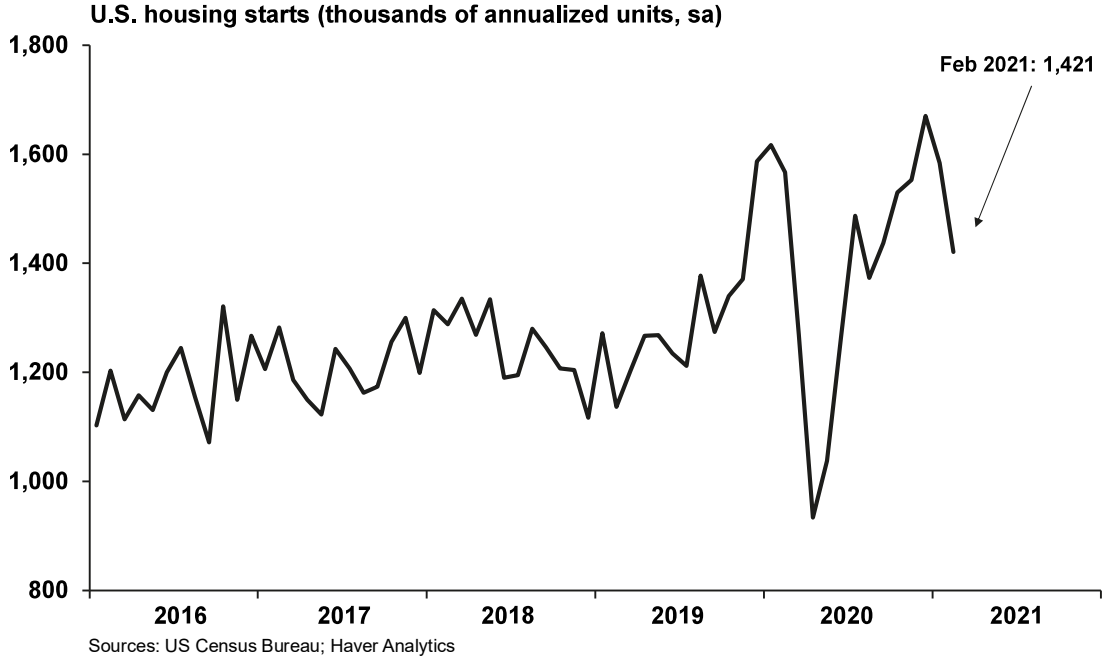
Sources: US Bureau of Economic Analysis; Haver Analytics

After seeing record declines in the spring of 2020, the U.S. labour market has improved. However, only about 60 per cent of employment losses have been reversed. In 2020 overall, employment was 5.8 per cent lower than in 2019. And during the first three months of 2021, employment was still 5.6 per cent lower on a year-to-date basis. The unemployment rate was 6.0 per cent in March 2021, down from a peak of nearly 15 per cent but up from its pre-pandemic rate of 3.5 per cent. The number of long-term

unemployed has nearly quadrupled since the start of the pandemic and continues to rise. Meanwhile, the U.S. labour force participation rate averaged 61.4 per cent year-to-date to March 2021, down 1.7 percentage points compared to the same period of 2020.

U.S. home building activity has been resilient. Despite marked declines during the early months of the pandemic, housing starts rebounded and posted a 7.0 per cent increase in 2020 overall. However, year-to-date to February 2021, they were down 5.6 per cent compared to the first two months of 2020. Meanwhile, residential building permits (a leading indicator of building activity) were up 4.7 per cent in 2020 compared to 2019 and then up 21.3 per cent year-to-date to February 2021. Similar to B.C. and Canada, the home sale market has been strong in the U.S. Year-to-date to February 2021, new single-family home sales were up by 15.6 per cent compared to the same period of 2020, while their median sale price was up by 6.3 per cent.

Chart 3.10 U.S. Housing Starts



Sources: US Census Bureau; Haver Analytics

After experiencing record declines in March and April last year, U.S. nominal retail sales posted strong gains in the subsequent months. In 2020 overall, retail edged up by just 0.6 per cent compared to 2019. Year-to-date to February 2021 though, sales were 7.9 per cent higher relative to the first two months of 2020. Underlying the headline growth figures were strong gains in sales at businesses such as non-store retailers and food and beverage stores offsetting declines at food services and drinking places, clothing and accessory stores, and gasoline stations.

U.S. consumer confidence fell significantly in the early months of the pandemic and has shown relatively little improvement since then. Year-to-date to March 2021, the consumer confidence index averaged 96.3 points, down 30.9 points from the same period in 2020.

Already challenging international trade conditions worsened due to the global COVID-19 pandemic, ongoing U.S.-China trade tensions, and the slump in oil prices. Accordingly, the value of U.S. merchandise exports fell by 13.2 per cent annually in 2020. In February 2021 they were down by 3.0 per cent on a year-to-date basis.

Outlook

Consensus Economics (Consensus) forecasters have recently raised their near-term projections for U.S. economic growth. The February 2021 *Consensus* survey forecasts U.S. real GDP to expand by 4.7 per cent in 2021. Meanwhile, for 2022, *Consensus* forecasts growth of 3.6 per cent (Table 3.2).

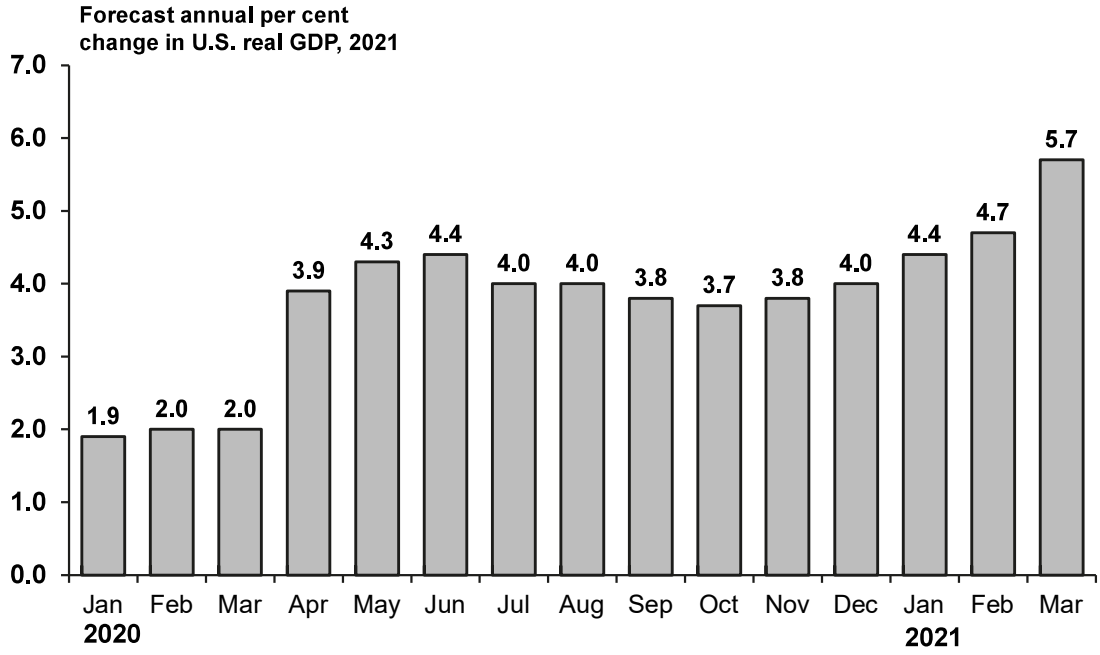
Table 3.2 U.S. Real GDP Forecast: Consensus versus B.C. Ministry of Finance

	2021	2022
	Per cent change in real GDP	
B.C. Ministry of Finance	4.2	3.1
Consensus Economics (February 2021*)	4.7	3.6

** Comparable month to B.C. Ministry of Finance forecast.*

Uncertainty regarding the pandemic and trade tensions continue to weigh on the economic outlook. In recognition of these uncertainties, the Ministry's assumptions for U.S. growth are prudent relative to the February 2021 *Consensus* (the *Consensus* comparable to when Ministry assumptions were developed). The Ministry assumes that U.S. real GDP will grow by 4.2 per cent in 2021 and by 3.1 per cent in 2022. Growth is then expected to gradually taper off to 1.7 per cent by 2025.

Chart 3.11 Consensus Outlook for the U.S. in 2021

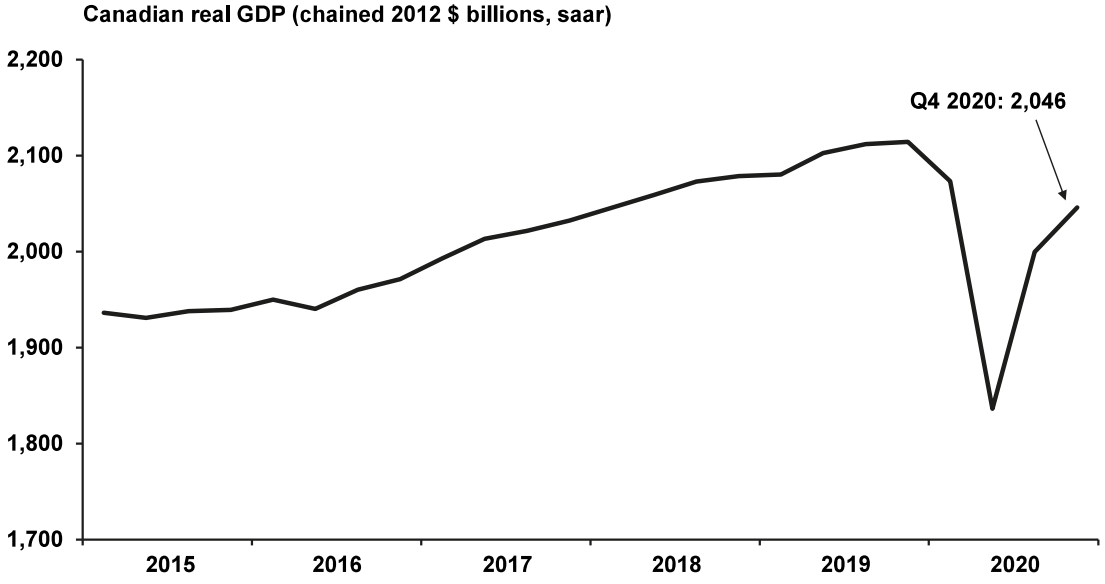


Source: Consensus Economics
The chart above represents forecasts for U.S. real GDP growth in 2021 as polled on specific dates. For example, forecasters surveyed on January 13, 2020 had an average 2021 U.S. real GDP growth forecast of 1.9 per cent, while on March 8, 2021 they forecast 2021 U.S. real GDP to grow by 5.7 per cent.

Canada

The onset of the COVID-19 pandemic, in conjunction with the related plunge in oil prices, presented an unparalleled challenge for the Canadian economy. In 2020, real GDP fell by 5.4 per cent, a greater decline than the Great Recession's 2009 contraction of 2.9 per cent and the largest contraction on record (data available back to 1961). Last year's slowdown in economic activity was driven by substantial declines in household consumption (primarily services), exports, and investment in inventories. Falling imports provided some offset. By the fourth quarter of 2020, Canada had recovered approximately three-quarters of the economic activity lost due to the pandemic, leaving real GDP 3.2 per cent lower than pre-pandemic levels.

Chart 3.12 Canadian Real GDP



Sources: Statistics Canada; Haver Analytics

The Canadian economy shed nearly 3 million jobs in March and April 2020. As of February 2021, roughly 80 per cent of those employment losses had been reversed. However, there were still nearly 600,000 fewer Canadians employed relative to pre-pandemic (February 2020) levels. In 2020 on average, employment fell by 5.2 per cent and the unemployment rate averaged 9.5 per cent. Year-to-date to February 2021, employment was down by 3.7 per cent compared to the first two months of 2020 and the unemployment rate averaged 8.8 per cent. Participation rates retreated during 2020 and have yet to fully recover; participation averaged 64.7 per cent during the first two months of 2021, down 0.8 percentage points year-to-date. Underlying these headline labour market figures were several key factors: declines in both full- and part-time work; steep job losses in high-contact services and construction; overrepresentation of youth, women, and visible minorities among the unemployed; and rising long-term unemployment.

The housing market was strong in 2020. Declining activity as COVID-19 containment measures were first introduced swiftly gave way to strong rebounds in both construction and sales. Housing starts grew by 4.4 per cent annually in 2020 and by 24.4 per cent year-to-date to February 2021 compared to the same period a year earlier. The growth so far in 2021 was largely due to strong numbers in the urban centers of Montreal, Vancouver, and Quebec City. Meanwhile, MLS home sales were up by 12.6 per cent annually in 2020 and by 44.4 per cent year-to-date to February 2021 compared to the first two months of last year. Sales growth was broad-based in 2020, with double-digit gains observed in all provinces except Alberta. The average home sale price rose by 12.9 per cent in 2020 and was up by 23.7 per cent year-to-date to February 2021.

Canadian nominal retail sales also saw large contractions in March and April 2020 as containment measures began. However, rapid recovery in the subsequent months led to retail sales exceeding their pre-pandemic levels by early summer. Nevertheless, retail did not increase enough to make up for the sales lost during the early months of the pandemic, leaving annual sales 1.4 per cent lower than in 2019. In January 2021, retail sales were 1.3 per cent higher than in the same month a year earlier.

The challenging global trade conditions that faced exporters at the beginning of 2020 intensified due to the global COVID-19 pandemic and a slump in oil prices. In 2020 the value of Canadian merchandise exports fell by 12.4 per cent and the value of services exports shrank by 17.7 per cent compared to 2019. In February 2021, though, merchandise exports were 6.5 per cent higher year-to-date. Services exports, on the other hand, were down by 14.6 per cent. Shipments of Canadian manufactured goods were 11.4 per cent lower in 2020 and up by 1.1 per cent in January 2021 in year-over-year terms.

Outlook

The February 2021 *Consensus* forecasts Canadian real GDP to rise by 4.6 per cent in 2021 and by 4.0 per cent in 2022 (Table 3.3).

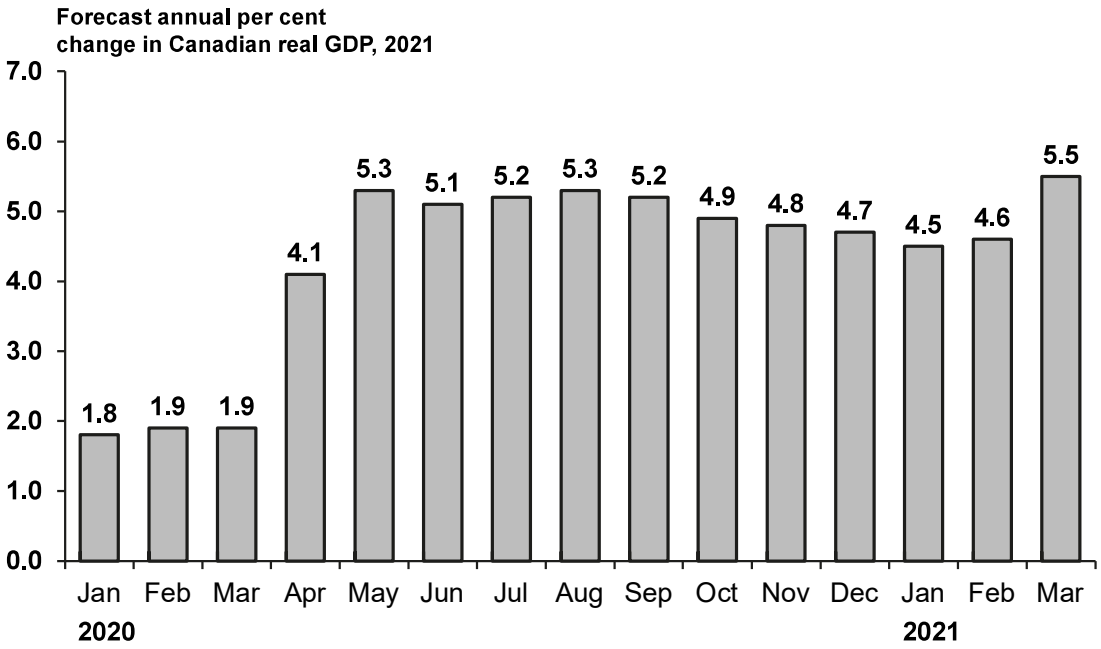
Table 3.3 Canadian Real GDP Forecast: Consensus versus B.C. Ministry of Finance

	2021	2022
	Per cent change in real GDP	
B.C. Ministry of Finance	4.1	3.5
Consensus Economics (February 2021*)	4.6	4.0

** Comparable month to B.C. Ministry of Finance forecast.*

The Canadian economic outlook continues to be clouded by uncertainty regarding the potential for medium- and long-term negative impacts from the pandemic recession. Additionally, ongoing global trade tensions and volatile commodity prices add risks to the outlook. Accordingly, the Ministry's outlook is lower than the February 2021 *Consensus* (the *Consensus* comparable to when Ministry assumptions were developed). The Ministry assumes that the Canadian economy will rebound by 4.1 per cent in 2021 and grow by 3.5 per cent in 2022. Over the medium-term, annual growth is expected to moderate, gradually reaching 1.6 per cent by 2025.

Chart 3.13 Consensus Outlook for Canada in 2021



Source: Consensus Economics

The chart above represents forecasts for Canadian real GDP growth in 2021 as polled on specific dates. For example, forecasters surveyed on January 13, 2020 had an average 2021 Canadian real GDP growth forecast of 1.8 per cent, while on March 8, 2021 they forecast 2021 Canadian real GDP to grow by 5.5 per cent.

Asia

Stringent and ultimately successful containment measures supported a V-shaped recovery in China. It was the only major economy to post positive economic growth in 2020. The 2.3 per cent annual real GDP growth was however China's slowest expansion since 1976. Industrial production and exports led the rebound, as goods from China filled the gaps created by COVID-19-induced manufacturing disruptions elsewhere. Domestic investment has also supported the recovery, along with accommodative monetary and fiscal measures.

Japan recorded a 4.8 per cent decline in real GDP in 2020, the largest contraction since 2009. Household consumption led the declines, followed by exports and private investment. Lower imports and higher government spending provided a partial offset. Underlying 2020's overall declines, though, was recovering economic activity through the second half of the year; by the fourth quarter real GDP was 1.3 per cent lower than before the pandemic (fourth quarter of 2019). Still, on March 19, 2021, the Bank of Japan continued to characterize the economic situation as severe and reiterated that monetary conditions would remain accommodative.

Outlook

The February 2021 *Consensus* forecasts China real GDP to grow by 8.4 per cent in 2021 and by 5.5 per cent in 2022. Ongoing U.S.-China trade tensions and the lingering potential for COVID-19 outbreaks until mass vaccination is complete, domestically and abroad, could dampen China's economic growth going forward. As such, the Ministry's prudent assumption is that China's economy will expand by 7.6 per cent in 2021, 5.1 per cent in 2022, and 5.0 per cent each year over the medium-term.

The February 2021 *Consensus* forecasts Japan real GDP to expand by 2.3 per cent in both 2021 and 2022. In recognition of enduring foreign and domestic challenges to Japan's economy, as well as risks associated with the virus, the Ministry assumes that Japan's real GDP will grow more slowly. The forecast is for economic activity to rise by 1.7 per cent in both 2021 and 2022 and then gradually soften over the medium-term to 0.7 per cent.

Europe

The euro zone has been acutely impacted by COVID-19. Containment measures had severe implications for the economy, especially for tourist-dependent countries in southern Europe. In 2020, real GDP in the euro zone fell 6.8 per cent compared to 2019, the largest annual contraction since data began in 1995. Declines were broad-based across nearly all sectors of the economy. Like many other economies, only lower imports and higher government spending made positive contributions to headline GDP growth. And despite improving economic activity through the second half of the year, fourth quarter real GDP was still 4.9 per cent lower than pre-pandemic (fourth quarter of 2019) levels.

On March 11, 2021 the European Central Bank maintained key interest rates at accommodative levels and increased the pace of its emergency bond-buying program. Last year (July 21, 2020), the 27 members of the European Union (EU) agreed to borrow up to 750 billion euro in a stimulus plan to reverse the economic downturn. This short-term stimulus plan is part of a broader 1.8 trillion euro seven-year budget plan. After long negotiations, the stimulus plan was approved by EU leaders on December 10, 2020.

Outlook

The February 2021 *Consensus* forecasts the euro zone economy to make a partial recovery in 2021, growing by 4.4 per cent, before expanding by a further 4.1 per cent in 2022. In light of uncertainties associated with COVID-19 and shifting trade conditions due to Brexit, the Ministry assumes the euro zone's economy will recover more slowly. The Ministry forecasts growth of 3.7 per cent in 2021, 3.4 per cent in 2022, and then a gradual deceleration over the medium-term toward 1.2 per cent growth in 2025.

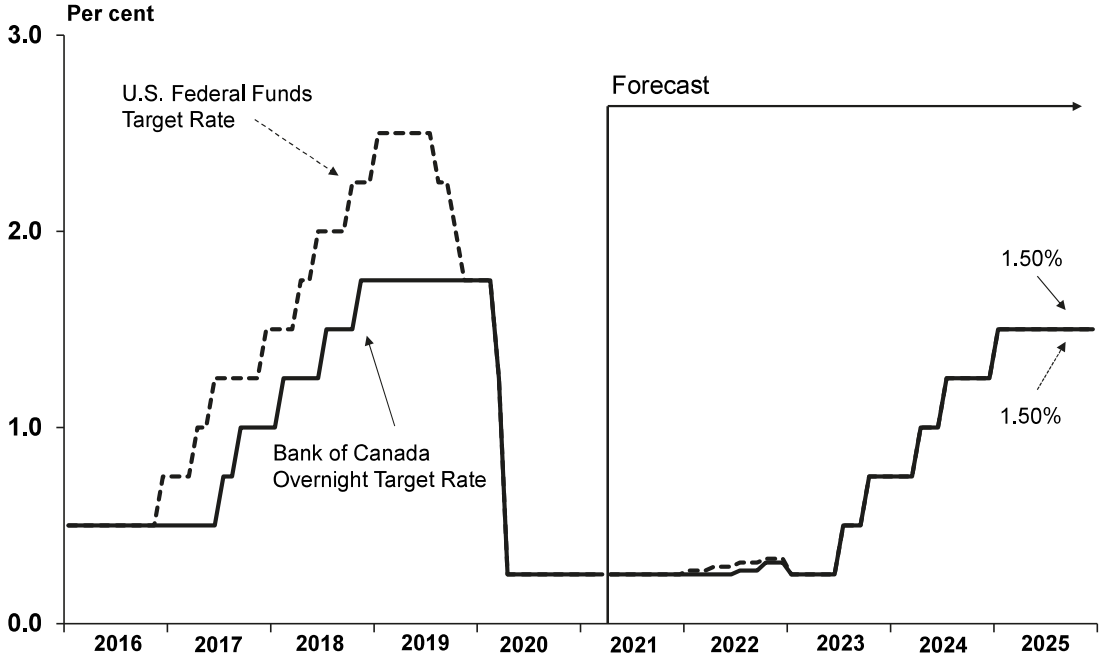
Financial Markets

Interest Rates

The COVID-19 pandemic caused an unprecedented global economic contraction, prompting a broad array of extraordinary monetary and fiscal policy responses around the world.

On March 17, 2021, the US Federal Reserve (Fed) left the target range for the federal funds rate unchanged at 0.00 to 0.25 per cent. The target range has been at this level since March 2020, when the Fed cut its rate by 150 basis points. The Fed has also provided forward guidance by indicating its intention to keep interest rates at current levels until the economy has recovered, which includes improvements in the labour market as well as inflation that averages 2.0 per cent over time. The latter policy would allow for inflation to run above its long-standing target of 2.0 per cent for some time. Further, the Fed continues to make large-scale asset purchases (i.e. quantitative easing), support financial market functioning through several credit facilities, and execute a sequence of actions to support the flow of credit to households and businesses.

Chart 3.14 Interest Rate Forecasts



Sources: Bank of Canada; US Federal Reserve; and B.C. Ministry of Finance forecasts

On March 10, 2021, the Bank of Canada maintained its target for the overnight interest rate at its stated effective lower bound of 0.25 per cent and left its quantitative easing program unchanged. In March 2020, the Bank responded to the COVID-19 crisis by cutting its target rate by 150 basis points. It has also provided forward guidance, committing to maintain the current policy rate and quantitative easing program until its inflation target of 2.0 per cent is sustainably achieved and the recovery is well underway. On a related note, the conventional mortgage lending rate on a 5-year term mortgage held steady at 4.79 per cent in March 2021, its level since August 2020.

Table 3.4 Private Sector Canadian Interest Rate Forecasts

	3-month Treasury Bill		10-year Government Bond	
Average annual interest rate (per cent)	2021	2022	2021	2022
BMO	0.10	0.10	1.41	1.58
CIBC	0.12	0.26	1.20	1.58
National Bank	0.14	0.24	1.39	1.78
RBC	0.17	0.34	0.88	1.26
Scotiabank	0.13	0.31	1.15	1.73
TD	0.13	0.20	1.16	1.64
Average (as of February 26, 2021)	**0.13**	**0.24**	**1.20**	**1.59**

Outlook

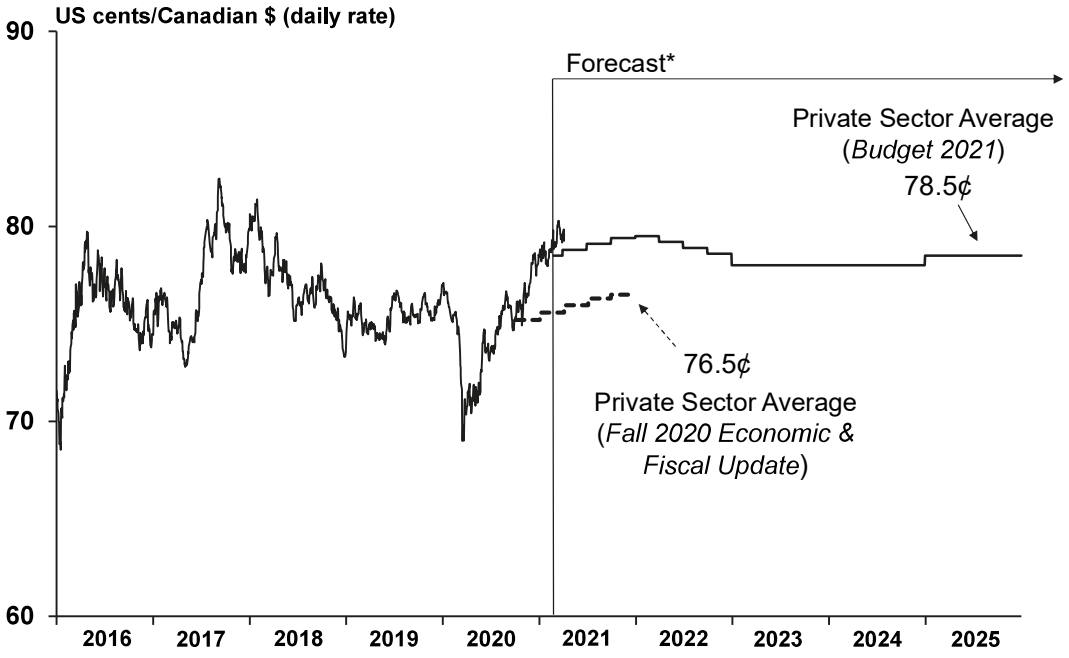
The US Federal Reserve and the Bank of Canada have signaled their commitment to support their respective economies and provide liquidity to the financial system. Based on the average of six private sector forecasts as of February 26, 2021, the Ministry assumes the U.S. federal funds rate to average 0.25 per cent in 2021 and 0.30 per cent in 2022. By comparison, the Bank of Canada's overnight target rate is expected to average 0.25 per cent in 2021 and 0.27 per cent in 2022.

The Canadian three-month treasury bill interest rate is expected to average 0.13 per cent in 2021 and 0.24 per cent in 2022, according to the same six private sector forecasters. Meanwhile, the 10-year Government of Canada bond rate is assumed to be 1.20 per cent in 2021 and 1.59 per cent in 2022.

Exchange Rate

The value of the Canadian dollar has largely moved in step with oil prices during the pandemic. Following the onset of the pandemic, oil prices collapsed and the value of the Canadian dollar depreciated to a low of 71.1 US cents in April 2020. Since then, the Canadian dollar has gradually appreciated and surpassed pre-pandemic values, supported by recovering oil prices and a weakening U.S. dollar. The Canadian dollar averaged 74.6 US cents in 2020 and 79.0 US cents during the first three months of 2021.

Chart 3.15 Private Sector Expectations for the Canadian Dollar



Sources: Bank of Canada and B.C. Ministry of Finance forecasts.

* Based on the average of private sector forecasts. *Fall 2020 Economic & Fiscal Update* as of October 8, 2020 and *Budget 2021* as of February 26, 2021.

Outlook

Based on the average of six private sector forecasts as of February 26, 2021, the Ministry assumes the Canadian dollar will average 79.0 US cents in both 2021 and 2022.

Table 3.5 Private Sector Exchange Rate Forecasts

Average annual exchange rate (US cents/Can $)	2021	2022
BMO	79.3	80.0
CIBC	77.7	74.4
National Bank	79.4	83.1
RBC	77.8	76.0
Scotiabank	79.8	80.5
TD	79.7	80.2
Average (as of February 26, 2021)	**79.0**	**79.0**

Table 3.6.1 Gross Domestic Product (GDP): British Columbia

	2019	2020 [e]	Forecast 2021	2022	2023	2024	2025
Gross Domestic Product at Market Prices:							
– Real (chained 2012 $ billions)	**271.8**	**257.4**	**268.6**	**278.9**	**285.2**	**291.2**	**298.5**
(% change)	**2.7**	**-5.3**	**4.4**	**3.8**	**2.2**	**2.1**	**2.5**
– Nominal (current prices, $ billions)	309.1	295.3	314.3	331.2	344.3	357.5	373.2
(% change)	4.4	-4.5	6.4	5.4	4.0	3.9	4.4
– GDP price deflator (2012 = 100)	113.7	114.7	117.0	118.7	120.7	122.8	125.0
(% change)	1.7	0.9	2.0	1.5	1.7	1.7	1.8
Real GDP per person (chained 2012 $)	53,387	50,008	51,855	53,171	53,637	54,054	54,695
(% change)	1.0	-6.3	3.7	2.5	0.9	0.8	1.2
Real GDP per employed person							
(% change)	-0.3	1.4	-0.3	1.3	0.6	0.8	1.2
Unit labour cost[1] (% change)	2.9	4.9	0.2	0.2	1.4	1.4	1.4
Components of Real GDP at Market Prices (chained 2012 $ billions)							
Household expenditure on							
goods and services	175.7	165.9	172.0	178.5	184.8	190.0	194.0
(% change)	1.7	-5.6	3.7	3.8	3.5	2.8	2.1
– Goods	70.6	71.3	72.6	73.5	74.5	75.4	76.4
(% change)	-0.2	1.0	1.8	1.3	1.4	1.3	1.3
– Services	105.1	94.7	99.5	105.1	110.4	114.6	117.5
(% change)	3.0	-9.9	5.1	5.6	5.0	3.8	2.6
NPISH[2] expenditure on							
goods and services	4.3	4.2	4.2	4.3	4.4	4.4	4.5
(% change)	4.2	-3.1	0.7	3.4	0.9	0.9	0.9
Government expenditure on							
goods and services	47.8	52.8	52.3	53.2	53.3	53.1	52.9
(% change)	3.1	10.5	-0.9	1.6	0.2	-0.3	-0.3
Investment in fixed capital	66.8	63.6	67.3	70.1	70.5	71.7	72.9
(% change)	8.0	-4.8	5.8	4.2	0.6	1.7	1.7
Final domestic demand	**294.6**	**286.6**	**296.0**	**306.4**	**313.2**	**319.3**	**324.3**
(% change)	**3.4**	**-2.7**	**3.3**	**3.5**	**2.2**	**2.0**	**1.6**
Exports of goods and services	104.2	93.5	98.7	103.1	106.0	109.5	115.3
(% change)	0.9	-10.3	5.6	4.4	2.8	3.3	5.3
Imports of goods and services	128.9	121.2	125.4	130.0	133.4	137.1	140.6
(% change)	2.7	-6.0	3.5	3.6	2.6	2.7	2.6
Inventory change	2.6	-0.7	0.2	0.2	0.2	0.1	0.1
Statistical discrepancy	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Real GDP at market prices	**271.8**	**257.4**	**268.6**	**278.9**	**285.2**	**291.2**	**298.5**
(% change)	**2.7**	**-5.3**	**4.4**	**3.8**	**2.2**	**2.1**	**2.5**

[1] Unit labour cost is the nominal cost of labour incurred to produce one unit of real output.

[2] Non-profit institutions serving households.

[e] B.C. Ministry of Finance estimate.

Table 3.6.2 Selected Nominal Income and Other Indicators: British Columbia

			Forecast				
	2019	2020	2021	2022	2023	2024	2025
Compensation of employees[1] ($ millions)	152,588	151,538	158,404	164,763	170,786	176,908	183,921
(% change)	5.6	-0.7	4.5	4.0	3.7	3.6	4.0
Household income ($ millions)	270,796	283,988 [e]	286,169	294,059	304,139	315,186	327,469
(% change)	6.5	4.9	0.8	2.8	3.4	3.6	3.9
Net operating surplus ($ millions)	31,882	27,550 [e]	30,084	32,727	33,808	34,830	37,454
(% change)	-7.0	-13.6	9.2	8.8	3.3	3.0	7.5
Retail sales ($ millions)	86,428	88,666	91,916	95,017	98,284	101,475	104,738
(% change)	0.6	2.6	3.7	3.4	3.4	3.2	3.2
Housing starts (units)	44,932	37,734	34,500	33,473	33,027	32,036	31,027
(% change)	10.0	-16.0	-8.6	-3.0	-1.3	-3.0	-3.2
Residential sales ($ millions)	54,174	73,495	79,410	76,783	74,674	76,325	77,957
(% change)	-3.0	35.7	8.0	-3.3	-2.7	2.2	2.1
Residential sales (units)	77,350	94,012	98,525	93,529	89,311	89,492	89,618
(% change)	-1.5	21.5	4.8	-5.1	-4.5	0.2	0.1
Residential Average Sale Price ($)	700,369	781,759	805,993	820,950	836,105	852,874	869,878
(% change)	-1.5	11.6	3.1	1.9	1.8	2.0	2.0
Consumer price index (2002 = 100)	131.4	132.4	134.6	137.3	140.3	143.1	146.0
(% change)	2.3	0.8	1.7	2.0	2.1	2.0	2.0

[1] Domestic basis; wages, salaries and employers' social contributions.
[e] B.C. Ministry of Finance estimate.

Table 3.6.3 Labour Market Indicators: British Columbia

			Forecast				
	2019	2020	2021	2022	2023	2024	2025
Population (thousands at July 1)	5,091	5,148	5,181	5,246	5,316	5,387	5,458
(% change)	1.6	1.1	0.6	1.3	1.4	1.3	1.3
Net migration (thousands)							
– International[1,4]	66.0	-0.6	43.5	55.1	56.9	56.8	56.8
– Interprovincial[4]	13.9	21.0	15.0	13.0	12.0	12.0	12.0
– Total	79.9	20.4	58.5	68.1	68.9	68.8	68.8
Labour force population[2] (thousands)	4,241	4,300	4,343	4,406	4,473	4,541	4,608
(% change)	1.9	1.4	1.0	1.5	1.5	1.5	1.5
Labour force (thousands)	2,798	2,735	2,819	2,865	2,901	2,932	2,960
(% change)	2.9	-2.2	3.1	1.6	1.3	1.1	1.0
Participation rate[3] (%)	66.0	63.6	64.9	65.0	64.9	64.6	64.2
Employment (thousands)	2,666	2,491	2,608	2,672	2,715	2,750	2,786
(% change)	3.0	-6.6	4.7	2.4	1.6	1.3	1.3
Unemployment rate (%)	4.7	8.9	7.5	6.7	6.4	6.2	5.9

[1] International migration includes net non-permanent residents and returning emigrants less net temporary residents abroad.
[2] The civilian, non-institutionalized population 15 years of age and over.
[3] Percentage of the labour force population in the labour force.
[4] Components may not sum to total due to rounding.

Table 3.6.4 Major Economic Assumptions

			Forecast				
	2019	2020	2021	2022	2023	2024	2025
Real GDP							
Canada (chained 2012 $ billions)	2,102	1,989	2,070	2,143	2,186	2,223	2,258
(% change)	1.9	-5.4	4.1	3.5	2.0	1.7	1.6
U.S. (chained 2012 US$ billions)	19,092	18,426	19,200	19,795	20,191	20,554	20,904
(% change)	2.2	-3.5	4.2	3.1	2.0	1.8	1.7
Japan (chained 2015 Yen trillions)	556	529	538	547	553	556	560
(% change)	0.3	-4.8	1.7	1.7	1.0	0.7	0.7
China (constant 2010 US$ billions)	11,522	11,793	12,689	13,336	14,003	14,703	15,438
(% change)	5.9	2.3	7.6	5.1	5.0	5.0	5.0
Euro zone[1] (chained 2015 Euro billions)	11,355	10,588	10,980	11,353	11,523	11,685	11,825
(% change)	1.3	-6.8	3.7	3.4	1.5	1.4	1.2
Industrial production index (% change)							
U.S.	0.9	-6.7	4.7	2.9	2.0	1.8	1.7
Japan	-2.6	-9.7	5.2	3.6	1.5	1.0	0.9
China	5.8	1.8	7.5	4.8	4.5	4.5	4.4
Euro zone[1]	-1.3	-8.7	5.9	2.9	1.5	1.4	1.2
Housing starts (thousands)							
Canada	209	218	200	190	185	185	180
(% change)	-2.0	4.4	-8.2	-5.0	-2.6	0.0	-2.7
U.S.	1,290	1,380	1,430	1,410	1,380	1,350	1,300
(% change)	3.2	7.0	3.6	-1.4	-2.1	-2.2	-3.7
Japan	905	815	810	820	840	880	880
(% change)	-4.0	-9.9	-0.7	1.2	2.4	4.8	0.0
Consumer price index							
Canada (2002 = 100)	136.0	137.0	139.5	142.1	145.1	148.0	151.0
(% change)	1.9	0.7	1.8	1.9	2.1	2.0	2.0
Canadian interest rates (%)							
3-month treasury bills	1.65	0.45	0.13	0.24	0.44	1.06	1.50
10-year government bonds	1.59	0.75	1.20	1.59	1.88	2.13	2.25
United States interest rates (%)							
3-month treasury bills	2.10	0.37	0.10	0.22	0.44	1.06	1.50
10-year government bonds	2.14	0.89	1.36	1.74	2.13	2.38	2.50
Exchange rate (US cents / Canadian $)	75.4	74.6	79.0	79.0	78.0	78.0	78.5
British Columbia goods and services							
Export price deflator (% change)	-2.8	0.1 [e]	3.7	0.5	1.9	1.8	2.0

[1] Euro zone (19) is Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.

[e] B.C. Ministry of Finance estimate.

The Economic Forecast Council, *Budget 2021*

Introduction

In accordance with the *Budget Transparency and Accountability Act,* the Minister of Finance, in preparing the provincial budget, consults the Economic Forecast Council (the Council or EFC) on British Columbia's economic outlook. The 13-member Council is comprised of leading economists from several of Canada's major financial and private research institutions.

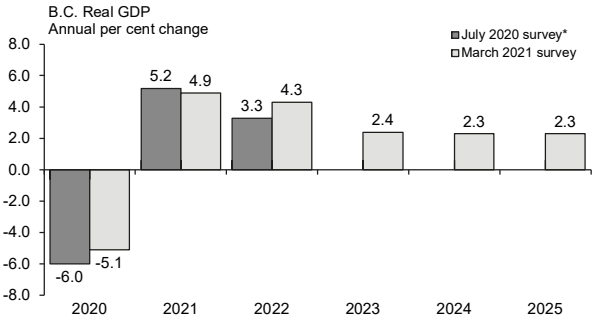
The most recent meeting between the Minister and the EFC was on February 26, 2021, with Council members presenting their estimates for economic performance in 2020 and their forecasts for 2021 through 2025. Key topics of discussion included: the varied impacts of the COVID-19 pandemic across industries and GBA+ identity factors; government policies to support the economy while maintaining fiscal discipline; issues around equity and inclusion; B.C.'s housing market; the outlook for immigration and trade; and uncertainty in the global economic outlook.

After the meeting, EFC members were welcome to revise their forecasts until March 3, 2021 (five of the thirteen members chose to resubmit). Forecast details from the Council's surveys are summarized in the table at the end of this topic box.

British Columbia Outlook

On average, the Council estimates that B.C.'s economy contracted by 5.1 per cent in 2020. This was an improvement of 0.9 percentage points compared to its prior projection in July 2020 (when the Council was resurveyed in advance of the *First Quarterly Report* given the unprecedented economic impacts and uncertainty caused by COVID-19). Members' latest forecast calls for B.C. economic growth of 4.9 per cent in 2021 and 4.3 per cent in 2022, down 0.3 percentage points in 2021 and up 1.0 percentage points in 2022 from their July outlook. Over the medium-term, the Council forecasts B.C.'s economy to grow by 2.4 per cent in 2023 and by 2.3 per cent annually in 2024 and 2025 (see Chart 1).

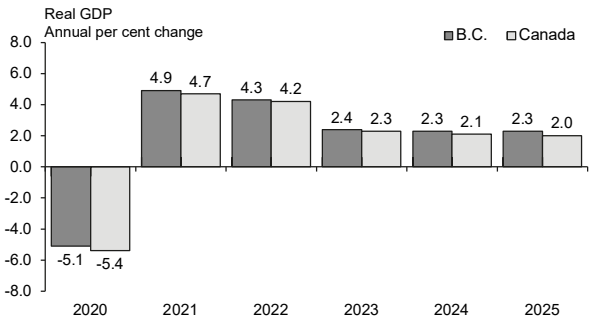
Chart 1 – EFC Outlook for B.C.



Source: Average of Economic Forecast Council forecasts.
*Forecasts for 2023-2025 were not part of the July 2020 survey.

The Council estimates that B.C.'s economy contracted less than Canada's in 2020, partly due to the province's relative success in limiting the spread of COVID-19. B.C.'s economy is expected to continue to outperform the national average throughout the forecast horizon (see Chart 2). While the outlook for B.C. is generally positive, the EFC noted the uncertain nature of current projections.

Chart 2 – EFC Outlook for B.C. and Canada



Source: Average of Economic Forecast Council forecasts.

Members generally expect B.C. real GDP to reach its pre-pandemic level around late 2021 or early 2022, but emphasised that the recovery will continue to be uneven across several dimensions. Among industries, they noted that real estate and professional sectors rebounded quickly following an initial fall

in activity. On the other hand, high-contact service industries, such as in-person retail, accommodation, restaurants, and particularly the broader tourism sector, have been harder hit by the pandemic and are expected to struggle until widespread immunization is achieved.

Among GBA+ identity factors, EFC members discussed the pandemic's disproportionately negative economic impacts on women, youth, and people with lower education levels. A common thread with these three groups is an over-representation in the hardest hit industries. Furthermore, women's disproportionate role in caring for children (during school and daycare closures) and other family members was also highlighted as a factor.

Government policies identified to support the economy included supports for childcare and skills training. The former may increase women's labour market participation, according to some members. Meanwhile skills training may reduce permanent job loss and help people adapt to the evolving economy. Looking to the future, the Council sees an increasingly digital economy with implications for e-commerce, technology sectors and post-secondary education. The Council also noted that expanding the labour force via immigration and improved inclusiveness of all British Columbians will be critical for sustained growth.

More immediately, the EFC noted that adaptive and targeted government supports are needed throughout the pandemic with careful consideration about when and how they are withdrawn in B.C. and Canada. However, they also advised against adding broad and untargeted new stimulus, given the various initiatives already underway across jurisdictions and the expectation that forthcoming vaccines will unleash pent-up consumer spending in hard hit sectors. From a longer-term perspective, it was agreed that the B.C. government should remain disciplined in its fiscal planning to maintain the solid fiscal position with which it entered the pandemic.

Some members described B.C.'s housing outlook as strong, while others expect it to cool somewhat following the robust sales and price gains in 2020. Low interest rates were the main factor identified as boosting recent activity. The demand for space among teleworkers was another common theme, with several members pointing to the relatively high demand for single detached versus multi-unit homes. Looking ahead, renewed international migration after a pandemic-induced lull is expected to help support B.C.'s housing

British Columbia Economic Forecast Council:
Summary of B.C. real GDP forecasts, annual per cent change

Participant	Organization	2020	2021	2022	2023	2024	2025
Robert Kavcic	Bank of Montreal	-4.6	5.7	4.7	3.2	2.2	2.2
Brendon Ogmundson	BC Real Estate Association	-5.0	5.0	3.8	2.6	2.2	2.2
Ken Peacock	Business Council of BC	-6.0	4.5	4.8	3.0	2.7	2.7
Bryan Yu	Central 1 Credit Union[1]	-5.0	4.2	4.5	2.9	2.8	2.7
Avery Shenfeld	CIBC[1]	-5.3	5.8	4.4	n/a	n/a	n/a
Pedro Antunes	Conference Board of Canada[1]	-4.8	4.9	3.6	0.6	1.3	1.8
Arlene Kish	IHS Markit	-5.5	4.1	3.7	2.3	2.7	2.3
Sébastien Lavoie	Laurentian Bank Securities	-5.7	4.6	4.7	2.1	1.8	1.8
Stéfane Marion	National Bank	-4.7	4.0	4.2	2.0	2.2	2.4
Craig Wright	RBC[1]	-5.0	5.9	4.7	n/a	n/a	n/a
Jean-François Perrault	Scotiabank	-5.0	5.5	4.3	n/a	n/a	n/a
Aaron Stokes	Stokes Economics	-4.7	4.5	4.4	3.0	3.4	2.5
Derek Burleton	TD[1]	-4.9	5.1	4.2	2.1	1.9	2.2
Average		**-5.1**	**4.9**	**4.3**	**2.4**	**2.3**	**2.3**
Standard Deviation		0.4	0.7	0.4	0.8	0.6	0.3

[1] Updated subsequent to the February 26, 2021 meeting.

market. As in past years, many members noted B.C.'s desirability as a place to live, and the ongoing need to continue to increase housing supply and improve affordability to attract and retain talent.

Other topics discussed by the Council included the general resilience of LNG development and other capital projects despite minor pandemic-related delays, recent strength in the natural resources sector (particularly forestry), and issues surrounding climate change.

Canadian Outlook

After falling by 5.4 per cent in 2020, the EFC expects Canadian real GDP to grow by 4.7 per cent in 2021. Economic growth is then forecast to taper off, with the economy expanding by 4.2 per cent in 2022, 2.3 per cent in 2023, 2.1 per cent in 2024, and 2.0 per cent in 2025.

Members generally anticipate the completion of widespread immunization across Canada over the second half of 2021, with a similar though slightly faster timeline in the U.S. This is expected to support cross-border mobility for trade (such as tourism) and immigration (alongside higher national immigration targets). The outlook for interest rates was also discussed, with some uncertainty around the timing and pace of monetary policy tightening as the economy recovers.

International Outlook

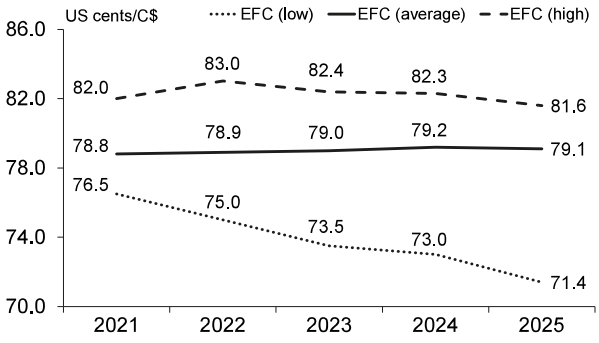
The Council forecasts U.S. real GDP growth of 5.1 per cent in 2021 following a decline of 3.5 per cent the previous year. The EFC is calling for 3.9 per cent growth in 2022, then 2.4 per cent, 2.1 per cent, and 2.0 per cent growth in 2023, 2024, and 2025, respectively.

The new U.S. fiscal stimulus package worth US$1.9 trillion was highlighted as a key international development, with potentially sizable impacts on B.C.'s exports. However, the Council also noted enduring trade barriers with the U.S., the uncertain evolution of global supply chains, and ongoing geopolitical tensions as risks to the outlook.

Canadian Dollar

Council members' projections for the Canadian dollar ranged from 76.5 US cents to 82.0 US cents in 2021 and from 75.0 US cents to 83.0 US cents in 2022. Over the medium-term, EFC forecasts ranged from lows of around of 71 to 74 US cents to highs of around 81 to 83 US cents (see Chart 3).

Chart 3 – EFC Outlook for the Dollar



Source: Economic Forecast Council forecasts.

Forecast Survey – Participants' Opinions

All figures are based on annual averages	2020		2021		2022		2023		2024		2025	
	Range	Average [1]	Range	Average [1]	Range	Average [1]	Range	Average [1]	Range	Average [1]	Range	Average [1]
British Columbia												
Real GDP (% change)	-6.0 – -4.6	-5.1 (13)	4.0 – 5.9	4.9 (13)	3.6 – 4.8	4.3 (13)	0.6 – 3.2	2.4 (10)	1.3 – 3.4	2.3 (10)	1.8 – 2.7	2.3 (10)
Nominal GDP (% change)	-8.0 – -1.9	-4.0 (13)	5.7 – 8.3	7.3 (13)	5.4 – 7.1	6.2 (13)	2.7 – 5.2	4.3 (10)	3.0 – 5.1	4.1 (10)	3.5 – 4.8	4.2 (10)
GDP Deflator (% change)	-2.0 – 3.0	1.1 (13)	0.8 – 3.3	2.3 (13)	1.1 – 2.7	1.9 (13)	1.3 – 2.2	1.9 (10)	0.9 – 2.3	1.7 (10)	1.5 – 2.3	1.9 (10)
Real business non-residential investment (% change)	-15.4 – 6.0	-5.1 (7)	2.0 – 15.0	10.2 (7)	4.5 – 14.2	8.5 (7)	-5.0 – 10.0	1.0 (7)	-11.0 – 4.0	-1.9 (6)	-11.7 – 6.0	-1.1 (6)
Real business machinery and equipment investment (% change)	-20.0 – -0.9	-11.8 (6)	5.0 – 30.0	14.9 (6)	3.0 – 9.1	5.6 (6)	-10.2 – 7.0	0.7 (6)	-15.4 – 3.5	-2.8 (5)	-15.0 – 5.5	-1.3 (5)
Household Income (% change)	-4.0 – 9.5	3.9 (10)	-4.0 – 5.5	1.8 (10)	2.5 – 5.4	4.4 (10)	2.8 – 4.8	3.6 (9)	3.0 – 5.5	4.1 (8)	3.0 – 6.2	4.1 (8)
Net Migration (thousand persons)	-2.0 – 53.6	30.3 (10)	16.0 – 78.0	42.9 (10)	50.0 – 95.0	65.7 (10)	47.7 – 86.8	69.3 (9)	47.6 – 89.0	65.9 (9)	48.2 – 90.0	64.9 (9)
Employment (% change)	-6.6 – -6.1	-6.4 (12)	3.4 – 6.5	5.1 (12)	1.9 – 3.4	2.6 (12)	1.0 – 2.8	1.8 (10)	0.7 – 2.5	1.4 (10)	0.7 – 2.5	1.3 (10)
Unemployment rate (%)	8.8 – 9.6	9.0 (13)	6.3 – 8.2	6.9 (13)	4.6 – 6.9	5.6 (13)	4.9 – 5.8	5.4 (10)	4.8 – 5.7	5.2 (10)	4.8 – 5.7	5.1 (10)
Net operating surplus of corporations (% change)	-28.0 – 11.2	-8.4 (7)	-17.6 – 25.0	7.3 (7)	-3.3 – 13.3	5.1 (7)	-6.0 – 10.0	3.3 (7)	-12.8 – 8.0	0.9 (6)	-2.0 – 16.3	6.2 (6)
Housing starts (thousand units)	37.5 – 38.0	37.9 (13)	32.4 – 43.0	37.1 (13)	31.6 – 45.0	36.9 (13)	30.7 – 45.0	37.9 (10)	29.6 – 45.0	36.9 (10)	28.6 – 48.0	36.5 (10)
MLS residential unit sales (thousand units)	90.3 – 94.0	93.5 (8)	90.0 – 140.5	109.9 (8)	85.0 – 115.2	96.1 (8)	79.5 – 95.0	89.6 (7)	78.0 – 105.0	90.1 (7)	78.0 – 99.7	88.5 (7)
MLS residential average sale price ($ thousand)	773.0 – 782.0	779.3 (8)	780.3 – 868.2	833.0 (8)	792.0 – 890.0	852.9 (8)	807.8 – 930.0	875.9 (7)	832.0 – 990.0	905.6 (7)	853.7 – 1,060.0	935.4 (7)
Retail sales (% change)	0.4 – 2.5	1.9 (9)	3.0 – 9.5	5.5 (9)	2.5 – 5.7	4.5 (9)	2.5 – 5.4	4.0 (8)	2.1 – 6.5	4.0 (8)	2.1 – 6.0	3.8 (8)
Consumer price index (% change)	0.8 – 1.0	0.8 (12)	1.1 – 2.1	1.7 (12)	1.7 – 2.3	2.0 (12)	1.3 – 2.1	1.9 (9)	1.5 – 2.1	1.9 (9)	1.7 – 2.1	2.0 (9)
United States												
Real GDP (% change)	-3.6 – -3.5	-3.5 (13)	4.0 – 6.2	5.1 (13)	3.0 – 4.3	3.9 (13)	1.6 – 3.0	2.4 (11)	1.1 – 2.5	2.1 (11)	1.2 – 2.5	2.0 (11)
Intended Federal Funds rate (%)	0.13 – 0.42	0.29 (11)	0.09 – 0.25	0.18 (12)	0.09 – 0.75	0.24 (12)	0.10 – 1.13	0.44 (11)	0.12 – 1.81	0.85 (11)	0.13 – 2.13	1.27 (11)
Housing starts (million units)	1.34 – 1.45	1.39 (13)	1.31 – 1.65	1.53 (13)	1.30 – 1.65	1.49 (13)	1.2 – 1.7	1.50 (10)	1.17 – 1.80	1.49 (10)	1.20 – 1.65	1.47 (10)
Canada												
Real GDP (% change)	-5.7 – -5.2	-5.4 (13)	4.0 – 6.3	4.7 (13)	3.3 – 4.8	4.2 (13)	1.4 – 3.0	2.3 (11)	1.7 – 2.5	2.1 (11)	1.7 – 2.5	2.0 (11)
Bank of Canada overnight target rate (%)	0.25 – 0.60	0.38 (11)	0.25 – 0.25	0.25 (12)	0.25 – 0.50	0.29 (12)	0.25 – 1.00	0.46 (11)	0.25 – 1.50	0.91 (11)	0.25 – 2.00	1.33 (11)
Exchange rate (US cents/C$)	74.5 – 79.0	75.7 (12)	76.5 – 82.0	78.8 (13)	75.0 – 83.0	78.9 (13)	73.5 – 82.4	79.0 (10)	73.0 – 82.3	79.2 (10)	71.4 – 81.6	79.1 (10)
Housing starts (thousand units)	215 – 219	218 (13)	200 – 234	210 (13)	199 – 215	206 (13)	185 – 225	206 (10)	178 – 220	203 (10)	165 – 230	202 (10)
Consumer price index (% change)	0.5 – 1.0	0.7 (13)	1.0 – 2.3	1.7 (13)	1.4 – 2.4	2.0 (13)	1.6 – 2.1	1.9 (11)	1.9 – 2.1	2.0 (11)	1.9 – 2.2	2.0 (11)

[1] Based on responses from participants providing forecasts. Number of respondents shown in parentheses.

Table 4.1 2020/21 Forecast Update

($ millions)	*Budget 2020*	*First Quarterly Report*	*Fall 2020 Update*	*Third Quarterly Report*
Revenue	60,585	56,013	57,424	60,967
Expense	(60,058)	(67,805)	(70,067)	(69,111)
Forecast allowance	(300)	(1,000)	(1,000)	-
Surplus (deficit)	**227**	**(12,792)**	**(13,643)**	**(8,144)**
Capital Spending:				
Taxpayer-supported capital spending	7,126	7,015	6,781	6,277
Self-supported capital spending	3,409	3,372	3,365	3,812
Total capital spending	**10,535**	**10,387**	**10,146**	**10,089**
Provincial Debt:				
Taxpayer-supported debt	49,202	59,802	60,546	59,962
Self-supported debt	26,890	27,068	27,080	27,524
Total debt (including forecast allowance)	**76,392**	**87,870**	**88,626**	**87,486**
Taxpayer-supported debt to GDP ratio	**15.5%**	**20.8%**	**20.8%**	**20.3%**
Taxpayer-supported debt to revenue ratio	**84.1%**	**110.6%**	**109.7%**	**102.6%**

Introduction

The third-quarter fiscal outlook for 2020/21 forecasts a deficit of $8.1 billion, an improvement of $5.5 billion since the second-quarter outlook in the *Fall 2020 Economic & Fiscal Update*. The main changes are higher revenues ($3.5 billion), lower expenses ($956 million) and the unused forecast allowance, which was set at $1.0 billion to reflect the increased forecasting uncertainty. Changes are illustrated in Chart 4.1 below, with additional detail provided in Table 4.2.

The taxpayer-supported capital spending forecast is lower than at *Fall 2020 Economic & Fiscal Update* by $504 million and the self-supported capital spending is higher by $447 million (see Table 4.3 on page 124 for details). The taxpayer-supported debt forecast is lower by $584 million due to improved operating results and changes to cash and other working capital balances. (see Table 4.4 on page 125 for details).

Chart 4.1 2020/21 Deficit – Major Changes from the *Fall 2020 Update*

Deficit decreased by $5.5 billion

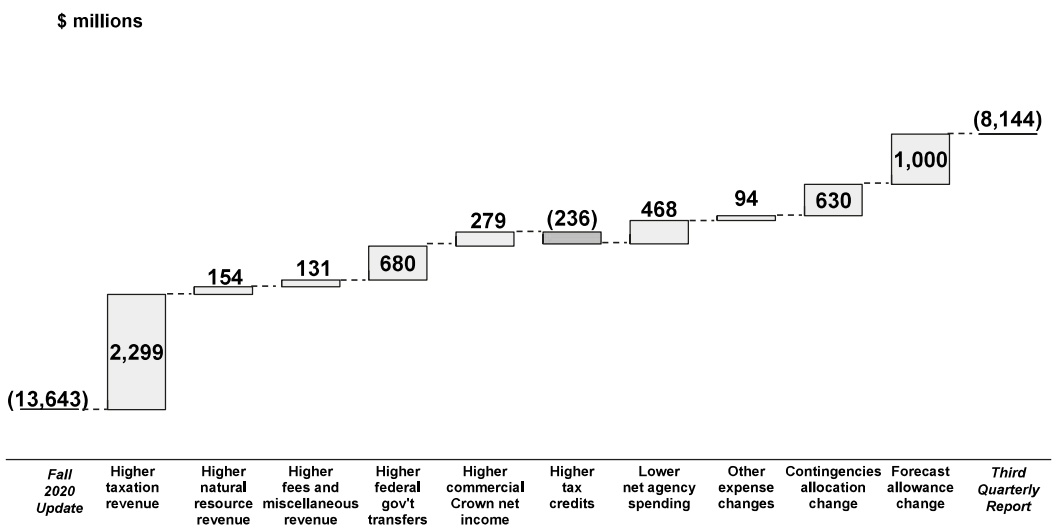


Table 4.2 2020/21 Financial Forecast Changes

	($ millions)			
2020/21 surplus at *Budget 2020* (February 18, 2020)	**227**			**227**
2020/21 deficit at the *First Quarterly Report* (September 10, 2020)		**(12,792)**		
2020/21 deficit at the *Fall 2020 Economic & Fiscal Update* (December 17, 2020)			**(13,643)**	
	Q1 Update	**Fall 2020 Update**	**Q3 Update**	**Total Changes**
Revenue changes:				
Personal income tax – mainly expected changes in 2020 household income	(978)	171	154	(653)
Corporate income tax – changes in instalments, mainly reflecting federal government outlook for 2020 national corporate taxable income partly offset by weaker 2019 tax assessments results	(1,144)	78	1,134	68
Provincial sales tax – lower retail sales and consumer expenditures and impacts of tax measures	(1,024)	(135)	700	(459)
Property taxes – mainly reflecting tax relief provided to commercial property owners, lower speculation and vacancy tax and updated 2021 assessment values and tax rate	(694)	7	(15)	(702)
Property transfer tax – changes in year-to-date sales activity in the housing sector	(315)	479	250	414
Fuel and carbon taxes – year-to-date sales activity and delay of the carbon tax rate increase from April 1, 2020 to April 1, 2021	(469)	(15)	79	(405)
Employer health tax – mainly expected changes in employee compensation	(148)	47	17	(84)
Other taxation sources – impacts of 2019/20 *Public Accounts* and year-to-date results	20	10	(20)	10
Mining – changes in coal and copper prices, changes in coal production and mining costs	(84)	(18)	2	(100)
Forests – higher stumpage rates partly offset by lower logging tax revenue and changes in harvest volumes	30	96	128	254
Other natural resources – commodity prices and production volumes, utilization of royalty infrastructure programs/credits and changes in water rentals revenue	(190)	78	24	(88)
Fees, licences, investment earnings and miscellaneous sources:				
Post-secondary institutions	(673)	67	145	(461)
K-12 school districts	(137)	(25)	78	(84)
Taxpayer-supported Crowns	(111)	(94)	(45)	(250)
Other sources – lower fees from Health Authorities and reduced motor vehicle fees and fines	(76)	4	(47)	(119)
Canada health and social transfers – mainly additional pandemic relief one-time funding supporting recovery of health care systems and changes in B.C. population share of national total	(2)	52	552	602
COVID-19 related federal government funding	2,376	242	(2)	2,616
Other federal government transfers – mainly higher transfers under the Disaster Financial Assistance Arrangements and higher funding in support of taxpayer-supported Crowns and SUCH sector agencies	(20)	69	130	179
Commercial Crown corporation net income – ICBC, BC Lottery Corp and the Liquor Distribution Branch	(933)	298	279	(356)
Total revenue changes	**(4,572)**	**1,411**	**3,543**	**382**
***Less*: expense increases (decreases):**				
Consolidated Revenue Fund changes:				
Pandemic Response and Economic Recovery Contingencies (Vote 52) – updated spending forecast	5,000	2,000	(300)	6,700
Contingencies (Vote 45) – updated spending forecast	-	-	(330)	(330)
Federal-Provincial cost-shared investments under the Safe Restart Agreement:				-
Provincial portion (COVID-19 Contingencies - Vote 53)	810	-	-	810
Federal portion	810	-	-	810
Statutory spending:				-
Fire management costs	76	2	2	80
Emergency Program Act	94	26	1	121
Signed agreements under the *Sustainable Services Negotiating Mandate*	310	37	2	349
COVID-19 temporary pandemic pay [1]	425	(41)	-	384
Housing Priority Initiatives Special Account – purchase of hotels to house decamped homeless populations	111	-	85	196
Other statutory spending	14	71	3	88
Refundable tax credits:				-
One-time enhancement of the Climate Action Tax Credit	500	-	-	500
Other refundable tax credits	(86)	31	236	181
Other expense changes – mainly favourable impacts of prior year liability	88	(15)	(97)	(24)
Spending funded by third party recoveries - mainly Safe Return to Class funding from the federal government	(30)	310	(90)	190
Changes in spending profile of service delivery agencies:				-
School districts	152	214	89	455
Universities	(61)	(14)	(14)	(89)
Colleges	(23)	2	13	(8)
Health authorities and hospital societies	229	1,137	580	1,946
Other service delivery agencies [2]	609	(165)	(75)	369
(Increase) decrease in transfers to service delivery agencies (elimination)	(1,281)	(1,333)	(1,061)	(3,675)
Total expense changes	**7,747**	**2,262**	**(956)**	**9,053**
Subtotal	**(12,319)**	**(851)**	**4,499**	**(8,671)**
Forecast allowance (increase) decrease	(700)	-	1,000	300
Total changes	**(13,019)**	**(851)**	**5,499**	**(8,371)**
2020/21 deficit at the *First Quarterly Report*	**(12,792)**			
2020/21 deficit at the *Fall 2020 Economic & Fiscal Update*		**(13,643)**		
2020/21 deficit at the *Third Quarterly Report*			**(8,144)**	**(8,144)**

[1] Total COVID-19 temporary pandemic pay remains at $425 million, however $41 million is included as part of Contingencies Vote 52 spending.

[2] Includes BC Transportation Financing Authority, BC Transit, BC Housing Management Commission, Community Living BC, and other entities.

Revenue

Total government revenue is now forecast to be $3,543 million higher than the *Fall 2020 Economic & Fiscal Update*. Major changes include:

- $2,299 million increase in taxation revenue, mainly reflecting higher income tax revenues due to corporate income tax installment payments from the federal government, and year-to-date information for provincial sales tax, property transfer tax and other taxation sources;
- $154 million increase in natural resource revenue mainly due to the effects of higher stumpage rates and higher natural gas price;
- $131 million increase in revenue from fees, licences, investment earnings and miscellaneous sources mainly due to improvements in post-secondary institutions and K-12 school districts projections;
- $680 million increase in federal government contributions mainly due to higher one-time funding for recovery of the health care systems following the pandemic as well as higher transfers to taxpayer-supported agencies; and
- $279 million increase in commercial Crown corporations' net income mainly due to higher net income projections from the Insurance Corporation of BC.

Expense

Total government spending is now forecast to be $956 million lower than the *Fall 2020 Economic & Fiscal Update*. Major changes include:

- $630 million lower in contingencies allocation, including $300 million from Pandemic Response and Economic Recovery contingencies (Vote 52). (For details on COVID-19 Pandemic Spending & Related Measures, please see the topic box on page 111);
- $97 million decrease in other expenses mainly due to favourable adjustments of prior year liability;
- $90 million in lower spending funded by recoveries from third parties; and
- $468 million in lower net expense by service delivery agencies due to the timing of expense recognition mainly related to health authorities' purchase of personal protective equipment. Funding was provided by the Province in the current fiscal year, while the accounting expense is recorded in the period when the inventory is used.

These spending reductions are partly offset by

- $236 million in higher refundable tax transfers mainly reflecting stronger 2019 tax assessments; and
- $93 million higher in statutory spending mainly to fund the purchases of hotels to house decamped homeless populations.

Table 4.2 provides a detailed breakdown of changes in the operating results by quarter from *Budget 2020*.

Government Employment (FTEs)

Full-time equivalent (FTE) staff utilization in core government ministries is forecast to be 32,400 FTEs in 2020/21. This is an increase of 600 FTEs from the forecast as presented in *Budget 2020*. The majority of this increase reflects staffing requirements to implement budgeted program growth in court facilities, the Civil Resolution Tribunal, and CleanBC. Government's COVID-19 response also required increased FTEs across the Ministry of Health and for various economic recovery job creation initiatives. Further details on FTEs are provided in Table A13 in the appendix.

COVID-19 Pandemic Spending & Related Measures

This section provides an overview of the Province's pandemic response measures, including an update on notional allocations within the Pandemic Contingencies votes as of February 28, 2021, as well as a summary of tax and payment relief and deferral measures.

Vote 52 Contingencies (All Ministries): Pandemic Response and Economic Recovery

On March 23, 2020, the Legislative Assembly authorized *Supplementary Estimates* of $5 billion and a new Vote 52 – Contingencies for Pandemic Response and Economic Recovery (Pandemic Contingencies).

Additional *Supplementary Estimates* of $2 billion for the Pandemic Contingencies was passed on December 17, 2020 for a total of $7 billion.

Details of the Pandemic Contingencies notional allocations as of February 28, 2021 are shown in Table 1.

Table 1: Vote 52 Pandemic Contingencies Allocations as of February 28, 2021

Category	Notional Allocation	Measures
Critical services	$2.0 billion[1]	Health and mental health
	$56 million[2]	Child care services
	$162 million	Temporary housing, meals and supports for vulnerable populations
	$130 million	Essential services for adults with developmental disabilities, vulnerable children and youth, courts, family justice and victim services, public health communications, Urban Indigenous Service Providers, food security and agriculture worker accommodations
Financial supports	$1.3 billion[3]	B.C. Recovery Benefit
	$645 million	B.C. Emergency Benefit for Workers
	$718 million	Temporary monthly increases and other supports for people in receipt of income and disability assistance including the Crisis Supplement and Recovery Supplement
	$129 million	Temporary Rental Supplement
	$70 million	Canada Emergency Commercial Rent Assistance Program
	$60 million	Emergency financial relief for organizations providing animal care, park operators and community tourism organizations, Domestic Motion Picture providers, local sports organizations, Royal BC Museum and the B.C. Pavilion Corporation.
	$40 million[4]	Increased Employment Incentive
Economic Recovery	$1.4 billion	See table starting on page 119 for updated forecasts for initiatives under the *StrongerBC Economic Recovery Plan*.
Total	**$6.7 billion**	**Pandemic Contingencies Spending Measures**

[1] An additional $230 million in new health care related job opportunities is included in the economic recovery envelope.

[2] The total estimate for the temporary emergency funding for child care providers is $319 million, however, the Ministry of Children and Family Development is redirecting some base budget to offset the new program costs, reducing the overall forecasted draw on Contingencies.

[3] The total program cost for the B.C. Recovery Benefit is forecast to be $1.4 billion, of which $1.3 billion is forecast for 2020/21 and $100 million is forecast for 2021/22.

[4] The total program cost for the Increased Employment Incentive is forecast to be $190 million, of which $40 million is forecast for 2020/21 and $150 million is forecast for 2021/22.

Critical services include health and mental health related responses, supports for child care providers, and providing essential social services to vulnerable populations such as adults with developmental disabilities, people experiencing homelessness, and children, youth and young adults receiving provincial supports.

Financial support measures include income supports, such as the BC Emergency Benefit for Workers and the BC Recovery Benefit, as well as top-up supports for income and disability assistance clients including low-income seniors. Measures also include rental relief assistance for individuals, families and businesses, and targeted financial relief for a number of sectors.

Economic recovery spending measures include a grant program for small and medium sized businesses, training and job creation initiatives including new jobs to help people enter the health sector. Other measures include community infrastructure grants and projects, support for the tourism sector and programs to increase food security. Economic recovery spending also includes provincial funding to support K-12 students to return to classrooms, and funding for CleanBC initiatives and other technology and innovation programs and initiatives.

Vote 53 Contingencies (All Ministries): Federal and Provincial Pandemic Support

On July 16, 2020, the federal, provincial and territorial governments announced plans for a Safe Restart Agreement, which aimed to support the reopening of provincial and territorial economies over the next six to eight months.

Under the Agreement, the federal government has committed close to $2 billion for B.C. While approximately $1.15 billion of the federal funding was used to help fund the cost of continuing significant measures in B.C. that were underway or planned, part of the agreement requires 50/50 provincial/federal cost-sharing. This relates specifically to municipal and transit-related relief and restart measures.

On August 14, 2020, the Legislative Assembly authorized Vote 53 Contingencies (All Ministries): Federal and Provincial Pandemic Support. The Vote 53 Contingencies provides up to $1 billion net spending appropriation for the Province to support the cost-share arrangement for municipal and transit funding, and other pandemic priorities.

The current provincial spending forecast for Vote 53 is $810 million with a total spending forecast of $1.62 billion for initiatives as shown in Table 2.

Other COVID-19 Response and Relief Measures

In addition to the Vote 52 and Vote 53 Pandemic Contingencies spending measures, government has implemented a number of other measures which include tax and revenue measures, and statutory spending related to COVID-19.

Tax measures include a reduction in school tax for commercial properties by an average of 25 per cent in the 2020 calendar year (estimated at $714 million in reduced taxes). Government has also delayed the scheduled increase to the carbon tax rate and other

Table 2: Vote 53 Federal and Provincial Contingencies Allocations as of February 28, 2021

	Provincial Allocation	Federal Allocation	Total
Municipalities	$270 million	$270 million	$540 million
Transit	$540 million	$540 million	$1.08 billion
Total	**$810 million**	**$810 billion**	**$1.620 billion**

Budget 2020 tax measures to April 1, 2021, estimated to reduce taxes by $268 million.

As part of the *StrongerBC Economic Recovery Plan*, government also introduced a temporary PST exemption on select machinery and equipment to support businesses that are pivoting their operations in response to the pandemic. The PST exemption is estimated to save businesses $470 million.

Revenue relief measures include the ICBC customer premium rebate (estimated $600 million), wholesale pricing for restaurants, bars and tourism operators with liquor licenses, and other ICBC payment relief and deferral measures.

Statutory spending directly related to COVID-19 includes funding for the Pandemic Pay for frontline workers in health and social sectors (a federal-provincial cost-sharing initiative), hotel purchases to support homelessness response measures, and spending related to COVID-19 emergency coordination and response.

Government also approved revised spending targets for the Forest Enhancement Society to ensure its tree planting continues as planned to secure future economic and environmental benefits while meeting the new COVID-19 related guidelines for industrial camps.

The estimated provincial value of these measures is nearly $3.0 billion as shown in Table 3.

Government also implemented payment deferral measures to provide administrative and financial relief to individuals, businesses

Table 3: Other Response and Temporary Relief Measures as of February 28, 2021

Estimated Cost	Measure
$714 million	Reduced school tax for commercial properties for the 2020 calendar year
$500 million	Climate Action Tax Credit one-time enhancement
$470 million[1]	Temporary PST rebate on select machinery and equipment
$600 million	ICBC COVID-19 Customer Premium Rebate
$96 million ($384 million total federal-provincial)	Pandemic Pay for Frontline Workers
$268 million	Delay in the increase of the carbon tax rate and other new tax measures
$196 million	Purchase of hotels to house decamped homeless populations
$68 million	*Emergency Program Act* – COVID-19 related coordination and measures
$31 million[2]	Temporary wholesale pricing model for liquor licensees
$17 million	ICBC temporary fee relief measures
$11 million	Forest Enhancement Society of BC – tree planting camps
$5 million	Columbia Basin Trust Regional Grants
$3 million	Commercial Recreation Tenures and Permits financial relief
$2 million	Fee Relief for the Gaming Sector
$3.0 billion	**Provincial Total for Other Response and Temporary Relief Measures**

[1] $235 million in 2020/21 and $235 million in 2021/22.

[2] Estimated cost represents foregone revenues for 2020/21, however, this measure was extended permanently.

and municipalities. This included a six-month moratorium on student loan collection, BC Hydro bill relief for residential and commercial customers, and bill deferrals for industrial customers and deferred school tax remittance for municipalities. Government also provided administrative relief by extending tax filing and payment deadlines for the employer health tax, provincial sales tax, municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax, and carbon tax. The estimated value of eligible deferrals is over $6.2 billion as shown in Table 4. As of February 28, 2021, all deferral measures have since concluded, with the exception of the employer health tax instalment payment deadline extension.

As deferral payments are expected to be received at a later date, they do not directly impact the fiscal plan.

Descriptions of all measures can be found in the following pages.

Table 4 – Payment Deferral Measures (no direct operating fiscal impact)

Estimated value of deferral	Measure
$70 million	Six-month moratorium on student fee collection
$103 million	BC Hydro bill deferrals for industrial customers and bill relief measures
Over $1 billion	Postponing municipal remittance date for school taxes to the end of the calendar year
Over $5 billion	Extending tax filing and payment deadlines for the employer health tax, provincial sales tax, municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax, and carbon tax.
Over $6.2 billion	**Total Value of Deferrals**

*Note: All deferral measures have since concluded, with the exception of the employer health tax instalment payment deadline extension.

Description of COVID-19 Measures

Vote 52 Pandemic Contingencies Spending Measures as of February 28, 2021

Health care ($1.95 billion): Funding related to health related COVID-19 response measures includes:

- Increased lab testing, including the establishment of over 100 separate testing sites to help avoid the transmission of COVID-19 within existing health care settings;
- Additional funding for long-term care and assisted living facilities, including addressing increased COVID-19 related costs, implementing single-site work orders to help prevent the spread of disease between facilities, and hiring of up to three full-time equivalent staff at each of the 584 facilities;
- Prevention and contact tracing measures, including plans to hire over 900 contact tracers between September 2020 and March 2021 to help with the projected rise in cases of COVID-19;
- Health related costs wrap-around support services for those that were living in unsafe decampments who have been moved to temporary housing;
- Free parking at health authority sites to remove barriers for anyone who needed access and reduce the burden on health care workers; and
- Other increased operating costs including personal protective equipment, accelerating rescheduled surgeries, and increased staffing across the health spectrum including general screening staff at health facility entrances to specialist physicians and nurses, and staff within the BC Center for Disease Control.

Mental health and addictions support ($39 million): Funding includes mental health supports such as expanded virtual mental health supports for seniors, adults and youth and a Mobile Response Team to support the mental well-being and psychological safety of front-line health-care workers. In addition, this includes a number of addiction support services such as:

- Opioid response and addictions supports including funding for supportive recovery providers and youth substance use treatment services;
- Youth supports provided through Foundry and Foundry Virtual which offers health and wellness resources, services and supports online and through integrated service centres;
- Scaling up existing overdose prevention services and adding new outreach teams to further help prevent overdose deaths, including opening 17 new supervised consumption services and 12 new inhalation consumption sites in communities that have been hit the hardest by the overdose crisis;
- Funding to hire 42 new full-time registered nurses, psychiatric nurses, social workers and peer support workers for 14 interdisciplinary outreach teams across the province;
- The Lifeguard application, which provides a means to call emergency services if individuals with addictions become unresponsive while using substances;

- Establishing the Rapid Access to Consultative Expertise Line to connect first responders with overdose health emergency physicians when treating patients with substance use disorders; and
- Funding to create six new Assertive Community Treatment (ACT) teams, who use a psychosocial rehabilitation approach for individuals with severe and complex mental illness, with or without substance use or addiction.

Child care services ($319 million): Temporary emergency funding was provided from April to August to ensure child care spaces remained available for essential service workers and to provide financial relief and preserve spaces for parents during any temporary closures. Licensed child care providers that stayed open received funding to keep operations going. These centres were eligible to receive seven times their average monthly funding from government which is expected to cover approximately 75 per cent of a group facility's average monthly operating expenses. Licensed child care providers who closed their facilities were eligible to receive two times their average monthly government funding which is expected to cover approximately 20 per cent of an average group facility's monthly operating expenses.

Temporary housing, meal and health supports for vulnerable populations ($162 million): Spaces at hotels, motels and community centres are providing shelter to assist a range of people, including people experiencing homelessness, to self-isolate and follow health orders as well as receive food and support services. In addition to funding for these supports, the Province has made capital investments (approximately $196 million) to purchase hotels to help move people living in unsafe, dense encampments. Approximately 3,000 leased spaces are currently secured at sites throughout B.C.'s health regions to enable safe physical distancing in homeless shelters and help people self-isolate, with close to 150 spaces in communities secured for people leaving violent or unstable situations.

Other Essential services ($130 million): Funding to ensure continuity of services for adults with developmental disabilities receiving care from Community Living BC. Funding also provides a range of supports for children and youth that access provincial supports, including $225 per month for eligible B.C. families with children with special needs that ended September 30, 2020. Continuing existing care-giver arrangements for youth aging out of foster care and extend the maximum duration of Agreements with Young Adults program beyond 48 months is also being funded. Other essential service supports include funding to facilitate virtual and in-person court proceedings, accelerate the resolution of family law matters, and provide supports for victim services including sexual assault centres. Funding was also provided to support Indigenous service providers, support food security, and support the agriculture sector workers with temporary accommodations, and COVID-19 related public awareness campaigns to communicate health and safety information.

BC Recovery Benefit ($1.4 billion): the BC Recovery Benefit is a one-time payment of up to $1,000 for families with household incomes under $175,000 annually and up to $500 to single people earning less than $87,500 annually. The benefit is anticipated to help up to 2.7 million individuals and families, including those in receipt of income and disability assistance. The spending for this program for fiscal 2020/21 and 2021/22 are forecasted to be $1.3 billion and $100 million respectively. As of February 28, 2021, nearly 1.7 million applications have been approved, benefiting over 2.3 million British Columbians.

B.C. Emergency Benefit for Workers ($645 million): Provided a one-time, tax-free $1,000 payment to British Columbians who lost income because of COVID-19. B.C. residents who lost their employment or self-employment income for reasons related to COVID-19 on or after March 1, 2020 and that were eligible for the Canada Emergency Response Benefit (CERB) were eligible for the B.C. Emergency Benefit for Workers. Over 643,000 British Columbians received this benefit.

Supports for Income and Disability Assistance Clients ($718 million): From April to December 2020, income and disability assistance clients, including low-income seniors receiving the Seniors Supplement, received a temporary crisis supplement of $300 per month. This new emergency funding was put in place to ensure that those in greatest need do not encounter additional barriers while some service organizations closed or reduced service hours during the pandemic, and to help cover the increased costs of food and shelter. In January - March 2021, the BC Recovery Supplement provided $150 monthly increase to existing income and disability assistance benefits. Other measures include increased funding for the transportation supplement and temporary earning exemptions related to federal support measures such as the Canada Emergency Response Benefit (CERB) to ensure that provincial supports are not reduced due to these supports. Over 200,000 people, including clients and their families, have benefited from these additional supports.

Temporary Rental Supplement ($129 million): A temporary rental supplement of $500 per month for eligible households with dependents and $300 per month for eligible households with no dependents, which was available for the months of April through to August 2020 on a per-household basis for low-to-middle income households where the income has been affected by COVID-19. Over 87,000 applications were approved for this supplement.

Canada Emergency Commercial Rent Assistance Program ($70 million provincial contribution): This was a federal-provincial cost share program that provided forgivable loans to qualifying commercial property owners to cover 50 per cent of monthly rent payments that are payable by eligible small business tenants who experienced financial hardship between April and September. The loans were forgiven if the mortgaged property owner agreed to reduce the small business tenants' rent by at least 75 per cent under a rent forgiveness agreement, which included a term not to evict the tenant while the agreement is in place. The small business tenant covered the remainder, up to 25 per cent of the rent. The federal government has subsequently introduced a new Canada Emergency Rent Subsidy program.

Emergency financial relief for businesses/sectors ($60 million): Targeted funding to support businesses, non-profit organizations and sectors which includes:

- Emergency funding to support the continued care of animals in major facilities, tourism attractions, and refuge and re-habitation centres that have reduced their operations due to COVID-19;
- Support for park operators to prepare BC Parks for re-opening and to implement a day use reservation system for 12 high-use parks;
- Financial relief to Community Destination Marketing Organizations to offset Municipal Regional District Tax (MRDT) revenue loss and to support local recovery efforts;

- Support for the domestic film and television industry to assist with restart and recovery and maintain B.C.'s competitive motion picture sector;
- Financial relief to Local Sport Organizations (LSOs) to support their administration and operational needs to help restart in sports; and
- Financial relief for the Royal BC Museum and the BC Pavilion Corporation to maintain operations during prolonged closures and health restrictions on major events.

Increased Employment Incentive ($190 million): the Increased Employment Incentive is a new refundable tax credit to employers who increase their total payroll for B.C. employees from the third to the fourth quarter of 2020. The incentive is intended to help B.C. businesses that were affected by the COVID-19 pandemic to recover and help create good jobs for people. Employers can increase their payroll by hiring new employees, increasing the hours of existing employees, or giving existing employees a raise. Applications for this program is anticipated to begin in March 2021. The spending for this program for fiscal 2020/21 and 2021/22 are forecasted to be $40 million and $150 million respectively.

Economic Recovery Spending Measures ($1.4 billion): Government has implemented a number of measures as part of the *StrongerBC Economic Recovery Plan* to support job creation and training opportunities and to provide recovery supports for businesses and community. Initiatives also aim to strengthen food security and supply chains and to improve economic resiliency in B.C. through investments in connectivity, clean energy, manufacturing and forestry. An updated list of economic recovery measures and forecasts as of February 28, 2021 is listed in the following table. Updated forecasts or newly introduced initiatives since the *StrongerBC Economic Recovery Plan* was introduced in September 2020 are shown in bold.

Economic Recovery Category and Measures	Allocation ($M)
Recovery for People - Jobs and Training	**361.663**
BC Parks and Conservation Officer Service Youth Employment	1.800
Community Job Creation Projects	25.000
Digital Superclusters – Youth Training & Job Placement	**7.000**
Early Retirement Bridging Program	**18.000**
Forest Employment Program	12.000
Jobs in Health Care	**229.900**
Indigenous Community Skills Training and Education	15.000
Micro-Credentialing	2.000
Employment Supports for People with Disabilities and with Barriers	20.000
Recreation Sites and Trails Youth Crew Program Expansion	0.428
Short-Term Skills Training for in-demand Jobs	20.000
Targeted Training for Health and Human Services	10.535
Recovery for People – Supports	**52.651**
Anti-Racism Restart and Recovery	**2.716**
K-12 Return to School Funding	45.600
Mental Health Support for the Workforce	2.000
Youth Suicide Prevention and Life Promotion	2.335
Recovery for Businesses	**277.200**
Amplify BC	**22.500**
Amateur Sports	**15.000**
Building Confidence App	2.000
Destination B.C. Tourism Recovery Strategy	5.000
Digital Marketing and Launch Online	**44.000**
Indigenous Tourism BC	**5.000**
Small Business Recovery Grant[1] **including Tourism Top-up**	**150.000**
Technology & Innovation - Digitization of the Industrial Lands Inventory	0.700
Tourism Dependent Communities	19.400
Tourism Regional Destination Marketing Initiatives	13.600
Recovery for Communities - Community Infrastructure	**366.533**
Active Transportation - Connections, Road Widening and Maintenance	16.675
Air Access Grants	15.750
COVID-19 Community Economic Recovery Infrastructure Program	100.000
Highways Climate Change Adaptation	20.700
Anacla/Bamfield Economic Recovery Initiative	25.700
Intercity Bus Grants	**10.750**
Investing in Canada Infrastructure Program	**41.188**
Regional/ Local Airports Medivac Grants	**16.500**

Economic Recovery Category and Measures	Allocation ($M)
Regional Port Enhancement Program	40.000
Remote and Rural Community Access Program	25.650
Species and Ecosystems Conservation and Restoration	10.215
Shoreline Clean-up, Derelict Vessel and Illegal Dumping Clean-Up	14.830
Tulsequah Chief Mine Remediation	1.575
Watershed Initiative and Wetlands Projects (Watersheds B.C.)	27.000
Recovery for Communities - Social Supports	**133.760**
Arts and Culture Resilience Plan	**35.000**
Child Care Spaces and Safety Grants	**98.760**
Building for a Better Future - Food Security and Farming	**29.540**
Agritech	**7.500**
Expanding B.C.'s Food Hub	5.600
Increasing B.C. Food Production and Processing	1.950
Invasive Species Detection and Removal	12.000
New Entrant Land Matching Program and Provincial Replant Program	0.890
On-Farm Innovation Top-Up Program	1.600
Building for a Better Future - Self-Resilience	**188.750**
Building Innovation Fund Recapitalization	8.000
Centre for Innovation and Clean Energy[2]	**0.000**
Commercial Vehicle Innovation Challenge	30.000
Convert Underperforming Forests	5.000
Go Electric Specialty Use Vehicle Incentive Program	31.000
Mass Timber Demonstration Projects	3.000
Property Assessed Clean Energy (PACE) Roadmap and Pilot Program	**0.500**
Recycled Plastics Manufacturing Stimulus	5.000
Technology & Innovation – Connectivity	90.000
Value Added Manufacturing and Supply Chains	**16.250**
Vote 52 Operating Total	**1,410.097**
CRF Capital Measures – Community Infrastructure	**7.400**
BC Parks Stimulus Proposal – Capital Construction Projects	5.000
Remote and Rural Roads Access	2.400
Total Economic Recovery Spending	**1,417.497**

[1] The Small and Medium Sized Business Program has a total program allocation of $345 million, with the application period extended until August 31, 2021. The spending forecast for this program is $150 million in 2020/21 and $195 million in 2021/22.

[2] The $35 million allocated for the Centre for Innovation and Clean Energy has been included in the budget for 2021/22 due to changes in the implementation timelines.

Vote 53 Federal-Provincial Pandemic Contingencies

Municipalities ($270 million provincial and $270 million federal funding for a total of $540 million): Funding to local governments in response to revenue loss and additional service needs, such as increased funding to address homelessness and community safety, as a result of COVID-19.

Transit ($540 million provincial and $540 million federal funding for a total of $1.08 billion): Funding to BC Transit, TransLink and BC Ferries in response to revenue loss and additional service needs as a result of COVID-19.

Statutory Spending, Tax and Other Relief Measures

Reduced school tax for commercial properties for the 2020 calendar year ($714 million): Reduced the school property tax rate for commercial properties (property classes 4, 5, 6, 7, and 8) to achieve an average 25 per cent reduction in the total property tax bill for most businesses for the 2020 calendar year.

ICBC COVID-19 Customer Premium Rebate ($600 million): ICBC customers will receive one-time rebates averaging $190 this spring as part of the $600 million that was saved due to a major decrease in crashes and costs during the COVID-19 pandemic. Most customers who had an active policy from April 1 to September 30, 2020, will be eligible, with their rebate amount based on a portion of what they paid for coverage during that period.

B.C. Climate Action Tax Credit one-time enhancement ($500 million): Approximately 80 per cent of British Columbians benefited from a one-time enhancement to the B.C. Climate Action Tax Credit in July 2020 with up to $174.50 for adults and up to $51.25 per child. With this enhancement and the regular credit amount, an eligible family of four received a combined payment of up to $564 and eligible individuals received a combined payment up to $218. This boosts the regular Climate Action Tax Credit payment by up to $112.50 per family of four and by up to $43.50 per adult.

Temporary PST Rebate on Select Machinery and Equipment ($470 million): Effective September 17, 2020, eligible businesses will receive a 100 per cent PST rebate on select machinery and equipment. This program will run for one year, ending on September 30, 2021. This will support businesses to pivot operations to meet provincial health orders and adjust to a post-COVID economy.

Pandemic Pay for Frontline Workers ($384 million): A federal-provincial cost-shared program to provide a one-time temporary wage boost for health, social services and corrections employees delivering in-person, front-line care during the COVID-19 pandemic. Pandemic pay is anticipated to benefit over 250,000 front-line workers in health and social services by providing an hourly wage boost over the 16-week period starting on March 15, 2020, during the height of the Province's initial response to the pandemic.

Delays to the planned increase in the carbon tax rate and delays in the effective date of other new tax measures ($268 million): Postponing the scheduled April 1, 2020 increase to the carbon tax rate and delaying the July 1, 2020 implementation of the PST on sweetened, carbonated drinks and change to PST registration requirements to April 1, 2021.

Housing Priority Initiatives (HPI) Special Account hotel purchases ($196 million): To provide temporary housing for those formerly living in the encampments in Oppenheimer Park, Pandora Avenue, Topaz Park, and other Victoria and Vancouver encampments. As of February 28, 2021, the Province has purchased 4 hotels:

- Comfort Inn (Victoria) – approx. $19.6 million
- Paul's Motor Inn (Victoria) – approx. $14.5 million
- Howard Johnson Hotel (Vancouver) – approx. $56.9 million
- Buchan Hotel (Vancouver) – approx. $19.7 million

The Province also continues to pursue other properties to support resolving encampments in Victoria and Vancouver. Statutory spending under the HPI special account for the hotels (and related closing costs) will support temporary housing for those formerly living in the encampments in the short and medium term while a permanent long-term housing plan is under development.

Emergency Program Act (EPA) – COVID-19 related costs ($68 million): Under the EPA, the Province anticipates statutory spending above the voted allocation to manage emergency costs within scope of the act. This includes an estimated $44 million for COVID-19 related emergency management costs such as costs related to managing emergency operations centres to support provincial, regional and local coordination, and emergency measures to support returning travellers and temporary foreign workers with self-isolation requirements.

Wholesale pricing for liquor licenses ($31 million): Wholesale pricing that will allow liquor licensees, such as restaurants, bars and tourism operators, to purchase beer, wine and spirits at reduced cost from the end of July 2020 to March 31, 2021. This measure has now been extended permanently.

ICBC temporary fee relief measures ($17 million): Temporary relief measures to August 2020 which included:

- Waiving the $30 fee for cancelled insurance
- Waiving the $18 plating fee for reinstating a vehicle policy
- Suspension of insurance for fleet vehicle customers

Forest Enhancement Society ($11 million): Revised spending targets for the Forest Enhancement Society to ensure that its tree planting continues as planned to secure future economic and environmental benefits while meeting the new COVID-19 related guidelines for industrial camps.

Columbia Basin Trust Regional Grants ($5 million): To support the Province's response to the impacts of the COVID-19 pandemic , the Columbia Basin Trust increased its spending on regional grants by allocating its 2020/21 forecasted net income surplus of $5 million on new regional grants to support enhancements to internet connectivity, affordable housing, business supports, and outdoor spaces.

Commercial Recreation Tenures and Permits Financial Relief ($3 million): Financial relief for rent owing for *Land Act* commercial recreation tenures, adventure guides, and commercial recreation park use permits under the Park Act to support tourism operators experiencing financial hardship due to the COVID-19 pandemic.

Fee Relief for the Gaming Sector ($2 million): Waives the fee obligation for gaming services facilities providers and their senior officials to pay one anniversary fee in light of year-long facility closures.

Temporary Deferral Measures

Six-month moratorium on student loan collection ($73 million in deferrals): Starting March 30, 2020, all B.C. student loan repayments were automatically frozen until September 30, 2020.

BC Hydro bill deferrals for industrial customers and other relief measures ($104 million): Qualifying major industrial customers, like pulp and paper mills and mines, were able to defer 50 per cent of their bill payments for six months, to the end of August 2020. In addition, the industrial relief includes bill relief to certain large industrial customers in the form of reduced demand charges. BC Hydro also provided bill relief and credit to residential and commercial customers.

Stumpage Fee Deferrals ($2 million): To support companies with financial liquidity while navigating through the COVID-19 crisis, a stumpage fee deferral was available to holders of tree farm licenses, replaceable forest licenses and First Nations woodlands license. The deferral period was for 3 months (May 1, 2020 to July 31, 2020) and interest accrued on any outstanding balances that carried through the deferral period. The revenue deferred from this program was estimated at $2 million and has since been repaid.

Postponing municipal remittance date for school taxes to the end of the 2020 calendar year (over $1 billion in deferrals): Delayed the remittances from the summer to the end of the year to provide significant relief to local governments facing cash flow issues.

Extending tax filing and payment deadlines (over $5 billion in deferrals): Provided administrative relief to businesses by postponing the filing and payment date by six months for PST, municipal and regional district tax on short-term accommodation, tobacco tax, motor fuel tax, and carbon tax; and until April 1, 2021 for the employer health tax instalment payment deadlines.

For more details, visit: https://www2.gov.bc.ca/gov/content/safety/emergency-preparedness-response-recovery/covid-19-provincial-support

Table 4.3 2020/21 Capital Spending Update

	($ millions)			
2020/21 capital spending at *Budget 2020*	**10,535**			**10,535**
2020/21 capital spending at the *First Quarterly Report*		**10,387**		
2020/21 capital spending at the *Fall 2020 Economic & Fiscal Update*			**10,146**	
	Q1 Update	**Fall 2020 Update**	**Q3 Update**	**Total Changes**
Taxpayer-supported changes:				
Timing of school district spending	49	(40)	(31)	(22)
Timing of post-secondary institution spending	(26)	8	(28)	(46)
Timing of health authority spending	(52)	(117)	(160)	(329)
Timing of transportation sector spending	(210)	(29)	(176)	(415)
Timing of social housing spending	124	(26)	3	101
Other net adjustments to capital schedules	4	(30)	(112)	(138)
Total taxpayer-supported	**(111)**	**(234)**	**(504)**	**(849)**
Self-supported changes:				
Liquor Distribution Branch - project schedules	(32)	(7)	(1)	(40)
BC Hydro Site C project	-	5	476	481
ICBC	-	(3)	(6)	(9)
BC Lottery Corporation	-		(16)	(16)
Lower other spending	(5)	(2)	(6)	(13)
Total self-supported	**(37)**	**(7)**	**447**	**403**
Total changes	**(148)**	**(241)**	**(57)**	**(446)**
2020/21 capital spending at the *First Quarterly Report*	**10,387**			
2020/21 capital spending at the *Fall 2020 Economic & Fiscal Update*		**10,146**		
2020/21 capital spending at the *Third Quarterly Report*			**10,089**	**10,089**

Provincial Capital Spending

Capital spending is projected to total $10.1 billion in 2020/21 — $57 million lower than the forecast in the *Fall 2020 Economic & Fiscal Update* (see Table 4.3).

The forecast for taxpayer-supported capital spending is $504 million lower than in the *Fall 2020 Economic & Fiscal Update*, mainly due to changes in the timing of capital project spending in the health and transportation sectors, and timing of maintenance and acquisition of core government assets.

Self-supported capital spending is expected to be $447 million higher than the forecast in the *Fall 2020 Economic & Fiscal Update*, primarily due to higher capital spending by BC Hydro, which is partially offset by lower capital spending in the other commercial Crown corporations.

Table 4.4 2020/21 Provincial Debt Update

	($ millions)			
2020/21 provincial debt forecast at *Budget 2020*	**76,392**			**76,392**
2020/21 provincial debt forecast at the *First Quarterly Report*		**87,870**		
2020/21 provincial debt forecast at the *Fall 2020 Economic & Fiscal Update*			**88,626**	
	Q1 Update	**Fall 2020 Update**	**Q3 Update**	**Total Changes**
Taxpayer-supported changes:				
Higher debt level from 2019/20	1,660	-	-	1,660
Change in operating results (before forecast allowance)	12,319	851	(4,499)	8,671
Increase in cash and temporary investments	1,342	220	643	2,205
Changes in other assets	(2,508)	(101)	1,919	(690)
Changes in accounts payable and deferred revenue	(2,183)	(38)	1,972	(249)
Higher capital contributions from external parties	81	46	(115)	12
Lower capital spending	(111)	(234)	(504)	(849)
Total taxpayer-supported	**10,600**	**744**	**(584)**	**10,760**
Self-supported changes:				
Higher debt level from 2019/20	163	-	-	163
Higher capital spending	(37)	(7)	447	403
Changes in internal financing	52	19	(3)	68
Total self-supported	**178**	**12**	**444**	**634**
Forecast allowance increase (decrease)	**700**	**-**	**(1,000)**	**(300)**
Total changes	**11,478**	**756**	**(1,140)**	**11,094**
2020/21 provincial debt forecast at the *First Quarterly Report*	**87,870**			
2020/21 provincial debt forecast at the *Fall 2020 Economic & Fiscal Update*		**88,626**		
2020/21 provincial debt forecast at the *Third Quarterly Report*			**87,486**	**87,486**

Provincial Debt

The provincial debt is projected to total $87.5 billion by the end of the fiscal year — $11.1 billion higher than the projection at *Budget 2020*, and $1.1 billion lower from the projection in the *Fall 2020 Economic & Fiscal Update*.

Taxpayer-supported debt is projected to be $60.0 billion — $10.8 billion higher than the projection at *Budget 2020*. The forecast is $584 million lower than at the *Fall 2020 Economic & Fiscal Update* mainly due to improved operating results, partially offset by changes in working capital balances.

Self-supported debt is projected to be $27.5 billion — $634 million higher than the projection at *Budget 2020*, and $444 million higher than at the *Fall 2020 Economic & Fiscal Update* mainly due to higher capital spending.

The $1 billion forecast allowance from the *Fall 2020 Economic & Fiscal Update* has been removed to mirror the operating statement forecast allowance.

Details on changes in provincial debt by quarter are shown in Table 4.4.

Risks to the Fiscal Forecast

Although the publication date for *Budget 2021* is after the fiscal year end of March 31, the fiscal forecast for 2020/21 is based on information obtained from ministries, agencies, and other sources in February, and does not constitute final results. However, the range of potential change to the current forecast is expected to be low, and does not necessitate maintaining an amount for forecast allowance.

The forecasts of revenues, expenditures, capital spending and debt are estimates based on multiple economic, financial and external factors. In addition, capital spending and debt figures may be influenced by several factors including design development, procurement activity, weather, geotechnical conditions and interest rates. As a result, the actual operating surplus, capital expenditure and debt figures may differ from the current forecast.

Revenues can be volatile due in part to the influence of the cyclical nature of the natural resource sector in the economy. Changes in energy or commodity prices, such as natural gas and lumber, may have a significant effect on revenue and the fiscal forecast.

The spending forecast in the fiscal plan is based on ministry and service delivery agency plans and strategies. The main risks are changes to planning assumptions, such as utilization or demand rates for government services in the health care, education, or community social services sectors, and costs associated with natural disaster responses.

Supplementary Schedules

The following tables provide the financial results for the nine months ended December 31, 2020, and the 2020/21 full-year forecast.

Table 4.5 2020/21 Operating Statement

	Year-to-Date to December 31				Full Year			
	2020/21			Actual	2020/21			Actual
($ millions)	Budget	Actual	Variance	2019/20	Budget	Forecast	Variance	2019/20
Revenue	44,532	44,564	32	43,403	60,585	60,967	382	58,660
Expense	(42,745)	(47,161)	(4,416)	(42,215)	(60,058)	(69,111)	(9,053)	(58,981)
Surplus (deficit) before forecast allowance	**1,787**	**(2,597)**	**(4,384)**	**1,188**	**527**	**(8,144)**	**(8,671)**	**(321)**
Forecast allowance	-	-	-	-	(300)	-	300	-
Surplus (deficit)	**1,787**	**(2,597)**	**(4,384)**	**1,188**	**227**	**(8,144)**	**(8,371)**	**(321)**
Accumulated surplus beginning of the year	8,754	8,106	(648)	8,427	8,754	8,106	(648)	8,427
Accumulated surplus (deficit) before comprehensive income	10,541	5,509	(5,032)	9,615	8,981	(38)	(9,019)	8,106
Accumulated other comprehensive income from self-supported Crown agencies	725	965	241	110	65	1,361	1,296	(224)
Accumulated surplus (deficit) end of period	**11,266**	**6,474**	**(4,792)**	**9,725**	**9,046**	**1,323**	**(7,723)**	**7,882**

Table 4.6 2020/21 Revenue by Source

	Year-to-Date to December 31				Full Year			
	2020/21			Actual	2020/21			Actual
($ millions)	Budget	Actual	Variance	2019/20	Budget	Forecast	Variance	2019/20
Taxation								
Personal income	8,731	8,142	(589)	8,091	11,771	11,118	(653)	10,657
Corporate income	3,119	3,408	289	3,043	4,739	4,807	68	5,011
Employer health	1,452	1,369	(83)	1,394	1,924	1,840	(84)	1,897
Sales [1]	6,240	5,743	(497)	5,866	7,905	7,446	(459)	7,374
Fuel	802	693	(109)	783	1,024	933	(91)	1,008
Carbon	1,396	1,156	(240)	1,201	1,954	1,640	(314)	1,682
Tobacco	607	577	(30)	590	755	720	(35)	729
Property	2,249	1,709	(540)	2,033	3,026	2,324	(702)	2,608
Property transfer	1,245	1,493	248	1,235	1,586	2,000	414	1,609
Insurance premium	495	495	-	469	660	705	45	691
	26,336	**24,785**	**(1,551)**	**24,705**	**35,344**	**33,533**	**(1,811)**	**33,266**
Natural resources								
Natural gas royalties	152	93	(59)	80	207	191	(16)	118
Forests	608	705	97	707	867	1,121	254	988
Other natural resources [2]	804	655	(149)	922	1,075	903	(172)	1,162
	1,564	**1,453**	**(111)**	**1,709**	**2,149**	**2,215**	**66**	**2,268**
Other revenue								
Medical Services Plan premiums	-	-	-	1,065	-	(4)	(4)	1,063
Post-secondary education fees	1,747	1,604	(143)	1,661	2,578	2,485	(93)	2,451
Other fees and licenses [3]	1,545	1,373	(172)	1,532	2,089	1,961	(128)	2,058
Investment earnings	935	929	(6)	897	1,247	1,205	(42)	1,263
Miscellaneous [4]	2,763	2,354	(409)	2,625	3,798	3,151	(647)	3,838
	6,990	**6,260**	**(730)**	**7,780**	**9,712**	**8,798**	**(914)**	**10,673**
Contributions from the federal government								
Health and social transfers	5,762	5,799	37	5,570	7,683	8,285	602	7,494
COVID-19 related funding	-	1,783	1,783	-	-	2,616	2,616	-
Other federal government contributions [5]	1,447	1,553	106	1,257	2,280	2,459	179	2,041
	7,209	**9,135**	1,926	**6,827**	**9,963**	**13,360**	**3,397**	**9,535**
Commercial Crown corporation net income								
BC Hydro	301	309	8	293	712	691	(21)	705
Liquor Distribution Branch	905	929	24	879	1,134	1,151	17	1,107
BC Lottery Corporation [6]	1,010	301	(709)	1,062	1,363	383	(980)	1,336
ICBC [7]	125	1,265	1,140	20	86	709	623	(376)
Other [8]	92	127	35	128	122	127	5	146
	2,433	**2,931**	**498**	**2,382**	**3,417**	**3,061**	**(356)**	**2,918**
Total revenue	**44,532**	**44,564**	**32**	**43,403**	**60,585**	**60,967**	**382**	**58,660**

[1] Includes provincial sales tax and social services tax/hotel room tax related to prior years.

[2] Columbia River Treaty, other energy and minerals, water rental and other resources.

[3] Healthcare-related, motor vehicle, and other fees.

[4] Includes reimbursements for health care and other services provided to external agencies, and other recoveries.

[5] Includes contributions for health, education, community development, housing and social service programs, and transportation projects.

[6] Net of payments to the federal government.

[7] Year-to-date results do not include the COVID-19 rebate (estimated $600 million), which is included in the full-year forecast.

[8] Includes Columbia Power Corporation, BC Railway Company, Columbia Basin power projects, and post-secondary institutions' self-supported subsidiaries.

Table 4.7 2020/21 Expense by Ministry, Program and Agency

	Year-to-Date to December 31				Full Year			
	2020/21			Actual	2020/21			Actual
($ millions)	Budget [1]	Actual [1]	Variance	2019/20 [1]	Budget [1]	Forecast	Variance	2019/20 [1]
Office of the Premier	9	8	(1)	10	11	11	-	12
Advanced Education and Skills Training	1,784	1,770	(14)	1,806	2,366	2,366	-	2,331
Agriculture, Food and Fisheries	70	93	23	76	95	95	-	112
Attorney General	906	860	(46)	872	1,154	1,154	-	1,192
Children and Family Development	1,646	1,498	(148)	1,540	2,229	2,229	-	2,148
Citizens' Services	405	522	117	433	552	552	-	598
Education	5,017	5,074	57	4,889	6,695	6,694	(1)	6,627
Energy, Mines and Low Carbon Innovation	92	67	(25)	102	114	114	-	251
Environment and Climate Change Strategy	163	214	51	198	245	261	16	244
Finance	624	953	329	565	839	1,768	929	1,368
Forests, Lands, Natural Resource Operations and Rural Development	568	678	110	669	844	929	85	958
Health	16,438	16,179	(259)	15,436	22,190	22,190	-	20,825
Indigenous Relations and Reconciliation	64	92	28	151	97	97	-	353
Jobs, Economic Recovery and Innovation	63	49	(14)	61	78	78	-	82
Labour	13	13	-	12	17	17	-	16
Mental Health and Addictions	7	5	(2)	5	10	10	-	23
Municipal Affairs	128	150	22	285	147	147	-	717
Public Safety and Solicitor General	650	702	52	672	871	992	121	989
Social Development and Poverty Reduction	2,751	2,752	1	2,656	3,682	3,682	-	3,568
Tourism, Arts, Culture and Sport	132	131	(1)	119	159	159	-	182
Transportation and Infrastructure	693	695	2	681	929	929	-	920
Total ministries and Office of the Premier	**32,223**	**32,505**	**282**	**31,238**	**43,324**	**44,474**	**1,150**	**43,516**
Management of public funds and debt	900	944	44	932	1,197	1,248	51	1,234
Contingencies	-	-	-	-	1,066	736	(330)	-
Pandemic and Recovery Contingencies - Vote 52 [2,4]	-	3,845	3,845	-	-	6,700	6,700	-
Pandemic and Recovery Contingencies - Vote 53 [3,4]	-	405	405	-	-	810	810	-
Funding for capital expenditures	1,560	1,188	(372)	987	2,789	2,192	(597)	1,653
Refundable tax credit transfers	1,217	1,678	461	1,218	1,686	2,367	681	1,413
Legislative Assembly and other appropriations	121	148	27	106	166	234	68	150
Total appropriations	**36,021**	**40,713**	**4,692**	**34,481**	**50,228**	**58,761**	**8,533**	**47,966**
Elimination of transactions between appropriations [5]	(5)	(11)	(6)	(15)	(20)	(15)	5	(20)
Prior year liability adjustments	-	-	-	-	-	(80)	(80)	(126)
Consolidated revenue fund expense	**36,016**	**40,702**	**4,686**	**34,466**	**50,208**	**58,666**	**8,458**	**47,820**
Expenses recovered from external entities	2,274	2,691	417	2,532	3,335	4,335	1,000	3,850
Elimination of funding provided to service delivery agencies	(23,043)	(24,092)	(1,049)	(20,993)	(30,813)	(33,891)	(3,078)	(28,928)
Total direct program spending	**15,247**	**19,301**	**4,054**	**16,005**	**22,730**	**29,110**	**6,380**	**22,742**
Service delivery agency expense								
School districts	5,063	4,980	(83)	4,991	7,080	7,535	455	6,995
Universities	3,878	3,761	(117)	3,754	5,457	5,368	(89)	5,252
Colleges and institutes	1,071	1,024	(47)	1,040	1,464	1,456	(8)	1,465
Health authorities and hospital societies	13,314	13,755	441	12,528	17,425	19,371	1,946	17,038
Other service delivery agencies	4,172	4,340	168	3,897	5,902	6,271	369	5,489
Total service delivery agency expense	**27,498**	**27,860**	**362**	**26,210**	**37,328**	**40,001**	**2,673**	**36,239**
Total expense	**42,745**	**47,161**	**4,416**	**42,215**	**60,058**	**69,111**	**9,053**	**58,981**

[1] Restated to reflect government's current organization and accounting policies as of December 31, 2020.

[2] On March 23, 2020, the Legislative Assembly passed *Supplementary Estimates* of $5 billion to establish a new Vote 52 - Contingencies (All Ministries): Pandemic Response and Economic Recovery. An additional $2 billion in appropriation was authorized on December 17, 2020 to fund further COVID-19 measures.

[3] On August 14, 2020, the Legislative Assembly passed *Supplementary Estimates No. 2* of $1 billion to establish a new Vote 53 - Contingencies (All Ministries): Federal and Provincial Pandemic Support. The forecast reflects the provincial portion of the federal-provincial cost-shared investments under the Safe Restart Agreement.

[4] As of December 31, 2020, COVID-19 spending funded by Vote 52 is as follows (by ministry): $1,490 million Finance - B.C. Emergency Benefits for Workers; $992 million Health; $642 million Social Development and Poverty Reduction; $296 million Children and Family Development; $191 million Attorney General (Housing); $234 million other ministries. Additional COVID-19 spending include: $405 million from Vote 53 and $176 million from the base budgets of various ministries; bringing the total Q3 actual COVID-19 spending to $4.426 billion.

[5] Reflects payments made under an agreement where an expense from a voted appropriation is recorded as revenue by a special account.

Table 4.8 2020/21 Expense by Function

	Year-to-Date to December 31				Full Year			
	2020/21			Actual	2020/21			Actual
($ millions)	Budget	Actual	Variance	2019/20	Budget	Forecast	Variance	2019/20
Health:								
Medical Services Plan	3,687	3,746	59	3,712	5,275	5,275	-	5,013
Pharmacare	1,247	1,090	(157)	1,177	1,561	1,561	-	1,517
Regional services	12,720	12,222	(498)	12,029	16,541	16,586	45	16,047
Other healthcare expenses [1]	435	543	108	428	908	917	9	872
	18,089	17,601	(488)	17,346	24,285	24,339	54	23,449
Education:								
Elementary and secondary	5,454	5,017	(437)	5,370	7,618	8,024	406	7,582
Post-secondary	5,108	4,807	(301)	4,943	7,125	6,982	(143)	6,842
Other education expenses [2]	339	446	107	163	435	432	(3)	310
	10,901	10,270	(631)	10,476	15,178	15,438	260	14,734
Social services:								
Social assistance [1,2]	1,762	1,785	23	1,740	2,363	2,441	78	2,342
Child welfare [1]	1,626	1,442	(184)	1,469	2,239	2,232	(7)	1,940
Low income tax credit transfers	261	232	(29)	231	352	884	532	435
Community living and other services	938	944	6	893	1,247	1,225	(22)	1,170
	4,587	4,403	(184)	4,333	6,201	6,782	581	5,887
Protection of persons and property	1,345	1,387	42	1,400	1,817	1,954	137	2,126
Transportation	1,515	1,571	56	1,446	2,228	2,172	(56)	2,126
Natural resources and economic development	2,071	2,195	124	2,594	3,097	3,262	165	3,778
Other	1,109	1,166	57	1,494	2,033	2,719	686	2,501
Contingencies	-	-	-	-	1,066	736	(330)	-
Pandemic and Recovery Contingencies - Vote 52 [3,4]	-	3,845	3,845	-	-	6,700	6,700	-
Pandemic and Recovery Contingencies - Vote 53 [5]	-	405	405	-	-	810	810	-
General government	1,134	2,288	1,154	1,111	1,430	1,499	69	1,653
Debt servicing	1,994	2,030	36	2,015	2,723	2,700	(23)	2,727
Total expense	**42,745**	**47,161**	**4,416**	**42,215**	**60,058**	**69,111**	**9,053**	**58,981**

[1] Payments for healthcare services by the Ministry of Social Development and Poverty Reduction the Ministry of Mental Health and Addictions and the Ministry of Children and Family Development made on behalf of their clients are reported in the Health function.

[2] Payments for training costs by the Ministry of Social Development and Poverty Reduction made on behalf of its clients are reported in the Education function.

[3] On March 23, 2020, the Legislative Assembly passed Supplementary Estimates of $5 billion to establish a new Vote 52 - Contingencies (All Ministries): Pandemic Response and Economic Recovery. An additional $2 billion in appropriation was authorized on December 17, 2020 to fund further COVID-19 measures.

[4] As of December 31, 2020, COVID-19 spending funded by Vote 52 is as follows (by function): $1.12 billion in social assistance, $360 million in child welfare $158 million in K-12 education, $9 million in Post-Sec education, $1.059 billion in healthcare, $74 million in economic development, $290 million in general government, $412 million in transportation, $42 million in protection services and $721 million in other services.

[5] On August 14, 2020, the Legislative Assembly passed *Supplementary Estimates No. 2* of $1 billion to establish a new Vote 53 - Contingencies (All Ministries): Federal and Provincial Pandemic Support. The forecast reflects the provincial portion of the federal-provincial cost-shared investments under the Safe Restart Agreement.

Table 4.9 2020/21 Capital Spending

($ millions)	Year-to-Date to December 31				Full Year			
	2020/21			Actual	2020/21			Actual
	Budget	Actual	Variance	2019/20	Budget	Forecast	Variance	2019/20
Taxpayer-supported								
Education								
School districts	721	711	(10)	636	994	972	(22)	877
Post-secondary institutions	605	567	(38)	580	977	931	(46)	936
Health	971	597	(374)	526	1,862	1,533	(329)	1,009
BC Transportation Financing Authority	1,257	1,034	(223)	642	1,870	1,525	(345)	955
BC Transit	103	92	(11)	41	184	114	(70)	73
Government ministries	268	194	(74)	245	569	435	(134)	520
Social housing [1]	422	355	(67)	259	578	679	101	355
Other	57	52	(5)	29	92	88	(4)	47
Total taxpayer-supported	**4,404**	**3,602**	**(802)**	**2,958**	**7,126**	**6,277**	**(849)**	**4,772**
Self-supported								
BC Hydro	2,376	2,383	7	2,258	3,092	3,573	481	3,082
Columbia Basin power projects [2]	10	3	(7)	994	14	8	(6)	994
BC Railway Company	7	1	(6)	5	10	3	(7)	6
ICBC	68	72	4	40	116	107	(9)	62
BC Lottery Corporation	79	31	(48)	59	105	89	(16)	102
Liquor Distribution Branch	53	14	(39)	24	72	32	(40)	36
Other [3]	-	-	-	-	-	-	-	104
Total self-supported	**2,593**	**2,504**	**(89)**	**3,380**	**3,409**	**3,812**	**403**	**4,386**
Total capital spending	**6,997**	**6,106**	**(891)**	**6,338**	**10,535**	**10,089**	**(446)**	**9,158**

[1] Includes BC Housing Management Commission and Provincial Rental Housing Corporation.

[2] Joint ventures of the Columbia Power Corporation and Columbia Basin Trust.

[3] Includes post-secondary institutions' self-supported subsidiaries.

Table 4.10 2020/21 Provincial Debt [1]

	Year-to-Date to December 31				Full Year			
	2020/21			Actual	2020/21			Actual
($ millions)	Budget	Actual	Variance	2019/20	Budget	Forecast	Variance	2019/20
Taxpayer-supported debt								
Provincial government operating	**-**	**7,008**	**7,008**	**-**	**-**	**8,799**	**8,799**	**-**
Other taxpayer-supported debt (mainly capital)								
Education [2]								
Post-secondary institutions	5,659	6,272	613	5,802	5,698	6,047	349	5,670
School districts	9,341	10,558	1,217	9,173	9,437	10,628	1,191	9,775
Total education	**15,000**	**16,830**	**1,830**	**14,975**	**15,135**	**16,675**	**1,540**	**15,445**
Health [2]	**8,594**	**9,318**	**724**	**8,255**	**8,750**	**9,355**	**605**	**8,507**
Highways and public transit								
BC Transit	102	62	(40)	66	108	61	(47)	65
BC Transportation Financing Authority	13,733	13,205	(528)	12,070	14,195	13,441	(754)	12,193
Port Mann Bridge	3,510	3,510	-	3,504	3,510	3,510	-	3,510
Public transit	542	870	328	542	542	870	328	870
SkyTrain extension	714	1,020	306	714	714	1,021	307	1,021
Total highways and public transit	**18,601**	**18,667**	**66**	**16,896**	**19,069**	**18,903**	**(166)**	**17,659**
Other								
InBC Investment Corp	34	43	9	46	30	37	7	45
BC Pavilion Corporation	384	375	(9)	378	385	385	-	378
Provincial government general capital	3,082	3,615	533	2,910	3,584	3,702	118	3,133
Social housing [3]	1,158	1,761	603	1,103	2,193	2,063	(130)	1,027
Other [4]	49	37	(12)	32	56	43	(13)	35
Total other	**4,707**	5,831	**1,124**	**4,469**	**6,248**	**6,230**	**(18)**	**4,618**
Total other taxpayer-supported	**46,902**	**50,646**	**3,744**	**44,595**	**49,202**	**51,163**	**1,961**	**46,229**
Total taxpayer-supported debt	**46,902**	**57,654**	**10,752**	**44,595**	**49,202**	**59,962**	**10,760**	**46,229**
Self-supported debt								
Commercial Crown corporations								
BC Hydro	24,082	24,902	820	23,293	24,357	24,818	461	23,238
BC Liquor Distribution Branch	279	215	(64)	293	273	218	(55)	210
BC Lottery Corporation [5]	119	229	110	90	123	272	149	233
Columbia Power Corporation	277	271	(6)	277	271	270	(1)	276
Columbia Basin power projects [6]	1,387	1,349	(38)	1,387	1,368	1,349	(19)	1,387
Post-secondary institutions' subsidiaries	388	497	109	451	388	497	109	504
Other	102	96	(6)	89	110	100	(10)	84
Total self-supported debt	**26,634**	**27,559**	**925**	**25,880**	**26,890**	**27,524**	**634**	**25,932**
Forecast allowance	-	-	-	-	**300**	**-**	(300)	-
Total provincial debt	**73,536**	**85,213**	**11,677**	**70,475**	**76,392**	**87,486**	**11,094**	**72,161**

[1] Provincial debt is prepared in accordance with Generally Accepted Accounting Principles and presented consistent with the Debt Summary Report included in the *Public Accounts*. Debt is shown net of sinking funds and unamortized discounts, excludes accrued interest, and includes non-guaranteed debt directly incurred by commercial Crown corporations and debt guaranteed by the Province.

[2] Includes debt and guarantees incurred by the government on behalf of school districts, universities, colleges, health authorities and hospital societies (SUCH), and debt directly incurred by these entities.

[3] Includes the BC Housing Management Commission and the Provincial Rental Housing Corporation.

[4] Includes debt of other service delivery agencies, loan guarantees to agricultural producers, guarantees issued under economic development and home mortgage assistance programs and loan guarantee provisions.

[5] BC Lottery Corporation budget amounts did not include amounts for lease liabilities related to right of use assets (IFRS 16 Leases). At March 31, 2020, BC Lottery Corporation recorded $53 million in lease liabilities.

[6] Joint ventures of the Columbia Power Corporation and Columbia Basin Trust.

Table 4.11 2020/21 Statement of Financial Position

($ millions)	Actual March 31, 2020	Year-to-Date December 31, 2020	Forecast March 31, 2021
Financial assets:			
Cash and temporary investments	3,985	6,964	4,822
Other financial assets	12,278	15,537	13,492
Sinking funds	692	490	494
Investments in commercial Crown corporations:			
Retained earnings	6,515	9,349	9,519
Recoverable capital loans	24,768	26,553	26,254
Total investments in commercial Crown corporations	31,283	35,902	35,773
Total financial assets	**48,238**	**58,893**	**54,581**
Liabilities:			
Accounts payable and accrued liabilities	11,497	10,522	12,227
Deferred revenue	10,576	12,843	11,186
Debt:			
Taxpayer-supported debt	46,229	57,654	59,962
Self-supported debt	25,932	27,559	27,524
Forecast allowance	-	-	-
Total provincial debt	72,161	85,213	87,486
Add: debt offset by sinking funds	692	490	494
Less: guarantees and non-guaranteed debt	(1,337)	(1,307)	(1,275)
Financial statement debt	71,516	84,396	86,705
Total liabilities	**93,589**	**107,761**	**110,118**
Net liabilities	**(45,351)**	**(48,868)**	**(55,537)**
Capital and other non-financial assets:			
Tangible capital assets	50,025	51,784	53,720
Other non-financial assets	3,208	3,558	3,140
Total capital and other non-financial assets	**53,233**	**55,342**	**56,860**
Accumulated surplus (deficit)	**7,882**	**6,474**	**1,323**

Table 4.12 2020/21 Changes in Financial Position

($ millions)	Year-to-Date December 31, 2020	Forecast March 31, 2021
Deficit for the period	**2,192**	**8,144**
Comprehensive income (increase) decrease	(784)	(1,585)
Decrease in accumulated surplus	1,408	6,559
Capital and other non-financial asset changes:		
Taxpayer-supported capital investments	3,602	6,277
Less: amortization and other accounting changes	(1,843)	(2,582)
Increase in net capital assets	1,759	3,695
Increase (decrease) in other non-financial assets	350	(68)
Increase in capital and other non-financial assets	2,109	3,627
Increase in net liabilities	**3,517**	**10,186**
Investment and working capital changes:		
Investment in commercial Crown corporations:		
Increase in retained earnings	2,834	3,004
Self-supported capital investments	2,504	3,812
Less: loan repayments and other accounting changes	(719)	(2,326)
Increase in investment in commercial Crown corporations	4,619	4,490
Increase in cash and temporary investments	2,979	837
Increase (decrease) in other working capital	1,765	(324)
Increase (decrease) in Investment and working capital	**9,363**	**5,003**
Increase in financial statement debt	**12,880**	**15,189**
Decrease in sinking fund debt	**202**	**198**
Decrease in guarantees and non-guaranteed debt	**(30)**	**(62)**
Increase in total provincial debt	**13,052**	**15,325**

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A1: Tax Expenditures

Introduction

Tax expenditures reduce the amount of tax a taxpayer pays and are used to deliver government programs or benefits through the tax system. Tax expenditures are usually made by offering special tax rates, exemptions or credits. Governments introduce tax expenditures primarily to achieve social policy objectives such as transfers to lower-income families or to promote economic development and job creation.

Reporting tax expenditures improves government accountability by providing a more complete picture of government activities. The tax expenditure appendix does not include tax expenditures introduced or expanded in *Budget 2021*; these are described in *Part 2: Tax Measures*. Beginning with *Budget 2012*, refundable tax transfers are accounted for in a voted appropriation. For transparency and consistency with previous tax expenditure reports, Tables A1.1.1 and A1.1.2 also report on these tax transfers.

The Role of Tax Expenditure Programs

Using the tax system to deliver programs can reduce administration costs and compliance costs for recipients. In certain situations, the tax system allows intended beneficiaries to be readily identified from information that is already collected. In these cases, setting up a separate expenditure program would result in costly overlap and duplication of effort. An example is the climate action tax credit, which is delivered through the income tax system by the Canada Revenue Agency. If this were a direct provincial expenditure program, a provincial agency or office would have to be established to duplicate much of the work already done by the Canada Revenue Agency. In addition, it would require individuals to undertake a separate, time-consuming application process to qualify for the benefit.

There are several potential drawbacks to tax expenditure programs. First, their overall cost often receives less public scrutiny than is the case for spending programs because annual budget appropriations by the legislature are not typically required. Second, tax expenditure programs do not always effectively target those who are intended to benefit from them. Some tax expenditure programs that are intended to provide tax relief for lower-income earners may, in reality, provide the greatest benefit to higher-income earners who pay the most taxes. Finally, costs are often more difficult to control under a tax expenditure program because the benefits tend to be more open-ended and enforcement is often more difficult than for spending programs.

Tax Expenditure Reporting

Not all tax reductions, credits, exemptions and refunds are classed as tax expenditures.

The emphasis is on tax reductions, credits, exemptions and refunds that are close equivalents to spending programs. By implication, the list does not include tax measures designed to meet broad tax policy objectives such as improving fairness in the tax system or measures designed to simplify the administration of a tax. The list also does not include anything that is not intended to be part of a tax base.

Tax expenditures that cost less than $2 million annually are generally not included. Where practical, smaller items have been presented together as an aggregate figure.

British Columbia Tax Expenditures

Tables A1.1.1 to A1.5 report tax expenditure estimates.

The cost of individual tax expenditures cannot be added together to reach a total tax expenditure figure for two reasons: in some cases, the programs interact with one another so that eliminating one program could increase or decrease the cost of another; and eliminating certain tax expenditure programs could change the choices taxpayers make, which in turn would affect the cost estimates.

The estimates for each tax expenditure are based on a static analysis of the costs and do not consider any behavioural changes, which could change the costs over time. In addition, estimates are generally recalculated each year using current data sources and using refinements to the methods of estimation, which can result in significant changes to the value of a given tax expenditure from prior years' reports.

Tables A1.1.1 and A1.1.2 list tax programs delivered through refundable personal and corporate income tax credits, respectively. Refundable tax credits can be used to reduce income tax liabilities with any remainder refunded to the taxpayer. These tax credits are reported in a voted appropriation.

Tables A1.2.1 and A1.2.2 list tax expenditures that are deductions, exemptions or non-refundable tax credits for personal and corporate income tax, respectively. Deductions reduce taxable income, whereas non-refundable tax credits can only be used to reduce income taxes payable. The tables include both provincial measures and federal measures. Federal measures are deductions and exemptions that reduce British Columbia income tax. Under the tax collection agreement between British Columbia and the federal government, the federal government has sole responsibility for determining income subject to tax, including British Columbia tax.

Table A1.3 lists property tax exemptions and grants. Property tax exemptions can reduce the tax owing or remove a property from tax. Grants reduce the final tax owing and may be refunded after full payment has been received. Exemptions are used to define the tax base; estimates for property tax expenditures for government entities, municipalities, colleges, schools, hospitals and similar public facilities are not shown.

Table A1.4 lists consumption tax exemptions. Fuel tax estimates include point-of-sale exemptions for certain individuals and businesses, and refunds if fuel is purchased then subsequently used for an exempt purpose. Provincial sales tax exemptions are typically point-of-sale exemptions and either apply to everyone at the point of sale or apply in certain circumstances with appropriate documentation.

Table A1.5 reports a refundable employer health tax credit provided as part of B.C.'s Economic Recovery Plan.

More information on British Columbia tax expenditures in Tables A1.1.1 to A1.5 can be found at https://www2.gov.bc.ca/gov/content/taxes. Information on federal tax expenditures in Tables A1.2.1 and A1.2.2 can be found at https://www.canada.ca/en/services/taxes/income-tax.html.

Table A1.1.1 Personal Income Tax – Tax Expenditures (Refundable Tax Credits)

	2019/20 Actual Cost ($ millions)	2020/21 Estimated Cost[1] ($ millions)	2021/22 Planned Cost ($ millions)
BC Child Opportunity Benefit	-	141	410
• Tax-free monthly payment made to eligible families to help with the cost of raising children under age 18.			
• The maximum benefit is $1,600 for a family's first child, $1,000 for a second child and $800 for each subsequent child.			
• Started October 1, 2020.			
BC Recovery Benefit	-	1,307	100
• Provides a one-time tax-free payment to British Columbians of $500 per individual or $1,000 per family.			
• The benefit is reduced between $62,500 and $87,500 of net income for individuals and $125,000 and $175,000 of family net income for families.			
• Application period commenced December 18, 2020.			
Climate action tax credit	252	802	312
• Helps offset the impact of the carbon taxes paid by low- to moderate-income individuals and families.			
• The benefit varies based on the composition of the family and their family net income.			
• Includes a one-time enhanced payment in July 2020 made as part of B.C.'s COVID-19 Action Plan.			
• Introduced in 2008 with the carbon tax.			
Early childhood tax benefit	132	133	-
• Tax-free monthly payment made to eligible families to help with the cost of raising children under age 6.			
• The maximum benefit was $660 per year per child under the age of 6 and was reduced between family net income of $100,000 and $150,000.			
• The early childhood tax benefit was replaced with the BC Child Opportunity Benefit effective October 1, 2020.			
Emergency Benefit for Workers	-	645	-
• Provided a one-time tax-free payment of $1,000 to British Columbians who lost income or employment between March 1, 2020 and September 26, 2020 due to the COVID-19 pandemic.			
• Introduced as part of BC's COVID-19 Action Plan and ended on December 2, 2020.			
Home renovation tax credit for seniors and persons with disabilities	2	4	3
• Assists eligible individuals 65 and over and persons with disabilities with the cost of certain permanent home renovations to improve accessibility or be more functional or mobile at home.			
• Recipients may receive up to 10 per cent of qualifying renovation expenses, up to a maximum of $10,000 of qualifying renovation expenses or $1,000.			
• Introduced in 2012.			
Sales tax credit	51	65	58
• Helps offset the cost of provincial sales tax for low-income individuals and families.			
• The maximum benefit is $75 for individuals and $150 for couples.			
• Reintroduced in 2013 in conjunction with reimplementation of the provincial sales tax.			
Small business venture capital tax credit	26	29	30
• Encourages investors to make early-stage equity investments that help B.C. small businesses develop and grow.			
• Individuals receive a credit of up to 30 per cent of their investment and may claim a benefit of up to $120,000 per tax year.			
• Introduced in 1979.			
Training tax credits [2]	11	12	12
• Provides refundable income tax credits for apprentices based on the apprenticeship level completed.			
• Provides refundable income tax credits for employers who employ apprentices of up to 15 per cent of the apprentices' salaries.			
• Introduced in 2007. Sunset date of December 31, 2022.			

[1] Figures include prior year adjustments of -$3 million for the sales tax credit.

[2] Training tax credits for corporations are listed in Table A1.1.2. The training tax credit for individuals includes tax credits for apprentices and unincorporated employers.

Table A1.1.2 Corporate Income Tax – Tax Expenditures (Refundable Tax Credits)

	2019/20 Actual Cost	2020/21 Estimated Cost[1]	2021/22 Planned Cost
	($ millions)	($ millions)	($ millions)
Book publishing tax credit	2	2	3
• Supports book publishers that carry out business primarily in B.C.			
• Introduced in 2003.			
• *Budget 2021* extends this credit for five years to March 31, 2026.			
Film Incentive BC tax credit	69	171	118
• Supports the production of film or television productions in B.C. The Film Incentive BC tax credit is for domestic productions meeting Canadian content requirements.			
• Basic, regional location and film training tax credits were introduced in 1998.			
• Digital animation and visual effects (DAVE) tax credit was introduced in 2008, and expanded to post-production activities in 2015.			
• Distant location tax credit was introduced in 2009.			
• B.C.-based scriptwriters tax credit was introduced in 2018.			
• Tax credit does not have a sunset date.			
Production services tax credit	631	704	667
• Supports the production of film or video productions in B.C. The production services tax credit is available to both domestic and foreign producers.			
• Introduced in 1998.			
• Regional location tax credit and digital animation and visual effects (DAVE) tax credit introduced in 2008. Post-production activities became eligible for the DAVE credit in 2015.			
• Distant location tax credit was introduced in 2009.			
• Tax credit does not have a sunset date.			
Interactive digital media tax credit	86	91	71
• Supports the development of interactive digital media products in B.C.			
• In 2017, eligibility was expanded to small business venture capital corporations, and principal business requirements were relaxed for corporations with annual qualifying B.C. labour expenditures greater than $2 million.			
• Introduced in September 2010. Sunset date of August 31, 2023.			
International business activity program tax refunds	3	2	-
• Provided eligible corporations, certain foreign banks authorized to carry on business in Canada and specialists employed by these entities a refund of B.C. income tax paid on income related to the corporation's international business carried on in B.C.			
• Program eliminated effective September 12, 2017. The 2019/20 cost represents refunds paid in respect of eligible income earned before September 12, 2017.			
Mining exploration tax credit	36	29	20
• Supports eligible corporations conducting grassroots mineral exploration in B.C.			
• Introduced for expenditures incurred after July 31, 1998; expanded to active partners in partnerships effective after March 31, 2003 and enhanced tax credit for prescribed areas introduced effective after February 20, 2007.			
• Tax credit does not have a sunset date.			
Scientific research and experimental development tax credit[2]	71	121	101
• Supports research and development carried on in B.C.			
• Capital expenditures removed from qualifying expenditures effective after 2013 and taxable income removed from calculation of refundable tax credit expenditure limit for taxation years ending after March 18, 2019.			
• Introduced effective September 1, 1999. Sunset date of August 31, 2022.			

[1] Figures include prior year adjustments of -$1 million for the book publishing tax credit, $53 million for the Film Incentive BC tax credit, $18 million for the production services tax credit, $17 million for the interactive digital media tax credit, $25 million for the refundable portion of the scientific research and experimental development tax credit and -$9 million for the mining exploration tax credit.

[2] The scientific research and experimental development tax credit has a non-refundable component, which is reported in Table A1.2.2.



Table A1.1.2 Corporate Income Tax – Tax Expenditures (Refundable Tax Credits) (continued)

	2019/20 Actual Cost	2020/21 Estimated Cost	2021/22 Planned Cost
	($ millions)	($ millions)	($ millions)
Training tax credits [1]	10	12	10
• Provides refundable income tax credits for employers who employ apprentices of up to 15 per cent of the apprentices' salaries.			
• Enhanced tax credit for shipbuilders and ship repair industry for expenditures made on or after October 1, 2012.			
• Introduced effective January 1, 2007. Sunset date of December 31, 2022.			

[1] Training tax credits for individuals are reported in Table A1.1.1.

Table A1.2.1 Personal Income Tax – Tax Expenditures (Deductions and Non-Refundable Tax Credits)

	2019/20 Actual Cost	2020/21 Estimated Cost	2021/22 Planned Cost
	($ millions)	($ millions)	($ millions)
Provincial Measures			
Age tax credit	101	105	109
• Provides an income-tested tax credit to elderly British Columbians.			
• Introduced in 2000.			
BC caregiver tax credit	6	6	6
• Provides a tax credit to individuals who care for family members with a disability.			
• Introduced in 2018 in response to changes to the federal caregiver tax credit.			
Canada Pension Plan tax credit	198	210	211
• Provides a tax credit to individuals who make Canada Pension Plan contributions.			
• Introduced in 2000.			
Charitable donations tax credit	277	281	284
• Provides a tax credit to individuals who make charitable donations to registered charities and eligible donees.			
• Introduced in 2000.			
Disability tax credit	37	39	40
• Provides a tax credit to persons with a disability.			
• Introduced in 2000.			
Employment Insurance tax credit	59	63	63
• Provides a tax credit to individuals who pay Employment Insurance premiums.			
• Introduced in 2000.			
Medical expense tax credit	77	79	79
• Provides a tax credit to individuals who make sufficient qualifying medical expenditures.			
• Introduced in 2000.			
Mining flow-through share tax credit	20	20	20
• Provides a tax credit to individuals who invest in flow-through shares on renounced mining expenditures.			
• Introduced in 2001. Sunset date removed in 2019.			
Pension tax credit	30	30	31
• Provides a tax credit to individuals who receive amounts from private pension plans.			
• Introduced in 2000.			
Political contribution tax credit	3	3	3
• Provides a tax credit to individuals who donate to provincial political parties, constitutency associations or candidates.			
• Introduced in 2000. Prior to 2000, B.C. had a similar deduction, rather than a credit.			



Table A1.2.1 Personal Income Tax – Tax Expenditures (Deductions and Non-Refundable Tax Credits) (continued)

	2019/20 Actual Cost	2020/21 Estimated Cost	2021/22 Planned Cost
	($ millions)	($ millions)	($ millions)
Provincial Measures (continued)			
Spousal and eligible dependant tax credits	88	90	91
• Provides a tax credit to an individual who has a low-income spouse, or to a single parent who supports a minor child.			
• Introduced in 2000.			
Tuition tax credit	60	61	62
• Provides a tax credit for tuition paid to a post-secondary institution.			
• Costs also include education tax credit amounts in respect of studies prior to the elimination of that tax credit in 2019, which have been carried forward.			
• Unused tax credits may be carried forward to future years.			
• Introduced in 2000.			
Federal Measures [1]			
Child care expense deduction	74	51	60
• Allows families to deduct child care costs from taxable income.			
• Introduced in 1972.			
Non-taxation of business-paid health and dental benefits	153	181	190
• Allows for private health and dental benefits to not be taxed.			
• Introduced in 1948.			
Northern residents deduction	17	15	21
• Provides a deduction to individuals living in northern communities.			
• Introduced in 1987.			
Pension income splitting	83	92	101
• Allows for spouses to split pension income, other than income from the Canada Pension Plan and Old Age Security.			
• Introduced in 2007.			
Registered pension plans	1,526	1,395	1,425
• Allows amounts contributed to a pension plan to be deducted from taxable income.			
• Introduced in 1919.			
Registered retirement savings plans (RRSPs)	891	826	812
• Allows amounts contributed to an RRSP to be deducted from taxable income.			
• Introduced in 1957.			
Tax-free savings accounts (TFSAs)	83	66	67
• Allows for investment income to be earned tax-free within a TFSA.			
• Introduced in 2009.			

[1] These measures show the foregone provincial revenue resulting from federal measures . Each measure is calculated from the 2021 federal cost projections as reported in the Government of Canada's *Report on Federal Tax Expenditures 2021* by applying British Columbia residents' share of the measure and the relevant tax rates. Certain tax expenditure items have been excluded where no data is available or the amounts are immaterial.

Table A1.2.2 Corporate Income Tax – Tax Expenditures (Deductions and Non-Refundable Tax Credits)

	2019/20 Actual Cost ($ millions)	2020/21 Estimated Cost ($ millions)	2021/22 Planned Cost ($ millions)
Provincial Measures			
Small business venture capital tax credit	3	3	3
• See description under Table A1.1.1.			
• Corporations receive a credit of up to 30 per cent of their investment. There is no annual limit on the benefit that can be claimed.			
Scientific research and experimental development tax credit [1]	108	77	89
• See description under Table A1.1.2.			
Small business corporate income tax rate	1,394	1,460	1,271
• Provides a reduced income tax rate for Canadian-controlled private corporations on active business income up to $500,000.			
• The small business corporate income tax rate was reduced to 2 per cent from 2.5 per cent effective April 1, 2017.			
• Introduced in 1975.			
Additional access to small business corporate income tax rate for credit unions	43	25	22
• Provides a reduced income tax rate for credit unions on a portion of taxable income.			
• Introduced in 1977.			
• In 2017, expanded access for credit unions to the provincial reduced tax rate continued despite the phase-out of the corresponding federal measure.			
Federal Measure [2]			
Charitable donations deduction	83	83	82
• Generally permits corporations to deduct charitable donations made to registered charities up to a maximum of 75 per cent of the corporation's taxable income. The limit may be exceeded for donations of certain items.			
• Encourages corporations to make donations to charities.			
• Introduced in 1929 for certain charities, and expanded to all charities by 1933.			

[1] The scientific research and experimental development tax credit has a refundable component, which is reported in Table A1.1.2.

[2] The deduction for corporate charitable donations is a federal measure but the estimate shows only the foregone provincial revenue. This is calculated from the 2021 federal cost projection as reported in the Government of Canada's *Report on Federal Tax Expenditures 2021* by applying British Columbia's share of corporate taxable income and the relevant tax rates to the federal estimate.

Table A1.3 Property Taxes – Tax Expenditures

	2019/20 Actual Cost ($ millions)	2020/21 Estimated Cost ($ millions)	2021/22 Planned Cost ($ millions)
School and Rural Area Property Tax			
Assessment exemption of $10,000 for business properties [1]	6	6	6
• Assessed improvement values for property tax are reduced by $10,000 for each industrial and business property.			
• Introduced in 1984.			
Overnight tourist accommodation assessment relief [1]	2	2	2
• Reduces the taxable assessed value of smaller tourist accommodation properties.			
• Introduced in 1988. Assessment reductions for properties in rural areas were increased in 2016.			
Home owner grant [2]	852	870	887
• Reduces property taxes for Canadians and permanent residents of Canada who use the property as their principal residence. The benefit relative to tax paid is greater for lower-valued homes.			
• The grant is phased out on properties with an assessed value above a threshold value. Low-income seniors and some other low-income individuals may be eligible for a low-income grant supplement if some or all of the grant is reduced because of the phase-out.			
• The grant is up to $275 higher for seniors, eligible veterans and people with disabilities.			
• The northern and rural area home owner benefit was introduced in 2011, which provides a $200 higher grant outside the Metro Vancouver, Capital and Fraser Valley regional districts.			
• Introduced in 1957.			

[1] Estimates are for the calendar years and include only school and rural area property taxes levied by the Province.

[2] The home owner grant includes the northern and rural area home owner benefit.

Table A1.3 Property Taxes – Tax Expenditures (continued)

	2019/20 Actual Cost ($ millions)	2020/21 Estimated Cost[1] ($ millions)
Property Transfer Tax		
Exemptions for the following:		
First Time Home Buyers	65	74
• Exempts Canadian citizens and permanent residents of Canada who purchase their first home.		
• The homeowner must live in the home as their principal residence for at least one year after purchase and the property must have a fair market value of $500,000 or less. A phase-out applies for homes up to $525,000.		
• Introduced in 1994.		
Newly Built Home	76	76
• Exempts Canadians and permanent residents of Canada from property transfer tax for a newly built home with a fair market value of up to $750,000. A partial exemption applies up to $800,000.		
• The homeowner must live in the home for at least one year after purchase. There is no requirement to live in B.C. before the purchase.		
• Introduced in 2016.		
Property transfers between related individuals	168	143
• Long-standing exemption for spousal and intergenerational transfers for principal residences, recreational properties and family farms and in the event of a division of property due to divorce or marital breakdown. Available to Canadians citizens and permanent residents of Canada.		
Property transfers to municipalities, regional districts, hospital districts, library boards, school boards, water districts	13	15
• Long-standing exemption for transfers to specified public bodies.		
Property transfers to charities registered under the *Income Tax Act* (Canada)	15	17
• Long-standing exemption for transfers of properties to a registered charity or a specified individual where the land will be used for a charitable purpose.		
Speculation and Vacancy Tax[2]		
$2,000 tax credit for B.C. residents	3	
• Provides a tax credit of up to $2,000 for owners who are B.C. residents on the first $400,000 of their property value subject to the tax.		
Income tax credit for non-B.C. residents who pay B.C. income tax	4	
• Provides a tax credit to reduce a non-B.C. resident's tax payable based on their B.C. income.		
Exemptions for the following:[3]		
Recently acquired or inherited properties	85	
• Provides an exemption from tax for a property that is purchased or acquired in the calendar year.		
Properties with no residence	60	
• Provides a temporary exemption from tax for vacant land. Ended after the 2019 tax year.		
Separation or divorce	7	
• Provides an exemption from tax for owners who are going through a separation or divorce.		
Death of an owner	15	
• Provides a two year exemption from tax for owners of a property that applies in the year of an owner's death and the following year.		
Rental restricted properties	32	
• Provides a temporary exemption from tax for properties with a rental restriction bylaw or covenant until 2022.		
Exemption for hazardous or damaged residential property	9	
• Provides an exemption from tax for property that is damaged by natural disaster or is uninhabitable.		
Exemption for strata accommodation property	3	
• Provides a temporary exemption from tax for properties that are strata hotels until 2021.		
Exemption for daycares	2	
• Provides an exemption from tax for property that is used as a licenced daycare.		

[1] Future costs for First Time Home Buyers' Program and Newly Built Home Exemption will vary depending on completion and sale of new homes below the threshold value and by activity of first-time buyers in the market. Other property transfer tax exemptions will be more stable over time.

[2] Certain exemptions such as the principal residence exemption, occupied by a tenant exemption and land under development exemption, are intended to exclude principal residences, rental properties and properties under development from the tax base.
Exemptions resulting in immaterial expenditures were excluded from this table.
Costs are for the 2019 calendar year. In calculating the cost of the expenditure no credits have been applied that an owner may have been entitled to receive had they been assessed tax. The calculations are based on actual exemptions claimed not what an owner would have otherwise been entitled to claim had they not chosen this particular exemption and are based on a 50 per cent ownership share which may not reflect the true mixture of owner types who jointly own property. All measures were introduced when the tax was introduced in 2018.

[3] This is the revenue spent on exemptions without applying any credits. Ownership percentage is assumed to be split into equal parts based on the number of owners on title (i.e., if a property has 3 owners, each owner is assumed to have 1/3 ownership). The tax rate of either 0.5 per cent or 2 per cent based on their ownership type is then applied to their ownership percentage.

Table A1.4 Consumption Taxes – Tax Expenditures

	2019/20 Estimated Cost[1] ($ millions)	2020/21 Estimated Cost ($ millions)	2021/22 Planned Cost ($ millions)
Fuel Taxes [2]			
Tax exemption for alternative fuels	3	3	3
• Exempts hydrogen used in a fuel cell vehicle, natural gas, and gasoline and diesel that contains at least 85 per cent methanol from motor fuel tax.			
• Introduced in 2009 for hydrogen used in a fuel cell vehicle, 1982 for natural gas and 1992 for 85 per cent methanol.			
Tax exemption for international flights (jet fuel)	23	12	18
• Exempts fuel purchased by interjurisdictional airlines from motor fuel tax.			
• Introduced in 2012.			
Tax exemptions for farmers [2]	12	11	12
• Exempts coloured gasoline and coloured diesel purchased by qualifying farmers from motor fuel and carbon tax.			
• Introduced in 2008 for motor fuel tax and 2014 for carbon tax.			
Provincial Sales Tax [3]			
Rebate for select machinery and equipment	-	235	235
• Provides, as part of B.C.'s Economic Recovery Plan, a temporary rebate to encourage business investment.			
Exemptions for the following:			
Food for human consumption [4]	1,554	1,594	1,585
• Provides an exemption to reduce the cost of basic necessities.			
Production machinery and equipment	225	175	186
• Provides an exemption to help reduce the cost of certain machinery and equipment for businesses in the manufacturing, oil and gas, mining and logging industries.			
Residential energy (e.g., electricity, natural gas, fuel oil)	266	276	281
• Provides an exemption to reduce the cost of residential energy.			
Non-residential electricity	172	198	198
• Provides an exemption to help businesses become more competitive and support increased investment, growth and job creation. Phased in starting January 1, 2018 and fully implemented on April 1, 2019.			
Prescription and non-prescription drugs, vitamins and certain other health care products	255	259	261
• Provides exemptions to reduce the cost of certain drugs, vitamins and health care products.			
Children's clothing and footwear	43	37	43
• Provides an exemption to reduce the cost of clothing and footwear for children under 15.			
Clothing patterns, fabrics and notions	8	8	8
• Provides an exemption to reduce the cost of patterns, yarns, natural fibres, threads and fabric that are commonly used in making or repairing clothing.			
Specified school supplies	46	46	46
• Provides an exemption to reduce the cost of school supplies.			
Books, magazines and newspapers	45	46	47
• Provides an exemption to reduce the cost of reading material.			
Basic land-line telephone and cable service	54	54	54
• Provides exemptions to reduce the cost of basic land-line telephone and basic cable television service.			
"1-800" and equivalent telephone services	4	4	4
• Provides an exemption to reduce the cost of offering toll-free telephone services.			
Specified safety equipment	39	42	42
• Provides exemptions to reduce the cost of specified work-related and general-use protective gear and safety equipment.			

[1] Exemptions are largely point-of-sale exemptions - they can only be estimated unlike expenditures provided through the income or property tax systems.

[2] Estimate is for both motor fuel tax and carbon tax.

[3] Estimates are based on internal data, publicly-available industry data and Statistics Canada data. All exemptions for provincial sales tax existed prior to the implementation of the *Provincial Sales Tax Act* in 2013 except for the exemption for non-residential electricity, which was introduced in 2018, and the expansion of the exemption for bicycles and tricycles in 2021 to include electric bicycles and tricycles.

[4] Effective April 1, 2021, carbonated sodas and certain other beverages are subject to provincial sales tax.

Table A1.4 Consumption Taxes – Tax Expenditures (continued)

	2019/20 Estimated Cost[1] ($ millions)	2020/21 Estimated Cost ($ millions)	2021/22 Planned Cost ($ millions)
Provincial Sales Tax[2]			
Exemptions for the following:			
Labour to repair major household appliances, clothing and footwear	15	15	15
• Provides exemptions to reduce the cost of repairing certain essentials.			
Livestock for human consumption and feed, seed and fertilizer	64	67	68
• Provides exemptions to reduce the cost of animals that are part of the food system.			
Specified energy conservation equipment	21	22	22
• Provides exemptions to reduce the cost of certain energy conservation equipment.			
Bicycles	14	15	22
• Provides exemptions to reduce the cost of non-motorized bicycles, adult-sized tricycles and parts and services. Expanded on April 21, 2021 to include electric bicycles and adult-sized tricycles, conversion kits and parts and services.			

[1] Exemptions are largely point-of-sale exemptions - they can only be estimated unlike expenditures provided through the income or property tax systems. Estimates are based on internal data, publicly-available industry data and Statistics Canada data. All exemptions for provincial sales tax existed prior to the
[2] implementation of the *Provincial Sales Tax Act* in 2013 except for the exemption for non-residential electricity, which was introduced in 2018, and the expansion of the exemption for bicycles and tricycles in 2021 to include electric bicycles and tricycles.

Table A1.5 Employer Health Tax – Tax Expenditures (Refundable Tax Credit)

	2019/20 Actual Cost ($ millions)	2020/21 Estimated Cost ($ millions)	2021/22 Planned Cost ($ millions)
Increased Employment Incentive	-	38	152
• Provides a refundable tax credit to employers who increase their payroll for low-to middle-income workers between the third and fourth quarters of 2020.			
• Introduced for the quarter ended December 31, 2020 as part of BC's Economic Recovery Plan.			

Table A2 Interprovincial Comparisons of Tax Rates – 2021 (Rates known and in effect as of April 1, 2021)

Tax	British Columbia	Alberta	Saskat-chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfound-land and Labrador
Corporate income tax (per cent of taxable income)										
General rate	12	8	12	12	11.5	11.5	14	14	16	15
Manufacturing rate [1]	12	8	10	12	10	11.5	14	14	16	15
Small business rate	2	2	2	0	3.2	3.2	2.5	2.5	2	3
Small business threshold ($000s)	500	500	600	500	500	500	500	500	500	500
Corporation capital tax (per cent)										
Financial [2]	*Nil*	*Nil*	0.7/4	6	*Nil*	1.25	4/5	4	5	6
Health care premiums/month ($)										
Individual/family [3]	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Payroll tax (per cent) [4]	1.95	*Nil*	*Nil*	2.15	1.95	4.26	*Nil*	*Nil*	*Nil*	2
Insurance premium tax (per cent) [5]	2-7	3/4	3/4	2-4.25	2-3.5	3.48	2/3	3/4	3.75/4	5
Fuel tax (cents per litre) [6]										
Gasoline	24.46	21.84	23.84	22.84	31.87	29.7	29.5	25.5	25.1	32.5
Diesel	26.71	23.73	25.73	24.73	33.11	30.2	36.4	25.2	32.8	36.1
Sales tax (per cent) [7]										
General rate	7	*Nil*	6	7	8	9.975	10	10	10	10
Tobacco tax ($ per carton of 200 cigarettes) [8]	59	55	61.71	69.41	45.86	29.80	63.59	72.39	67.99	72.34

[1] In British Columbia (and some other provinces), the general rate applies to income from manufacturing and processing.

[2] In Saskatchewan, small financial corporations pay the rate of 0.7 per cent on their capital. A small financial corporation has less than $1.5 billion in taxable capital. Large financial corporations are subject to the 4 per cent rate. Manitoba's tax only applies to large financial corporations with taxable paid-up capital of at least $4 billion on taxable capital exceeding $10 million. Quebec's tax only applies to life insurance companies. In New Brunswick, trust and loan companies are subject to the rate of 4 per cent, while banks are subject to the rate of 5 per cent. Financial institutions in Prince Edward Island pay tax on their paid-up capital exceeding $2 million.

[3] British Columbia Medical Services Plan premiums were eliminated effective January 1, 2020. Ontario levies a health premium, as part of its provincial personal income tax system, of up to $900 per year per person.

[4] Provinces with payroll taxes provide payroll tax relief for small businesses. Quebec also levies a compensation tax of up to 4.29 per cent on salaries and wages paid by financial institutions.

[5] Lower rates apply to premiums for life, sickness and accident insurance; higher rates apply to premiums for property insurance including automobile insurance. In British Columbia, the highest rate applies to unlicensed insurance. In Manitoba, Ontario, Quebec and Newfoundland and Labrador, sales taxes also apply to certain insurance premiums except, generally, those related to individual life and health.

[6] Tax rates are for regular fuel used on highways and include all provincial taxes payable by consumers at the pump. The British Columbia rates include 6.75 cents per litre dedicated to the BC Transportation Financing Authority and the carbon tax rates of 9.96 cents per litre for gasoline and 11.71 cents per litre for diesel. The British Columbia rates do not include regional taxes that increase the gasoline and diesel rates by 12.5 cents per litre in the South Coast British Columbia Transportation Authority service region and by 5.5 cents per litre in the Capital Regional District. The rates for Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador include provincial sales tax based on average pump prices as of February 2021. The rates for Alberta, Saskatchewan, Manitoba, and Ontario include federal carbon pricing backstop rates of 8.84 cents per litre for gasoline and 10.73 cents per litre for diesel. The rates for New Brunswick include a provincial carbon tax rate of 8.84 cents per litre for gasoline and 10.73 cents per litre for diesel. The rates for Prince Edward Island and Newfoundland and Labrador include provincial carbon tax rates of 6.63 cents per litre for gasoline and 8.05 cents per litre for diesel. Quebec's rates do not include increased or reduced regional tax rates, such as an additional 3 cents per litre on gasoline in the Montreal area.

[7] Tax rates shown are statutory rates. Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador have harmonized their sales taxes with the federal GST. Alberta imposes a 4 per cent tax on short-term rental accommodation.

[8] Includes estimated provincial sales tax in all provinces except British Columbia, Alberta and Quebec.

Table A3 Comparison of Provincial and Federal Taxes by Province – 2021

Tax	British Columbia	Alberta	Saskat-chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	New-foundland and Labrador
Two Income Family of Four - $120,000						($)				
1. Provincial Income Tax	5,154	6,798	7,099	9,594	6,675	11,118	9,903	11,323	10,734	9,785
Net Child Benefits	(62)	0	0	--	0	(2,672)	0	0	--	0
2. Property Tax - Gross	5,646	3,787	3,350	4,672	6,056	4,347	3,144	5,689	5,756	2,457
- Net	5,076	3,787	3,350	4,672	6,056	4,347	3,144	5,689	5,756	2,457
3. Sales Tax	1,717	0	1,523	2,069	2,279	2,990	2,676	2,601	2,361	2,682
4. Fuel Tax	218	195	225	210	221	288	163	233	127	248
5. Net Carbon Tax	348	(589)	(592)	(315)	(154)	--	124	--	124	124
6. Provincial Direct Taxes	12,452	10,192	11,605	16,230	15,076	16,071	16,011	19,846	19,103	15,296
7. Health Care Premiums	--	--	--	--	--	--	--	--	--	--
8. Total Provincial Tax	12,452	10,192	11,605	16,230	15,076	16,071	16,011	19,846	19,103	15,296
9. Federal Income Tax	13,351	13,351	13,351	13,351	13,351	13,320	13,351	13,351	13,351	13,351
10. Net Federal GST	1,520	1,561	1,480	1,389	1,457	1,449	1,345	1,307	1,353	1,348
11. Total Tax	27,323	25,104	26,436	30,970	29,884	30,840	30,706	34,504	33,806	29,995
Two Income Family of Four - $90,000										
1. Provincial Income Tax	3,010	4,037	3,633	5,672	3,208	6,382	5,776	6,722	6,562	5,741
Net Child Benefits	(1,196)	0	0	--	0	(3,806)	0	0	--	0
2. Property Tax - Gross	2,756	2,132	2,047	2,939	3,896	4,005	2,585	3,579	3,621	1,546
- Net	2,186	2,132	2,047	2,939	3,896	4,005	2,585	3,579	3,621	1,546
3. Sales Tax	1,425	0	1,259	1,712	1,888	2,563	2,222	2,173	1,956	2,224
4. Fuel Tax	218	195	225	210	221	288	163	233	127	248
5. Net Carbon Tax	306	(636)	(642)	(365)	(208)	--	124	--	124	124
6. Provincial Direct Taxes	5,948	5,728	6,523	10,169	9,004	9,432	10,870	12,706	12,390	9,883
7. Health Care Premiums	--	--	--	--	--	--	--	--	--	--
8. Total Provincial Tax	5,948	5,728	6,523	10,169	9,004	9,432	10,870	12,706	12,390	9,883
9. Federal Income Tax	7,762	7,762	7,762	7,762	7,762	7,750	7,762	7,762	7,762	7,762
10. Net Federal GST	1,261	1,272	1,224	1,149	1,207	1,242	1,117	1,092	1,121	1,118
11. Total Tax	14,972	14,762	15,509	19,080	17,973	18,424	19,749	21,560	21,273	18,763
Single Parent with One Child - $60,000										
1. Provincial Income Tax	2,055	1,465	1,632	3,274	2,633	3,268	3,773	4,826	4,361	4,239
Net Child Benefits	(700)	(38)	0	--	0	(2,320)	0	0	--	0
2. Property Tax	-	-	-	-	-	-	-	-	-	-
3. Sales Tax	948	0	864	1,161	1,238	1,753	1,245	1,425	1,232	1,458
4. Fuel Tax	218	195	225	210	221	288	163	233	127	248
5. Net Carbon Tax	215	(513)	(517)	(275)	(133)	--	124	--	124	124
6. Provincial Direct Taxes	2,736	1,109	2,205	4,371	3,959	2,989	5,306	6,484	5,844	6,069
7. Health Care Premiums	--	--	--	--	--	--	--	--	--	--
8. Total Provincial Tax	2,736	1,109	2,205	4,371	3,959	2,989	5,306	6,484	5,844	6,069
9. Federal Income Tax	4,537	4,537	4,537	4,537	4,537	4,526	4,537	4,537	4,537	4,537
10. Net Federal GST	839	887	840	779	792	849	752	716	748	733
11. Total Tax	8,112	6,533	7,582	9,687	9,288	8,364	10,595	11,737	11,129	11,338
Unattached Individual - $30,000										
1. Provincial Income Tax	606	784	808	1,166	(279)	188	1,269	1,160	1,651	1,538
2. Property Tax	-	-	-	-	-	-	-	-	-	-
3. Sales Tax	461	0	434	587	594	897	508	797	571	351
4. Fuel Tax	218	195	225	210	221	288	163	233	127	248
5. Net Carbon Tax	(29)	(366)	(376)	(236)	(176)	--	124	--	124	124
6. Provincial Direct Taxes	1,256	614	1,091	1,727	359	1,373	2,064	2,190	2,473	2,261
7. Health Care Premiums	--	--	--	--	--	--	--	--	--	--
8. Total Provincial Tax	1,256	614	1,091	1,727	359	1,373	2,064	2,190	2,473	2,261
9. Federal Income Tax	2,030	2,030	2,030	2,030	2,030	2,026	2,030	2,030	2,030	2,030
10. Net Federal GST	(21)	(1)	(22)	(39)	3	(10)	(45)	(51)	(53)	(48)
11. Total Tax	3,265	2,643	3,099	3,718	2,392	3,389	4,049	4,169	4,451	4,242



Table A3 Comparison of Provincial and Federal Taxes by Province – 2021 (continued)

Tax	British Columbia	Alberta	Saskat-chewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	New-foundland and Labrador
Unattached Individual - $80,000					($)					
1. Provincial Income Tax	4,095	5,426	6,661	7,239	5,241	8,888	7,829	9,009	8,420	7,872
2. Property Tax - Gross	2,323	1,869	1,548	2,802	3,555	2,817	3,282	3,412	3,452	1,474
- Net	1,753	1,869	1,548	2,802	3,555	2,817	3,282	3,412	3,452	1,474
3. Sales Tax	1,226	0	1,092	1,491	1,717	2,085	1,988	1,921	1,717	1,986
4. Fuel Tax	218	195	225	210	221	288	163	233	127	248
5. Net Carbon Tax	274	(182)	(180)	(42)	51	--	124	--	124	124
6. Provincial Direct Taxes	7,565	7,307	9,347	11,699	10,784	14,078	13,387	14,574	13,841	11,703
7. Health Care Premiums	--	--	--	--	--	--	--	--	--	--
8. Total Provincial Tax	7,565	7,307	9,347	11,699	10,784	14,078	13,387	14,574	13,841	11,703
9. Federal Income Tax	10,552	10,552	10,552	10,552	10,552	10,527	10,552	10,552	10,552	10,552
10. Net Federal GST	1,150	1,175	1,084	1,051	1,100	1,030	1,005	971	1,010	1,004
11. Total Tax	19,267	19,035	20,983	23,303	22,436	25,635	24,944	26,097	25,403	23,259
Senior Couple with Equal Pension Incomes - $40,000										
1. Provincial Income Tax	0	0	(488)	(261)	(1,576)	(1,036)	0	310	933	5
2. Property Tax - Gross	2,756	2,132	2,047	2,939	3,896	4,005	2,585	3,579	3,621	1,546
- Net	1,911	2,132	2,047	2,939	3,896	4,005	2,585	3,579	3,621	1,546
3. Sales Tax	937	0	896	1,209	1,211	1,792	1,307	1,700	1,249	1,360
4. Fuel Tax	218	195	225	210	221	288	163	233	127	248
5. Net Carbon Tax	0	(343)	(342)	(135)	(4)	--	124	--	124	124
6. Provincial Direct Taxes	3,065	1,985	2,337	3,962	3,748	5,050	4,179	5,822	6,054	3,283
7. Health Care Premiums	--	--	--	--	--	--	--	--	--	--
8. Total Provincial Tax	3,065	1,985	2,337	3,962	3,748	5,050	4,179	5,822	6,054	3,283
9. Federal Income Tax	0	0	0	0	0	0	0	0	0	0
10. Net Federal GST	422	468	445	398	402	358	385	332	341	416
11. Total Tax	3,487	2,453	2,782	4,360	4,150	5,407	4,564	6,154	6,395	3,699

Personal Income Tax

- Income tax is based on basic personal credits, applicable credits and typical major deductions at each income level. Quebec residents pay federal income tax less an abatement of 16.5 per cent of basic federal tax. This abatement has been used to reduce Quebec provincial tax rather than federal tax, for comparative purposes.
- The amounts noted for each family are their family total incomes. Total income is used for these tables as it provides a more accurate view of the taxes paid by a family at a particular level of earnings. The two income family of four with $120,000 of income is assumed to have one spouse earning $80,000 and the other $40,000, the family with $90,000 of income is assumed to have one spouse earning $50,000 and the other $40,000, and each spouse in the senior couple is assumed to have $20,000 of income. The senior couple is assumed to have pension income and the remaining representative families are assumed to have employment income.

Net Child Benefits

- Net child benefits are provincial measures affecting payments to families with children. Provincial child benefit measures are available in B.C. (BC Child Opportunity Benefit), Alberta (Alberta Child and Family Benefit), Ontario (Child Benefit), Quebec (Child Assistance Payments), New Brunswick (Child Tax Benefit), Nova Scotia (Child Benefit) and Newfoundland and Labrador (Child Benefit).
- The single parent is assumed to have one child aged 5. The family earning $90,000 of income is assumed to have two children aged 5 and 7. The family earning $120,000 of income is assumed to have two children aged 15 and 17.

Property Tax

- Property taxes are based on a representative two-storey home, townhouse or condominium in a major city in each respective province.
- It is assumed that the single parent and the individual at $30,000 of income rent accommodation, the family at $90,000 of income and senior couple own townhouses, the family at $120,000 of income owns a single family detached home, and the individual at $80,000 of income owns a condominium in a major city for each province. Net local and provincial property taxes are estimated as taxes owing, after credits provided through the property tax system are subtracted.

Sales Tax

- Estimates are based on expenditure patterns from the Survey of Household Spending. In estimating individual and family taxable consumption, disposable income is reduced by 20 per cent to reflect housing (mortgage and property taxes or rent) costs. The senior couple is assumed to own their home and have no mortgage costs. For each province, disposable income is further reduced by estimated federal and provincial income taxes. In addition, the single individual with $80,000 of income and the family with $90,000 of income are assumed to have savings equal to 5 per cent of their disposable income. For each family, disposable income is distributed among expenditures using the consumption pattern of a typical family with the relevant characteristics as estimated using family expenditure data, and the relevant sales tax component is extracted. Sales tax includes provincial retail sales taxes in British Columbia, Saskatchewan, and Manitoba; Quebec's value-added tax; the provincial component of the harmonized sales tax in Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and Alberta's Tourism Levy. Sales tax estimates have been reduced by sales tax credits where applicable.

Fuel and Carbon Taxes

- Fuel tax is based on annual consumption: all families are assumed to consume 1,500 litres of gasoline.
- Net carbon tax is estimated as carbon tax liabilities minus rebates such as B.C.'s climate action tax credit, where applicable. Carbon tax liabilities are based on direct fuel charges on gasoline, natural gas and home heating fuel where such charges apply (fuel charges do not apply to home heating fuel in New Brunswick, Prince Edward Island and Newfoundland and Labrador). Estimated carbon tax liabilities are based on natural gas and home heating fuel consumption amounts from household energy consumption data produced by Natural Resources Canada. Carbon tax liabilities do not include the effect of cap-and-trade or output-based pricing systems.
- The federal government requires provinces to implement a price on carbon of at least $40/tonne of CO_2e starting April 2021 and $50/tonne of CO_2e starting April 2022. Provinces that do not have a carbon pricing program have the federal carbon pricing backstop rates applied to the price of the fuel. As of December 31, 2020, Ontario, Manitoba, Saskatchewan and Alberta are subject to the federal carbon pricing on fuel purchases. Families in these provinces receive the federal climate action incentive to offset the cost of the carbon pricing.

Health Care Premiums

- B.C. Medical Services Plan premiums were eliminated January 1, 2020.

Effective Tax Rates

- B.C. taxes are calculated using rates in effect for 2021. Taxes for other provinces are calculated using rates that were announced prior to February 28, 2021, and that come into effect during 2021. The effect of federal or provincial COVID-19-related measures are not included in the table.

Table A4 Interprovincial Comparisons of Provincial Personal Income Taxes Payable[1] – 2021

(Rates known as of February 28, 2021)

Taxable income	British Columbia	Alberta	Saskat-chewan	Manitoba	Ontario	Quebec [2]	New Brunswick	Nova Scotia	Prince Edward Island	New-foundland and Labrador
	Annual provincial taxes payable [3] ($)									
$10,000	0	0	0	0	0	0	0	0	0	0
$20,000	0	0	269	926	0	56	180	595	516	0
$30,000	681	871	1,245	1,960	319	1,319	1,379	1,514	1,736	1,613
$40,000	1,331	1,801	2,221	3,083	1,788	2,648	2,577	3,001	2,965	2,523
$50,000	2,002	2,731	3,279	4,281	2,597	4,282	3,801	4,488	4,279	3,909
$60,000	2,738	3,666	4,460	5,485	3,478	5,950	5,218	5,989	5,599	5,300
$70,000	3,503	4,658	5,701	6,751	4,388	7,612	6,691	7,701	7,137	6,742
$80,000	4,273	5,658	6,951	8,343	5,453	9,274	8,173	9,396	8,807	8,238
$100,000	6,294	7,658	9,451	11,823	8,017	12,916	11,341	12,786	12,147	11,398
$125,000	9,537	10,158	12,576	16,173	12,369	18,085	15,471	17,161	16,705	15,348
$150,000	13,212	13,027	16,085	20,523	16,722	23,450	19,696	21,536	21,297	19,504
	Provincial personal income taxes as a per cent of taxable income (%)									
$10,000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
$20,000	0.0	0.0	1.3	4.6	0.0	0.3	0.9	3.0	2.6	0.0
$30,000	2.3	2.9	4.1	6.5	1.1	4.4	4.6	5.0	5.8	5.4
$40,000	3.3	4.5	5.6	7.7	4.5	6.6	6.4	7.5	7.4	6.3
$50,000	4.0	5.5	6.6	8.6	5.2	8.6	7.6	9.0	8.6	7.8
$60,000	4.6	6.1	7.4	9.1	5.8	9.9	8.7	10.0	9.3	8.8
$70,000	5.0	6.7	8.1	9.6	6.3	10.9	9.6	11.0	10.2	9.6
$80,000	5.3	7.1	8.7	10.4	6.8	11.6	10.2	11.7	11.0	10.3
$100,000	6.3	7.7	9.5	11.8	8.0	12.9	11.3	12.8	12.1	11.4
$125,000	7.6	8.1	10.1	12.9	9.9	14.5	12.4	13.7	13.4	12.3
$150,000	8.8	8.7	10.7	13.7	11.1	15.6	13.1	14.4	14.2	13.0

[1] Calculated for a single individual with wage income and claiming credits for Canada Pension Plan and Quebec Pension Plan contributions, Employment Insurance premiums, Quebec Parental Insurance Plan premiums, and the basic personal amount.

[2] Quebec residents pay federal tax less an abatement of 16.5 per cent of federal tax. In the table, the Quebec abatement has been used to reduce Quebec provincial personal income tax for comparative purposes.

[3] Includes provincial low income reductions, surtaxes payable in Ontario and Prince Edward Island, and the Ontario Health Premium tax. Excludes credits for sales and property tax credits.

Table A4.1 Net Provincial Taxes Since *Budget 2016*

Tax	2016	2017	2018	2019	2020	2021
$30,000 of Family Net Income				($)		
1. MSP Premiums	0	0	0	0	--	--
2. Provincial Income Tax	0	0	0	0	(1,000)	0
3. Early Childhood Tax Benefit	(660)	(660)	(660)	(660)	(495)	--
4. BC Child Opportunity Benefit	--	--	--	--	(600)	(2,406)
5. Carbon Tax	(126)	(126)	(129)	(150)	(645)	(193)
6. Sales Tax	818	830	839	845	940	1,022
7. Fuel Tax	145	145	145	145	145	145
8. Net Provincial Tax	177	189	195	180	(1,655)	(1,432)
$60,000 of Family Net Income						
1. MSP Premiums	1,800	1,800	900	900	--	--
2. Provincial Income Tax	1,714	1,663	1,595	1,505	416	1,361
3. Early Childhood Tax Benefit	(660)	(660)	(660)	(660)	(495)	--
4. BC Child Opportunity Benefit	--	--	--	--	(345)	(1,380)
5. Carbon Tax	208	208	233	261	(224)	217
6. Sales Tax	958	969	1,003	1,025	1,164	1,210
7. Fuel Tax	218	218	218	218	218	218
8. Net Provincial Tax	4,238	4,198	3,289	3,249	734	1,626
$80,000 of Family Net Income						
1. MSP Premiums	1,800	1,800	900	900	--	--
2. Provincial Income Tax	2,869	2,824	2,761	2,713	1,682	2,662
3. Early Childhood Tax Benefit	(660)	(660)	(660)	(660)	(495)	--
4. BC Child Opportunity Benefit	--	--	--	--	(345)	(1,380)
5. Carbon Tax	236	236	265	305	(59)	348
6. Sales Tax	1,174	1,184	1,215	1,245	1,357	1,491
7. Fuel Tax	218	218	218	218	218	218
8. Net Provincial Tax	5,637	5,602	4,699	4,721	2,358	3,339
$100,000 of Family Net Income						
1. MSP Premiums	1,800	1,800	900	900	--	--
2. Provincial Income Tax	4,340	4,298	4,234	4,148	3,062	4,004
3. Early Childhood Tax Benefit	(660)	(660)	(660)	(660)	(495)	--
4. BC Child Opportunity Benefit	--	--	--	--	(145)	(598)
5. Carbon Tax	269	269	303	348	86	397
6. Sales Tax	1,434	1,447	1,480	1,527	1,633	1,659
7. Fuel Tax	290	290	290	290	290	290
8. Net Provincial Tax	7,473	7,444	6,547	6,553	4,431	5,752

Personal Income Tax

- For each family, the amount noted is the family net income. Net income forms the basis of many benefits provided through the tax system and, therefore, will provide a more accurate illustration of benefits received and premiums paid by a family at their respective family net income level. Income tax is calculated based on applicable tax rates and credits. All families are assumed to have each spouse earning an equal amount of employment income.
- Families are assumed to have two children aged 5 and 12.

Net Child Benefits

- Net child benefits are provincial measures affecting payments to families with children. The BC early childhood tax benefit was in effect until September 2020. The BC Child Opportunity Benefit was effective October 1, 2020.

Sales, Fuel and Carbon Tax Estimates

- Disposable income is estimated based on the total amounts received in 2016 and then adjusted for inflation. In estimating taxable consumption, disposable income is reduced by 20 per cent to reflect rent. Cost of groceries and utilities are estimated based on the Survey of Household Spending and subtracted, thereafter.
- For each family, income after rent, groceries and utilities is distributed among the remaining expenditures using the consumption pattern of a typical family with two children estimated based on expenditure patterns from the Survey of Household Spending. The relevant sales tax component is extracted based on the estimates.
- Fuel tax is based on annual consumption: 1,000 litres of fuel for the family at $30,000; 1,500 litres of fuel for the family at $60,000 and at $80,000; and 2,000 of fuel for the family at $100,000.
- Net carbon tax is estimated as carbon tax liabilities minus the BC climate action tax credit. Carbon tax liabilities are based on direct fuel charges on gasoline, natural gas and home heating fuel. Estimated carbon tax liabilities are based on natural gas and home heating fuel consumption amounts from household energy consumption data from Natural Resources Canada.

Health Care Premiums

- B.C. Medical Services Plan premiums were eliminated January 1, 2020. This table assumes that the full Medical Services Plan premium is paid by the family and not paid by the employer.

COVID-19 Relief in 2020

- As part of COVID-19 relief, a one-time enhancement to the climate action tax credit was paid with the July 2020 payment. The amount of the benefit is included in net carbon taxes.
- The BC Recovery Benefit provided families up to $1,000 per family reduced by family net income over $125,000. Payments for the benefit commenced in December 2020. The amount of the benefit is net against provincial income taxes for 2020.

Table A5 Material Assumptions – Revenue

Revenue Source and Assumptions ($ millions unless otherwise specified)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	2021/22 Sensitivities
Personal income tax *	**11,118**	**11,170**	**11,565**	**12,047**	
Current calendar year assumptions					
Household income growth	4.9%	0.8%	2.8%	3.4%	+/- 1 percentage point change in
Compensation of employees growth	-0.7%	4.5%	4.0%	3.7%	2021 B.C. household income growth
Tax base growth	4.9%	0.0%	2.4%	3.2%	equals +/- $100 to $120 million
Average tax yield	5.48%	5.53%	5.58%	5.63%	
Current-year tax	10,720	10,819	11,177	11,634	
Prior year's tax assessments	470	450	460	470	
Unapplied taxes	100	100	100	100	
B.C. Tax Reduction	(190)	(185)	(182)	(180)	
Non-refundable B.C. tax credits	(104)	(114)	(114)	(114)	
Policy neutral elasticity **	1.0	1.2	1.2	1.2	+/- 0.5 change in 2021 B.C.
Fiscal year assumptions					policy neutral elasticity
Prior-year adjustment	97				equals -/+ $40 to $50 million
2019 Tax-year	2019 Assumptions				
Household income growth	6.5%				+/- 1 percentage point change in 2020
Tax base growth	5.6%				B.C. household or taxable income
Average 2019 tax yield	5.57%				growth equals +/- $120 to $140
2019 tax	10,387				million one-time effect
2018 & prior year's tax assessments	440				(prior-year adjustment)
Unapplied taxes	248				and could result in an
B.C. Tax Reduction	(168)				additional +/- $100 to $120 million
Non-refundable B.C. tax credits	(120)				base change in 2021/22
Policy neutral elasticity **	0.6				
* Reflects information as at March 18, 2021					
** Per cent growth in current year tax revenue (excluding policy measures) relative to per cent growth in household income (calendar year).					
Corporate income tax *	**4,807**	**3,409**	**5,728**	**5,736**	
Components of revenue (fiscal year)					
Instalments – subject to general rate	4,707	4,226	5,264	5,568	
Instalments – subject to small business rate	289	257	315	326	
Non-refundable B.C. tax credits	(97)	(112)	(117)	(122)	
Advance instalments	4,899	4,371	5,462	5,772	
Prior-year settlement payment	(92)	(962)	266	(36)	
Current calendar year assumptions					
National tax base ($ billions)	376.0	356.4	391.1	428.7	+/- 1% change in the 2021
B.C. instalment share of national tax base	14.4%	13.3%	14.4%	14.3%	national tax base equals
Effective percentage tax rates (% general/small business)	12.0 / 2.0	12.0 / 2.0	12.0 / 2.0	12.0 / 2.0	+/- $40 to $50 million
Share of the B.C. tax base subject to the small business rate	26,9%	26,8%	26,5%	26,3%	+/- 1 percentage point change in the
B.C. tax base growth (post federal measures)	-4.0%	10.1%	9.0%	3.8%	2021 small business share equals
B.C. net operating surplus growth	-13.6%	9.2%	8.8%	3.3%	-/+ $40 to $50 million
2019 Tax-year	2019 Assumptions				
B.C. tax base growth (post federal measures)	-6.2%				
Share of the B.C. tax base subject to small business rate	28.7%				+/- 1% change in the 2020 B.C. tax base
B.C. net operating surplus growth	-7.0%				equals +/- $40 to $50 million one-time effect
Gross 2019 tax	4,486				(prior-year adjustment) and could result in an
Prior-year settlement payment	(92)				additional instalments payments of
Prior years losses/gains (included in above)	(55)				+/- $60 to $70 million in 2021/22
Non-refundable B.C. tax credits	(75)				

* Reflects information as at March 18, 2021

Cash received from the federal government is used as the basis for estimating revenue. Due to lags in the federal collection and instalment systems, changes to the B.C. net operating surplus and tax base forecasts affect revenue in the succeeding year. The 2021/22 instalments from the federal government reflects two-third of payments related to the 2021 tax year (paid during Apr-July 2021 and adjusted in Sept and Dec) and one-third of 2022 payments. Instalments for the 2021 (2022) tax year are based on B.C.'s share of the national tax base for the 2020 (2021) tax year and a forecast of the 2021 (2022) national tax base. B.C.'s share of the 2019 national tax base was 14.1%, based on tax assessments as of December 31, 2020. Cash adjustments for any under/over payments from the federal government in respect of 2020 will be received/paid on March 31, 2022.



Table A5 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions ($ millions unless otherwise specified)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	2021/22 Sensitivities
Employer health tax	**1,840**	**1,923**	**2,000**	**2,073**	
Compensation of employees growth	-0.7%	4.5%	4.0%	3.7%	+/- 1 percentage point change in the 2021 compensation of employees growth equals up to +/- $20 million
Provincial sales tax	**7,446**	**7,872**	**8,492**	**8,865**	
Provincial sales tax base growth (fiscal year)	-2.2%	5.0%	4.8%	4.5%	+/- 1 percentage point change in the 2021 consumer expenditure growth equals up to +/- $20 million
Calendar Year nominal expenditure					
Consumer expenditures on durable goods	-2.3%	2.6%	3.1%	2.8%	
Consumer expenditures on goods and services	-4.8%	5.3%	5.9%	5.7%	
Business investment	-9.3%	5.6%	6.4%	6.3%	
Other	-4.4%	7.8%	4.9%	3.9%	
Components of Provincial sales tax revenue					+/- 1 percentage point change in the 2021 business investment growth equals up to +/- $10 million
Consolidated Revenue Fund	7,436	7,867	8,487	8,860	
BC Transportation Financing Authority	10	5	5	5	
Fuel and carbon taxes	**2,573**	**2,968**	**3,213**	**3,085**	
Calendar Year					
Real GDP	-5.3%	4.4%	3.8%	2.2%	
Gasoline volumes	-3.0%	5.0%	0.0%	-5.0%	
Diesel volumes	-2.0%	5.0%	2.0%	2.0%	
Natural gas volumes	-8.0%	5.0%	3.8%	2.2%	
Carbon tax rates (April 1)					
Carbon dioxide equivalent emissions ($/tonne)	40	45	50	50	
Natural gas (cents/gigajoule)	198.64¢	223.47¢	248.30¢	248.30¢	
Gasoline (cents/litre)	8.89¢	9.96¢	11.05¢	11.05¢	
Light fuel oil (cents/litre)	10.23¢	11.71¢	13.01¢	13.01¢	
Components of revenue *					
Consolidated Revenue Fund	501	528	534	523	
BC Transit	17	18	18	18	
BC Transportation Financing Authority	415	437	440	428	
Fuel tax revenue	933	983	992	969	
Carbon tax revenue	1,640	1,985	2,221	2,116	
* In 2023/24 revenue is projected to decline as the forecast includes the impacts of provincial policy measures relating to clean energy initiatives.					
Property taxes	**2,324**	**2,970**	**3,108**	**3,230**	
Calendar Year					
Consumer Price Index	0.8%	1.7%	2.0%	2.1%	+/- 1 percentage point change in 2021 new construction & inflation growth equals up to +/- $20 million in residential property taxation revenue
Housing starts (units)	37,734	34,500	33,473	33,027	
Home owner grants (fiscal year)	870	887	905	923	
Components of revenue					
Residential (net of home owner grants)	1,131	1,167	1,196	1,232	
Speculation and vacancy	80	80	80	80	
Non-residential	777	1,371	1,448	1,530	+/- 1% change in 2021 total business property assessment value equals up to +/- $15 million in non-residential property taxation revenue
Rural area	129	129	132	138	
Police	36	36	37	38	
BC Assessment Authority	99	101	102	102	
BC Transit	72	86	113	110	
Other taxes	**3,425**	**3,470**	**3,437**	**3,412**	
Calendar Year					
Population	1.1%	0.6%	1.3%	1.4%	
Residential sales value	35.7%	8.0%	-3.3%	-2.7%	
Real GDP	-5.3%	4.4%	3.8%	2.2%	
Nominal GDP	-4.5%	6.4%	5.4%	4.0%	
Components of revenue					+/- 1% change to 2021 residential sales value equals +/- $15 million in property transfer revenue, depending on property values
Property transfer	2,000	1,975	1,912	1,877	
Additional Property Transfer Tax (included in above)	100	99	96	94	
Tobacco	720	780	800	800	
Insurance premium	705	715	725	735	



Table A5 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions ($ millions unless otherwise specified)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	2021/22 Sensitivities
Energy, sales of Crown land tenures, metals, minerals and other *	**658**	**825**	**914**	**963**	
Natural gas price					+/- $0.25 change in the natural gas
Plant inlet, $C/gigajoule	1.23	1.48	1.48	1.50	price equals +/- $40 to $60 million,
Sumas, $US/MMBtu	2.43	2.79	2.76	2.76	including impacts on production
Natural gas production volumes					volumes and royalty program
Billions of cubic metres	55.4	60.3	66.7	72.4	credits, but excluding any
Petajoules	2,301	2,505	2,771	3,004	changes from natural gas liquids
Annual per cent change	2.8%	8.9%	10.6%	8.4%	revenue (e.g. butane, pentanes)
					Sensitivities can also vary
Oil price ($US/bbl at Cushing, OK)	41.69	48.38	51.98	55.04	significantly at different price levels
					+/- 1% change in natural gas
Auctioned land base (000 hectares)	-	-	10	20	volumes equals +/- $3 million
Average bid price/hectare ($)	-	-	200	300	in natural gas royalties
Cash sales of Crown land tenures	-	-	2	6	+/- 1 cent change in the exchange rate
Metallurgical coal price ($US/tonne, fob Australia)	135	136	145	148	equals +/-$3 million in natural gas royalties
Copper price ($US/lb)	3.05	3.52	3.35	3.20	
Annual electricity volumes set by treaty (million mega-watt hours)	3.8	3.8	3.8	3.9	+/- $10/bbl change in petroleum price equals +/- $6 million in petroleum royalties
Mid-Columbia electricity price ($US/mega-watt hour)	26.99	36.98	33.93	32.52	+/- 21% change in natural gas liquids (equivalent to +/- $10/bbl oil price) prices equals +/- $40 to $50 million in natural gas
Exchange rate (US¢/C$, calendar year)	74.6	79.0	79.0	78.0	liquids royalties
Components of revenue					
Bonus bid auctions:					+/- US$20 change in the average
Deferred revenue	115	91	81	61	metallurgical coal price
Current-year cash (one-tenth)	-	-	-	-	equals +/- $50 to $80 million
Fees and rentals	50	50	50	49	+/- 10% change in the average
Total bonus bids, fees and rentals	165	141	131	110	Mid-Columbia electricity price
Natural gas royalties after deductions and allowances	191	286	315	366	equals +/- $15 million
Petroleum royalties	21	21	22	21	
Columbia River Treaty electricity sales	117	161	148	143	Based on a recommendation
Oil and Gas Commission fees and levies	70	71	73	73	from the Auditor General to be
Coal, metals and other minerals revenue:					consistent with generally
Coal tenures	6	8	8	8	accepted accounting principles,
Net coal mineral tax	2	29	94	124	bonus bid revenue recognition
Net metals and other minerals tax	40	49	61	58	reflects ten-year deferral of
Recoveries relating to revenue sharing payments to First Nations	28	41	44	42	cash receipts from the sale of Crown land tenures
Miscellaneous mining revenue	18	18	18	18	
Total coal, metals and other minerals revenue	94	145	225	250	
Gross royalties prior to deductions and allowances					
Gross natural gas revenue	478	625	678	768	
Gross natural gas liquids royalties revenue	353	439	536	632	
Royalty programs and infrastructure credits					
Deep drilling	(421)	(514)	(579)	(657)	
Road, pipeline, Clean Growth Infrastructure Royalty and other infrastructure programs	(71)	(71)	(104)	(135)	
Total	(492)	(585)	(683)	(792)	
Implicit average natural gas royalty rate	6.8%	7.7%	7.7%	8.1%	

Royalty program (marginal, low productivity and ultra marginal drilling) adjustments reflect reduced royalty rates.
Natural gas royalties incorporate royalty programs and Treasury Board approved infrastructure credits.

* Reflects information as at March 17, 2021.



Table A5 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions ($ millions unless otherwise specified)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	2021/22 Sensitivities
Forests *	**1,121**	**1,204**	**948**	**916**	
Prices (calendar year average)					+/- US$50 change in SPF
SPF 2x4 ($US/thousand board feet)	570	650	475	450	price equals +/- $125 to $175 million
Crown harvest volumes (million cubic metres)					
Interior	35.2	35.0	34.0	34.0	+/- 10% change in Interior
Coast	10.8	11.0	11.0	11.0	harvest volumes equals
Total	46.0	46.0	45.0	45.0	+/- $80 to $90 million
B.C. Timber Sales (included in above)	9.2	10.0	9.8	9.5	+/- 10% change in Coastal harvest volumes equals
Stumpage rates ($Cdn/cubic metre)					+/- $20 to $25 million
Total stumpage rates	23.32	24.21	19.05	18.36	+/- 1 cent change in exchange rate equals
Components of revenue					+/- $20 to $30 million in
Timber tenures (net of revenue sharing recoveries)	697	744	515	498	stumpage revenue
Recoveries relating to revenue sharing payments to First Nations	40	46	41	40	
B.C. Timber Sales	365	344	321	307	The above sensitivities relate
Logging tax	(20)	30	30	30	to stumpage revenue only.
Other CRF revenue	18	30	30	30	
Recoveries	21	10	11	11	
* Reflects information as at March 15, 2021					
Other natural resources	**436**	**503**	**515**	**510**	
Components of revenue					
Water rental and licences*	370	430	442	437	+/- 5% change in water
Recoveries	46	50	50	50	power production equals
Angling and hunting permits and licences	7	10	10	10	+/- $15 to $20 million
Recoveries	13	13	13	13	
* Water rentals for power purposes are indexed to Consumer Price Index.					
Total natural resource recoveries relating to revenue sharing payments to First Nations	**70**	**88**	**86**	**84**	Revenue sharing from natural gas royalties, mineral tax and forest stumpage revenues.
Other revenue	**8,798**	**9,220**	**9,468**	**9,696**	
Components of revenue					
Fees and licences					
Motor vehicle licences and permits	568	578	588	599	
International student health fees	70	70	70	70	
Other Consolidated Revenue Fund	443	448	456	456	
Summary consolidation eliminations	(14)	(14)	(15)	(14)	
Ministry vote recoveries	110	187	100	144	
Taxpayer-supported Crown corporations	132	155	157	163	
Post-secondary education fees	2,485	2,508	2,625	2,711	
Other healthcare-related fees	396	437	466	466	
School Districts	252	268	258	273	
Investment earnings					
Consolidated Revenue Fund	100	98	100	100	
Fiscal agency loans & sinking funds earnings	894	863	867	878	
Summary consolidation eliminations	(42)	(43)	(43)	(55)	
Taxpayer-supported Crown corporations	32	30	27	28	
SUCH sector agencies	221	226	234	235	
Sales of goods and services					
SUCH sector agencies	550	704	818	893	
BC Infrastructure Benefits Inc	7	120	265	289	
Other taxpayer-supported Crown corporations	159	180	214	225	
Miscellaneous	2,435	2,405	2,281	2,235	



Table A5 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions ($ millions unless otherwise specified)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	2021/22 Sensitivities
Health and social transfers	**8,285**	**7,939**	**8,176**	**8,578**	
National Cash Transfers					
Canada Health Transfer (CHT)	41,870	43,126	44,420	46,873	
Annual growth	3.7%	3.0%	3.0%	5.5%	
Canada Social Transfer (CST)	15,023	15,474	15,938	16,416	
B.C.'s share of national population (June 1)	13.545%	13.548%	13.545%	13.555%	+/- 0.1 percentage point change in B.C.'s population share equals +/- $60 million
B.C. health and social transfers revenue					
CHT	5,671	5,843	6,017	6,353	
CST	2,035	2,096	2,159	2,225	
Prior-year adjustments:					
CHT	20	-	-	-	
CST	7	-	-	-	
Reimbursement of *Canada Health Care Act* violation penalties	10	-	-	-	
Helping Health Care Systems Recover funding	542	-	-	-	
Other federal contributions	**5,075**	**2,591**	**2,288**	**2,332**	
Components of revenue					
COVID-19 related funding:					
Safe Restart Agreement	1,963	-	-	-	
COVID-19 Essential Workers Support Fund	371	-	-	-	
Safe Return to Class Fund	242	-	-	-	
Financial Assistance Agreement to Support Closure and Restoration of Oil and Gas Sites in British Columbia	40	40	40	-	
Canada's COVID-19 Immunization Plan	-	135	-	-	
Total	2,616	175	40	-	
Disaster Financial Assistance Arrangements	147	-	62	145	
B.C.'s share of the federal cannabis excise tax	40	50	60	70	
Low Carbon Economy Leadership Fund	29	13	2	-	
Other Consolidated Revenue Fund	150	153	154	154	
Vote Recoveries:					
Labour Market Development Agreement	329	339	339	338	
Labour Market and Skills Training Program	124	191	124	124	
Home Care	88	122	81	81	
Mental Health	81	81	81	82	
Low Carbon Economy Leadership Fund	15	28	-	-	
Early Childhood Development and Child Care Services	41	41	41	41	
Child Safety, Family Support, Children in Care and with special needs	93	93	93	93	
Policing and Security	9	10	12	12	
Public Transit	46	88	187	165	
Local government services and transfers	159	191	2	2	
Other recoveries	109	110	108	108	
Taxpayer-supported Crown corporations	357	265	257	269	
Post-secondary institutions	529	527	532	535	
Other SUCH sector agencies	113	114	113	113	
Service delivery agency direct revenue	**7,411**	**7,682**	**8,083**	**8,311**	
School districts	640	705	653	668	
Post-secondary institutions	4,022	4,189	4,447	4,626	
Health authorities and hospital societies	1,191	1,023	1,063	1,064	
BC Transportation Financing Authority	502	531	543	522	
Other service delivery agencies	1,056	1,234	1,377	1,431	



Table A5 Material Assumptions – Revenue (continued)

Revenue Source and Assumptions ($ millions unless otherwise specified)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	2021/22 Sensitivities
Commercial Crown corporation net income	**3,061**	**2,865**	**3,434**	**3,631**	
BC Hydro	**691**	**712**	**712**	**712**	
Reservoir water inflows	110%	100%	100%	100%	+/-1% in hydro generation equals +/-$10 million
Mean gas price	3.11	3.08	2.61	2.46	+/-10% equals +/-$1.0 million
(Sumas, $US/MMbtu – BC Hydro forecast based on NYMEX forward selling prices)					
Electricity prices (Mid-C, $US/MWh)	27.87	30.83	29.78	28.67	+/-10% change in electricity trade margins equals +/-$30 million
ICBC	**709**	**154**	**202**	**229**	
Vehicle growth	1.3%	1.8%	1.8%	1.8%	+/-1% equals +/-$51 million
Current claims cost percentage change	-4.2%	-13.0%	2.0%	3.5%	+/-1% equals -/+$39 million
Unpaid claims balance ($ billions)	15.9	14.0	11.9	10.0	+/-1% equals -/+$140 to $159 million
Investment return	4.5%	2.3%	2.6%	2.7%	+/-1% return equals +/-$199 to $213 million
Loss ratio	84.6%	86.3%	87.0%	86.4%	

Table A6 Natural Gas Price Forecasts – 2021/22 to 2023/24

Private sector forecasts (calendar year)	2021	2022	2023	2021/22	2022/23	2023/24
GLJ Henry Hub US$/MMBtu (Jan 1, 2021)	2.75	2.80	2.85	1.90	1.87	1.96
Sproule Henry Hub US$/MMBtu (Jan 31, 2021)	3.00	3.00	3.00	2.07	2.10	2.15
McDaniel Henry Hub US$/MMBtu (Jan 1, 2021)	2.75	2.81	2.86	1.79	1.88	1.98
Deloitte Henry Hub US$/Mcf (Dec 31, 2020)	2.70	2.85	3.00	1.65	1.85	2.03
GLJ Alberta AECO-C Spot CDN$/MMBtu (Jan 1, 2021)	2.72	2.67	2.60	1.55	1.41	1.37
Sproule Alberta AECO-C Spot CDN$/MMBtu (Jan 31, 2021)	2.86	2.78	2.69	1.59	1.51	1.47
McDaniel AECO-C Spot C$/MMBtu (Jan 1, 2021)	2.75	2.65	2.55	1.48	1.39	1.33
Deloitte AECO-C Spot C$/Mcf (Dec 31, 2020)	2.65	2.70	2.75	1.34	1.38	1.43
GLJ Sumas Spot US$/MMBtu (Jan 1, 2021)	2.70	2.70	2.75	1.49	1.42	1.51
Sproule Sumas Spot CDN$/MMBtu (Jan 31, 2021)	3.76	3.69	3.62	1.69	1.63	1.60
GLJ BC Spot Plant Gate CDN$/MMBtu (Jan 1, 2021)	2.49	2.39	2.33	1.53	1.37	1.33
Sproule BC Station 2 CDN$/MMBtu (Jan 31, 2021)	2.76	2.68	2.59	1.43	1.36	1.31
McDaniel BC Avg Plant Gate C$MMBtu (Jan 1, 2021)	2.45	2.35	2.24	1.42	1.32	1.25
Deloitte BC Station 2 C$MMBtu (Dec 31, 2020)	2.65	2.75	2.80	1.57	1.65	1.70
GLJ Midwest Chicago US$/MMBtu (Jan 1, 2021)	2.60	2.65	2.70	1.67	1.65	1.74
Sproule Alliance Plant Gate CDN$/MMBtu (Jan 31, 2021)	3.75	3.74	3.74	2.45	2.45	2.47
EIA Henry Hub US$/MMBtu (Feb 9, 2021)	2.95	3.27		1.49		
TD Economics Henry Hub FuturesUS$/MMBtu (Dec 2020)	2.78	2.99		1.48		
Scotiabank Group Henry Hub US$/MMBtu (Dec 2020)	2.70	2.55		1.77		
BMO Henry Hub US$/MMBtu (Jan 2021)	2.50	2.50		1.58		
InSite Petroleum Consultants Ltd BC Spot C$/Mcf (Dec 31, 2020)	2.85	2.91	2.97	1.74	1.80	1.85
NYMEX Forward Market converted to Plant Inlet CDN$/GJ (Feb 4, 2021)				2.01	2.24	1.55
Average all minus high/low				**1.63**	**1.62**	**1.65**
Average one forecast per consultant minus high/low				**1.55**	**1.46**	**1.44**
Natural gas royalty price forecast				**1.48**	**1.48**	**1.50**

GLJ: Gilbert Laustsen Jung Petroleum Consultants Ltd US EIA: US Energy Information Administration AECO: Alberta Energy Company
Deloitte/AJM: Deloitte L.L.P acquired Ashton Jenkins Mann Petroleum Consultants McDaniel: McDaniel & Associates Consultants Ltd

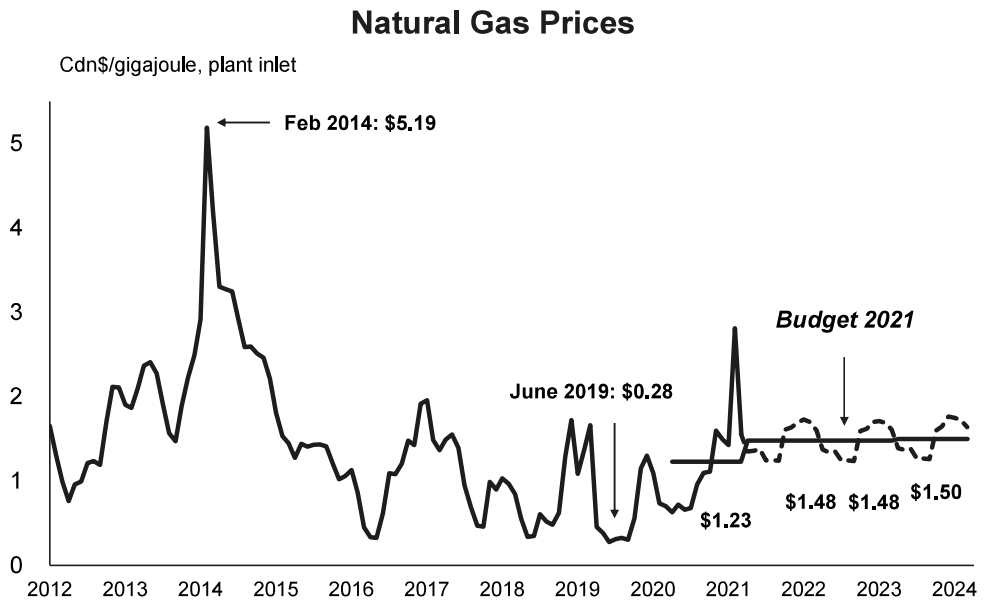


Table A7 Material Assumptions – Expense

Ministry Programs and Assumptions ($ millions unless otherwise specified)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	2021/22 Sensitivities
Advanced Education, Skills and Training	**2,366**	**2,592**	**2,583**	**2,592**	
Student spaces in public institutions	192,954	206,513	205,886	205,904	Student enrolments may fluctuate due to a number of factors including economic changes and labour market needs.
Attorney General	**1,154**	**1,272**	**1,311**	**1,337**	
New cases filed/processed (# for all courts)	240,000	242,000	242,000	242,000	The number of criminal cases proceeded on by the provincial and federal Crown (including appeals to higher courts in BC), the number of civil and family litigation cases, the number of violation tickets disputed, and the number of municipal bylaw tickets disputed which would go to court for resolution.
Crown Proceeding Act (CPA)	25	25	25	25	The number of new cases, and the difference between estimated settlements and actual settlements.
Children and Family Development	**2,224**	**2,393**	**2,427**	**2,430**	
Average children-in-care caseload (#)	5,488	5,160	4,924	4,805	The average number of children-in-care is decreasing as a result of ministry efforts to keep children in family settings where safe and feasible. The average cost per child in care is projected to increase based on the higher cost of contracted residential services and an increasing acuity of need for children in care. A 1% increase in the cost per case or a 1% increase in the average caseload will affect expenditures by $2.4 million (excluding Delegated Aboriginal Agencies).
Average annual residential cost per child in care ($)	85,058	92,137	100,027	108,824	
Education	**6,694**	**7,132**	**7,162**	**7,162**	
Public School Enrolment (# of FTEs)	558,081	567,675	572,356	576,587	Updated forecast enrolment figures are based on submissions from school districts of their actual enrolment as at September 30, 2020 for the 2020/21 school year and projected enrolment for February and May 2021 for Distributed Learning and Adults. Projections for 2021/22 and 2022/23 are based on the Ministry of Education's enrolment forecasting model.
School age (K–12)	534,215	541,741	550,384	554,596	
Continuing Education	824	962	962	962	
Distributed Learning (online)	18,090	15,460	11,410	11,429	
Summer	3,376	7,279	7,279	7,279	
Adults	1,577	2,233	2,321	2,321	
Forests, Lands, Natural Resource Operations and Rural Development	**929**	**888**	**858**	**854**	
BC Timber Sales	224	234	204	200	Targets can be impacted by changes to actual inventory costs incurred. There is a lag of approximately 1.5 years between when inventory costs are incurred and when they are expensed. Volume harvested can also impact targets. For example, if volume harvested is less than projected in any year, then capitalized expenses will also be reduced in that year.
Fire Management	213	136	136	136	Costs are driven by length of season and severity of weather conditions, severity of fires, proportion of interface fires, size of fires and damaged caused. Costs have ranged from a low of $47 million in 2006 to a high of $650 million in 2017.
Health	**22,190**	**23,873**	**24,650**	**25,414**	
Pharmacare	1,411	1,470	1,514	1,539	A 1% change in utilization or prices affects costs by approximately $12 million.
Medical Services Plan (MSP)	5,243	5,550	5,838	6,043	A 1% increase in volume of services provided by fee-for-service physicians affects costs by approximately $30 million.
Regional Services	15,233	16,536	16,981	17,503	
Public Safety and Solicitor General	**992**	**901**	**907**	**907**	
Policing, Victim Services and Corrections	763	744	743	743	Policing, Victim Services and Corrections costs are sensitive to the volume and severity of criminal activity, the number of inmate beds occupied and the number of offenders under community supervision.
Emergency Program Act (EPA)	158	36	36	36	For authorized expenditures under the EPA, including those for further disasters, and the difference between initial estimates for disaster response and recovery costs and final project costs.



Table A7 Material Assumptions – Expense (continued)

Ministry Programs and Assumptions ($ millions unless otherwise specified)	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	2021/22 Sensitivities
Social Development and Poverty Reduction	**3,682**	**4,360**	**4,455**	**4,478**	
Temporary Assistance – annual average caseload (#)	46,370	43,800	44,000	44,100	The expected-to-work caseload is sensitive to fluctuations in economic and employment trends. Costs are driven by changes to cost per case and caseload. Cost per case fluctuations result from changes in the needed supports required by clients, as well as caseload composition.
Disability Assistance – annual average caseload (#)	114,341	116,800	118,500	119,100	The caseload for persons with disabilities is sensitive to the aging of the population and longer life expectancy for individuals with disabilities. Cost per case fluctuations are driven primarily by earnings exemptions which is dependent on the level of income earned by clients.
Adult Community Living:					
Developmental Disabilities Programs					The adult community living caseload is sensitive to an aging population and to the level of service required. Cost per case fluctuations are driven by the proportion of clients receiving certain types of services at differing costs. For example, residential care services are significantly more costly than day programs.
Average caseload (#)	21,590	22,470	23,380	24,330	
Average cost per client ($)	52,200	52,800	52,000	50,600	
Personal Supports Initiative (PSI)					
Average caseload (#)	2,370	2,690	3,040	3,400	
Average cost per client ($)	15,900	15,100	13,600	12,200	
Tax Transfers	**2,367**	**1,871**	**1,953**	**2,036**	
Individuals	1,242.0	876.0	905.0	915.0	
Climate Action Tax Credit	802.0	312.0	345.0	355.0	These tax transfers are now expensed as required under generally accepted accounting principles.
BC Child Opportunity Benefit	273.8	410.0	410.0	410.0	
Sales Tax	64.7	57.5	50.0	50.0	
Small Business Venture Capital	29.3	30.0	30.0	30.0	
BC Senior's Home Renovation	3.7	3.0	3.0	3.0	Changes in 2020 tax transfers will result in one-time effect (prior-year adjustment) and could result in an additional base change in 2021/22. Production services tax credit is the most volatile of all tax transfers and is influenced by several factors including delay in filing returns and assessment of claims, length of projects and changes in the exchange rates.
Other tax transfers to individuals	68.5	63.5	67.0	67.0	
Corporations	1,125.0	995.0	1,048.0	1,121.0	
Film and Television	171.4	117.5	126.3	130.0	
Production Services	704.0	666.7	701.7	762.0	
Scientific Research & Experimental Development	121.3	101.3	106.2	111.2	
Interactive Digital Media	90.8	71.3	76.3	80.0	
Mining Exploration	29.3	20.0	20.0	20.0	
Other tax transfers to corporations	8.2	18.2	17.5	17.8	
Prior-year adjustment (included above)*	117.3				
Individuals	5.0				
Corporations	112.3				
2019 Tax-year	2019 Assumptions				
Tax Transfers	1,525.0				
Individuals	531.0				
Corporations	994.0				
Film and Television	145.0				
Production Services	632.0				
Scientific Research & Experimental Development	90.0				
Interactive Digital Media	83.0				
Other tax transfers to corporations	44.0				
*2020/21 tax transfer forecast incorporates adjustments relating to prior years.					
Management of Public Funds and Debt	**1,248**	**1,340**	**1,401**	**1,528**	
Interest rates for new provincial borrowing:					Full year impact on MoPD on interest costs of a 1% change in interest rates equals $87.9 million; $100 million increase in debt level equals $1.9 million.
Short-term	0.21%	0.20%	0.31%	0.61%	
Long-term	2.09%	2.53%	2.82%	3.20%	
CDN/US exchange rate (cents)	132.2	126.2	127.1	128.2	
Service delivery agency net spending	**7,166**	**7,888**	**8,275**	**8,839**	
School districts	579	576	572	563	Expenses, net of Provincial funding. These are mainly funded through revenue from other sources.
Post-secondary institutions	4,008	4,181	4,340	4,499	
Health authorities and hospital societies	611	965	1,002	1,004	
BC Transportation Financing Authority	1,381	1,467	1,528	1,667	
BC Infrastructure Benefits Inc	8	120	264	289	
Other service delivery agencies	579	579	569	817	

Table A8 Operating Statement – 2014/15 to 2023/24

($ millions)	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
											(per cent)
Revenue	46,099	47,601	51,449	52,020	57,128	58,660	60,967	58,929	63,286	65,074	3.9
Expense	(44,440)	(46,832)	(48,684)	(51,706)	(55,597)	(58,981)	(69,111)	(67,627)	(68,020)	(68,997)	5.0
Surplus (deficit) before forecast allowance	1,659	769	2,765	314	1,531	(321)	(8,144)	(8,698)	(4,734)	(3,923)	
Forecast allowance	-	-	-	-	-	-	-	(1,000)	(750)	(400)	
Surplus (deficit)	**1,659**	**769**	**2,765**	**314**	**1,531**	**(321)**	**(8,144)**	**(9,698)**	**(5,484)**	**(4,323)**	
Per cent of nominal GDP: [1]											
Surplus (deficit)	0.7	0.3	1.0	0.1	0.5	-0.1	-2.8	-3.1	-1.7	-1.3	
Per cent of revenue:											
Surplus (deficit)	3.6	1.6	5.4	0.6	2.7	-0.5	-13.4	-16.5	-8.7	-6.6	
Per capita ($): [2]											
Surplus (deficit)	352	161	569	64	306	(63)	(1,582)	(1,872)	(1,045)	(813)	

[1] Surplus (deficit) as a per cent of nominal GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2021/22 amounts divided by nominal GDP for the 2021 calendar year).

[2] Per capita revenue and expense is calculated using July 1 population (e.g. 2021/22 amounts divided by population on July 1, 2021).

Table A9 Revenue by Source – 2014/15 to 2023/24

($ millions)	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Taxation revenue:											(per cent)
Personal income	8,076	8,380	9,704	8,923	11,364	10,657	11,118	11,170	11,565	12,047	4.5
Corporate income	2,635	2,787	3,003	4,165	5,180	5,011	4,807	3,409	5,728	5,736	9.0
Employer health	-	-	-	-	464	1,897	1,840	1,923	2,000	2,073	n/a
Sales	5,762	5,990	6,606	7,131	7,369	7,374	7,446	7,872	8,492	8,865	4.9
Fuel	932	973	969	1,010	1,015	1,008	933	983	992	969	0.4
Carbon	1,198	1,190	1,220	1,255	1,465	1,682	1,640	1,985	2,221	2,116	6.5
Tobacco	752	734	737	727	781	729	720	780	800	800	0.7
Property	2,154	2,219	2,279	2,367	2,617	2,608	2,324	2,970	3,108	3,230	4.6
Property transfer	1,065	1,533	2,026	2,141	1,826	1,609	2,000	1,975	1,912	1,877	6.5
Corporation capital	(1)	-	-	-	-	-					n/a
Insurance premium	483	520	549	602	633	691	705	715	725	735	4.8
	23,056	**24,326**	**27,093**	**28,321**	**32,714**	**33,266**	**33,533**	**33,782**	**37,543**	**38,448**	5.8
Natural resource revenue:											
Natural gas royalties	493	139	152	161	199	118	191	286	315	366	-3.3
Bonus bids, rents on drilling rights and leases	834	765	633	276	279	225	165	141	131	110	-20.2
Columbia River Treaty	130	116	111	111	202	119	117	161	148	143	1.1
Other energy and minerals	267	226	403	619	557	386	185	237	320	344	2.9
Forests	754	865	913	1,065	1,406	988	1,121	1,204	948	916	2.2
Other resources	459	460	499	463	465	432	436	503	515	510	1.2
	2,937	**2,571**	**2,711**	**2,695**	**3,108**	**2,268**	**2,215**	**2,532**	**2,377**	**2,389**	-2.3
Other revenue:											
Medical Services Plan premiums	2,254	2,434	2,558	2,266	1,360	1,063	-	-	-	-	-100.0
Post-secondary education fees	1,544	1,666	1,828	2,034	2,275	2,451	2,485	2,508	2,625	2,711	6.5
Other health-care related fees	358	374	404	429	441	475	396	437	466	466	3.0
Motor vehicle licences and permits	499	521	529	557	568	579	568	578	588	598	2.0
Other fees and licences	770	841	894	963	949	1,004	993	1,114	1,026	1,093	4.0
Investment earnings	1,171	1,213	1,232	1,101	1,243	1,263	1,205	1,174	1,185	1,186	0.1
Sales of goods and services	967	1,011	1,131	1,133	1,164	1,162	716	1,004	1,297	1,407	4.3
Miscellaneous	1,893	2,287	2,377	2,410	2,249	2,676	2,435	2,405	2,281	2,235	1.9
	9,456	**10,347**	**10,953**	**10,893**	**10,249**	**10,673**	**8,798**	**9,220**	**9,468**	**9,696**	0.3
Contributions from the federal government:											
Canada Health Transfer	4,186	4,454	4,744	4,994	5,182	5,523	6,243	5,843	6,017	6,353	4.7
Canada Social Transfer	1,641	1,695	1,751	1,854	1,908	1,971	2,042	2,096	2,159	2,225	3.4
Other cost shared agreements	1,452	1,498	1,672	2,207	1,962	2,041	5,075	2,591	2,288	2,332	5.4
	7,279	**7,647**	**8,167**	**9,055**	**9,052**	**9,535**	**13,360**	**10,530**	**10,464**	**10,910**	4.6
Commercial Crown corporation net income:											
BC Hydro [1]	581	655	684	683	(428)	705	691	712	712	712	2.3
Liquor Distribution Branch	935	1,031	1,083	1,119	1,104	1,107	1,151	1,099	1,103	1,146	2.3
BC Lottery Corporation [2]	1,245	1,304	1,329	1,391	1,405	1,336	383	771	1,283	1,403	1.3
ICBC	657	(293)	(612)	(1,327)	(1,153)	(376)	709	154	202	229	-11.1
BC Railway Company	5	6	7	53	10	13	10	9	8	8	5.4
Transportation Investment Corporation	(89)	(80)	(81)	(29)	-	-	-	-	-	-	n/a
Other	37	87	115	116	117	133	117	120	126	133	15.3
Accounting adjustment [1]	-	-	-	(950)	950	-	-	-	-	-	n/a
	3,371	**2,710**	**2,525**	**1,056**	**2,005**	**2,918**	**3,061**	**2,865**	**3,434**	**3,631**	0.8
Total revenue	**46,099**	**47,601**	**51,449**	**52,020**	**57,128**	**58,660**	**60,967**	**58,929**	**63,286**	**65,074**	3.9

[1] BC Hydro's loss for 2018/19 includes a write-off of a regulatory account. At the summary level, the Province recognized a $950 million adjustment in fiscal 2017/18 with respect to BC Hydro's deferred regulatory accounts.

[2] Net of payments to the federal government and beginning in 2021/22 , is also net of payments under the gaming revenue sharing agreement with First Nations.

Table A10 Revenue by Source Supplementary Information – 2014/15 to 2023/24[1]

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Per cent of nominal GDP: [2]											(per cent)
Taxation and Medical Services Plan premiums	10.4	10.7	11.2	10.8	11.5	11.1	11.4	10.7	11.3	11.2	0.8
Taxation	9.5	9.7	10.3	10.0	11.0	10.8	11.4	10.7	11.3	11.2	1.9
Medical Services Plan premiums	0.9	1.0	1.0	0.8	0.5	0.3	-	-	-	-	-100.0
Natural resources	1.2	1.0	1.0	1.0	1.1	0.7	0.8	0.8	0.7	0.7	-5.9
Other	3.9	4.1	4.2	3.9	3.5	3.5	3.0	2.9	2.9	2.8	-3.5
Other excluding Medical Services Plan premiums	3.0	3.2	3.2	3.1	3.0	3.1	3.0	2.9	2.9	2.8	-0.5
Contributions from the federal government	3.0	3.0	3.1	3.2	3.1	3.1	4.5	3.4	3.2	3.2	0.7
Commercial Crown corporation net income	1.4	1.1	1.0	0.4	0.7	0.9	1.0	0.9	1.0	1.1	-3.0
Total revenue	**18.9**	**19.0**	**19.5**	**18.4**	**19.3**	**19.0**	**20.6**	**18.8**	**19.1**	**18.9**	0.0
Growth rates (per cent):											
Taxation and Medical Services Plan premiums	9.6	5.7	10.8	3.2	11.4	0.7	-2.3	0.7	11.1	2.4	n/a
Taxation	10.2	5.5	11.4	4.5	15.5	1.7	0.8	0.7	11.1	2.4	n/a
Medical Services Plan premiums	4.4	8.0	5.1	-11.4	-40.0	-21.8	-100.0	n/a	n/a	n/a	n/a
Natural resources	-0.6	-12.5	5.4	-0.6	15.3	-27.0	-2.3	14.3	-6.1	0.5	n/a
Other	-1.7	9.4	5.9	-0.5	-5.9	4.1	-17.6	4.8	2.7	2.4	n/a
Other excluding Medical Services Plan premiums	-3.4	9.9	6.1	2.8	3.0	8.1	-8.4	4.8	2.7	2.4	n/a
Contributions from the federal government	-3.1	5.1	6.8	10.9	0.0	5.3	40.1	-21.2	-0.6	4.3	n/a
Commercial Crown corporation net income	24.8	-19.6	-6.8	-58.2	89.9	45.5	4.9	-6.4	19.9	5.7	n/a
Total revenue	**5.5**	**3.3**	**8.1**	**1.1**	**9.8**	**2.7**	**3.9**	**-3.3**	**7.4**	**2.8**	n/a
Per capita ($): [3]											
Taxation and Medical Services Plan premiums	5,377	5,603	6,102	6,205	6,801	6,743	6,514	6,521	7,157	7,232	3.3
Taxation	4,898	5,093	5,576	5,745	6,529	6,534	6,514	6,521	7,157	7,232	4.4
Medical Services Plan premiums	479	510	526	460	271	209	-	-	-	-	-100.0
Natural resources	624	538	558	547	620	445	430	489	453	449	-3.6
Other	2,009	2,166	2,254	2,210	2,046	2,096	1,709	1,780	1,805	1,824	-1.1
Other excluding Medical Services Plan premiums	1,530	1,657	1,728	1,750	1,774	1,888	1,709	1,780	1,805	1,824	2.0
Contributions from the federal government	1,546	1,601	1,681	1,837	1,807	1,873	2,595	2,033	1,995	2,052	3.2
Commercial Crown corporation net income	716	567	520	214	400	573	595	553	655	683	-0.5
Total revenue	**9,793**	**9,966**	**10,588**	**10,553**	**11,402**	**11,522**	**11,844**	**11,375**	**12,065**	**12,240**	2.5
Real Per Capita Revenue (2020 $) [4]	**10,905**	**10,977**	**11,453**	**11,178**	**11,757**	**11,610**	**11,844**	**11,190**	**11,632**	**11,555**	0.6
Growth rate (per cent)	2.7	0.7	4.3	-2.4	5.2	-1.2	2.0	-5.5	4.0	-0.7	0.9

[1] Numbers may not add due to rounding.

[2] Revenue as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2021/22 revenue divided by nominal GDP for the 2021 calendar year).

[3] Per capita revenue is calculated using July 1 population (e.g. 2021/22 revenue divided by population on July 1, 2021).

[4] Revenue is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2021 CPI for 2021/22 revenue).

Table A11 Expense by Function – 2014/15 to 2023/24[1,2]

($ millions)	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Function:											(per cent)
Health:											
Medical Services Plan	4,136	4,345	4,573	4,623	4,861	5,013	5,275	5,589	5,877	6,082	4.4
Pharmacare	1,120	1,335	1,284	1,400	1,494	1,517	1,561	1,620	1,664	1,689	4.7
Regional services	12,410	12,811	13,079	14,094	14,996	16,047	16,586	17,926	18,284	18,739	4.7
Other healthcare expenses	704	712	753	810	800	872	917	971	1,019	1,070	4.8
Total health	18,370	19,203	19,689	20,927	22,151	23,449	24,339	26,106	26,844	27,580	4.6
Education:											
Elementary and secondary	6,064	6,303	6,422	6,917	7,253	7,582	8,024	8,059	8,097	8,092	3.3
Post-secondary	5,350	5,503	5,673	5,998	6,394	6,842	6,982	7,293	7,409	7,636	4.0
Other education expenses	414	407	374	176	442	310	432	453	446	444	0.8
Total education	11,828	12,213	12,469	13,091	14,089	14,734	15,438	15,805	15,952	16,172	3.5
Social services:											
Social assistance	1,589	1,641	1,692	1,988	2,202	2,342	2,441	2,885	2,948	2,957	7.1
Child welfare	1,129	1,301	1,358	1,507	1,652	1,940	2,232	2,512	2,551	2,551	9.5
Low income tax credit transfers	248	247	244	239	414	435	884	370	395	405	5.6
Community living and other services	881	917	949	1,003	1,075	1,170	1,225	1,405	1,436	1,452	5.7
Total social services	3,847	4,106	4,243	4,737	5,343	5,887	6,782	7,172	7,330	7,365	7.5
Protection of persons and property	1,451	1,572	1,655	1,930	2,004	2,126	1,954	1,935	1,942	1,943	3.3
Transportation	1,608	1,670	1,784	1,931	2,021	2,126	2,172	2,336	2,393	2,374	4.4
Natural resources & economic development	2,191	2,477	2,465	3,374	3,825	3,778	3,262	3,467	3,544	3,674	5.9
Other	1,288	1,264	2,260	1,553	1,810	2,501	2,719	2,218	2,257	2,223	6.3
Contingencies - general programs	-	-	-	-	-	-	736	1,000	800	700	n/a
Contingencies - caseload pressures and priority initiatives									1,500	2,000	n/a
Pandemic and Recovery Contingencies							7,510	3,250	1,000	300	n/a
General government	1,359	1,501	1,532	1,540	1,670	1,653	1,499	1,531	1,525	1,536	1.4
Debt servicing	2,498	2,826	2,587	2,623	2,684	2,727	2,700	2,807	2,934	3,130	2.5
Total expense	**44,440**	**46,832**	**48,684**	**51,706**	**55,597**	**58,981**	**69,111**	**67,627**	**68,020**	**68,997**	
Per cent of operating expense:											
Health	41.3	41.0	40.4	40.5	39.8	39.8	35.2	38.6	39.5	40.0	-0.4
Education	26.6	26.1	25.6	25.3	25.3	25.0	22.3	23.4	23.5	23.4	-1.4
Social services	8.7	8.8	8.7	9.2	9.6	10.0	9.8	10.6	10.8	10.7	2.4
Protection of persons and property	3.3	3.4	3.4	3.7	3.6	3.6	2.8	2.9	2.9	2.8	-1.6
Transportation	3.6	3.6	3.7	3.7	3.6	3.6	3.1	3.5	3.5	3.4	-0.6
Natural resources & economic development	4.9	5.3	5.1	6.5	6.9	6.4	4.7	5.1	5.2	5.3	0.9
Other	2.9	2.7	4.6	3.0	3.3	4.2	3.9	3.3	3.3	3.2	1.2
Contingencies - general programs	-	-	-	-	-	-	1.1	1.5	1.2	1.0	n/a
Contingencies - caseload pressures and priority initiatives									2.2	2.9	n/a
Pandemic and Recovery Contingencies							10.9	4.8	1.5	0.4	n/a
General government	3.1	3.2	3.1	3.0	3.0	2.8	2.2	2.3	2.2	2.2	-3.5
Debt servicing	5.6	6.0	5.3	5.1	4.8	4.6	3.9	4.2	4.3	4.5	-2.4
Operating expense	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	

[1] Figures reflect government accounting policies used in the *2019/20 Public Accounts* audited financial statements.

[2] Numbers may not add due to rounding.

Table A12 Expense by Function Supplementary Information – 2014/15 to 2023/24[1]

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Per cent of nominal GDP: [2]											(per cent)
Health	7.5	7.7	7.5	7.4	7.5	7.6	8.2	8.3	8.1	8.0	0.7
Education	4.9	4.9	4.7	4.6	4.8	4.8	5.2	5.0	4.8	4.7	-0.4
Social services	1.6	1.6	1.6	1.7	1.8	1.9	2.3	2.3	2.2	2.1	3.4
Protection of persons and property	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.6	-0.6
Transportation	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.5
Natural resources & economic development	0.9	1.0	0.9	1.2	1.3	1.2	1.1	1.1	1.1	1.1	1.9
Other	0.5	0.5	0.9	0.6	0.6	0.8	0.9	0.7	0.7	0.6	2.3
Contingencies - general programs	-	-	-	-	-	-	0.2	0.3	0.2	0.2	n/a
Contingencies - caseload pressures and priority initiatives									0.5	0.6	n/a
Pandemic and Recovery Contingencies							2.5	1.0	0.3	0.1	n/a
General government	0.6	0.6	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.4	-2.4
Debt servicing	1.0	1.1	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	-1.3
Operating expense	**18.2**	**18.7**	**18.4**	**18.3**	**18.8**	**19.1**	**23.4**	**21.5**	**20.5**	**20.0**	1.1
Growth rates (per cent):											
Health	2.8	4.5	2.5	6.3	5.8	5.9	3.8	7.3	2.8	2.7	n/a
Education	0.0	3.3	2.1	5.0	7.6	4.6	4.8	2.4	0.9	1.4	n/a
Social services	1.1	6.7	3.3	11.6	12.8	10.2	15.2	5.8	2.2	0.5	n/a
Protection of persons and property	-4.5	8.3	5.3	16.6	3.8	6.1	-8.1	-1.0	0.4	0.1	n/a
Transportation	1.8	3.9	6.8	8.2	4.7	5.2	2.2	7.6	2.4	-0.8	n/a
Natural resources & economic development	24.8	13.1	-0.5	36.9	13.4	-1.2	-13.7	6.3	2.2	3.7	n/a
Other	8.8	-1.9	78.8	-31.3	16.5	38.2	8.7	-18.4	1.7	-1.5	n/a
General government	-1.9	10.4	2.1	0.5	8.4	-1.0	-9.3	2.1	-0.4	0.7	n/a
Debt servicing	0.6	13.1	-8.5	1.4	2.3	1.6	-1.0	4.0	4.5	6.7	n/a
Operating expense	**2.4**	**5.4**	**4.0**	**6.2**	**7.5**	**6.1**	**17.2**	**(2.1)**	**0.6**	**1.4**	n/a
Per capita ($): [3]											
Health	3,903	4,020	4,052	4,245	4,421	4,606	4,728	5,039	5,118	5,188	3.2
Education	2,513	2,557	2,566	2,656	2,812	2,894	2,999	3,051	3,041	3,042	2.1
Social services	817	860	873	961	1,066	1,156	1,317	1,384	1,397	1,385	6.0
Protection of persons and property	308	329	341	392	400	418	380	374	370	365	1.9
Transportation	342	350	367	392	403	418	422	451	456	447	3.0
Natural resources & economic development	465	519	507	684	763	742	634	669	676	691	4.5
Other	274	265	465	315	361	491	528	428	430	418	4.8
Contingencies - general programs	-	-	-	-	-	-	143	193	153	132	n/a
Contingencies - caseload pressures and priority initiatives									286	376	n/a
Pandemic and Recovery Contingencies							1,459	627	191	56	n/a
General government	289	314	315	312	333	325	291	296	291	289	0.0
Debt servicing	531	592	532	532	536	536	525	542	559	589	1.2
Operating expense	**9,442**	**9,806**	**10,018**	**10,489**	**11,095**	**11,586**	**13,426**	**13,054**	**12,968**	**12,978**	3.6
Real Per Capita Operating Expense (2020 $) [4]	**10,513**	**10,800**	**10,837**	**11,110**	**11,442**	**11,674**	**13,426**	**12,841**	**12,502**	**12,252**	1.7
Growth rate (per cent)	-0.3	2.7	0.3	2.5	3.0	2.0	17.3	-4.4	-2.6	-2.0	1.9

[1] Numbers may not add due to rounding.

[2] Expense as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2021/22 expense divided by nominal GDP for the 2021 calendar year).

[3] Per capita expense is calculated using July 1 population (e.g. 2021/22 expense divided by population on July 1, 2021).

[4] Expense is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2021 CPI for 2021/22 expense).

Table A13 Full-Time Equivalents (FTEs) – 2014/15 to 2023/2024 [1]

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Taxpayer-supported programs and agencies:											(per cent)
Ministries and special offices (CRF) ……	26,679	27,192	27,940	29,291	30,891	31,774	32,400	32,750	32,750	32,750	2.3
Service delivery agencies [2] ……....	4,798	4,803	4,850	5,076	5,258	5,985	6,056	6,910	7,810	7,952	5.8
Total FTEs ……	**31,477**	**31,995**	**32,790**	**34,367**	**36,149**	**37,759**	**38,456**	**39,660**	**40,560**	**40,702**	2.9
Growth rates (per cent):											
Ministries and special offices (CRF) ……	0.6	1.9	2.8	4.8	5.5	2.9	2.0	1.1	0.0	0.0	2.1
Service delivery agencies ……..….	3.4	0.1	1.0	4.7	3.6	13.8	1.2	14.1	13.0	1.8	5.7
Population per FTE: [3]											
Total FTEs ……	149.5	149.3	148.2	143.4	138.6	134.8	133.9	130.6	129.3	130.6	-1.5

[1] Full-time equivalents (FTEs) are a measure of staff employment. FTEs are calculated by dividing the total hours of employment paid for in a given period by the number of hours an individual, full-time person would normally work in that period. This does not equate to the physical number of employees. For example, two half-time employees would equal one FTE, or alternatively, three FTEs may represent two full-time employees who have worked sufficient overtime hours to equal an additional FTE.

[2] Service delivery agency FTE amounts do not include SUCH sector staff employment.

[3] Population per FTE is calculated using July 1 population (e.g. population on July 1, 2021 divided by 2021/22 FTEs).

Table A14 Capital Spending – 2014/15 to 2023/24

($ millions)	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Taxpayer-supported:											(per cent)
Education											
Schools districts	420	430	474	578	626	877	972	1,197	1,114	1,187	12.2
Post-secondary institutions	718	746	792	968	1,024	936	931	1,263	1,271	1,261	6.5
Health	900	923	1,004	890	904	1,009	1,533	2,245	2,603	2,972	14.2
BC Transportation Financing Authority [1]	822	867	823	717	853	955	1,525	2,162	2,539	2,264	11.9
BC Transit	83	51	41	115	85	73	114	113	199	257	13.4
Government direct (ministries)	326	290	301	430	421	520	435	641	521	457	3.8
Social Housing	107	127	184	169	483	355	679	671	574	335	13.5
Other	31	25	40	41	56	47	88	187	204	139	18.1
	3,407	**3,459**	**3,659**	**3,908**	**4,452**	**4,772**	**6,277**	**8,479**	**9,025**	**8,872**	11.2
Self-supported:											
BC Hydro	2,169	2,306	2,444	2,473	3,826	3,082	3,573	4,738	4,413	3,305	4.8
Columbia Basin power projects	28	15	2	1	2	994	8	9	13	25	-1.3
Transportation Investment Corporation [1]	76	25	38	4	-	-	-	-	-	-	n/a
BC Railway Company	5	23	4	11	33	6	3	11	4	2	-9.7
ICBC	88	90	62	54	66	62	107	68	42	46	-7.0
BC Lottery Corporation	69	68	86	82	75	102	89	96	120	90	3.0
Liquor Distribution Branch	25	23	27	48	60	36	32	54	48	21	-1.9
Other [2]	28	23	62	56	44	104	-	-	-	-	n/a
	2,488	**2,573**	**2,725**	**2,729**	**4,106**	**4,386**	**3,812**	**4,976**	**4,640**	**3,489**	3.8
Total capital spending	**5,895**	**6,032**	**6,384**	**6,637**	**8,558**	**9,158**	**10,089**	**13,455**	**13,665**	**12,361**	8.6
Per cent of nominal GDP: [3]											
Taxpayer-supported	1.4	1.4	1.4	1.4	1.5	1.5	2.1	2.7	2.7	2.6	7.0
Self-supported	1.0	1.0	1.0	1.0	1.4	1.4	1.3	1.6	1.4	1.0	-0.1
Total	2.4	2.4	2.4	2.4	2.9	3.0	3.4	4.3	4.1	3.6	4.5
Growth rates:											
Taxpayer-supported	8.1	1.5	5.8	6.8	13.9	7.2	31.5	35.1	6.4	-1.7	11.5
Self-supported	-1.2	3.4	5.9	0.1	50.5	6.8	-13.1	30.5	-6.8	-24.8	5.1
Total	4.0	2.3	5.8	4.0	28.9	7.0	10.2	33.4	1.6	-9.5	8.8
Per capita: [4]											
Taxpayer-supported	724	724	753	793	889	937	1,219	1,637	1,721	1,669	9.7
Self-supported	529	539	561	554	819	862	741	960	885	656	2.4
Total	1,252	1,263	1,314	1,346	1,708	1,799	1,960	2,597	2,605	2,325	7.1
Real Per Capita Capital Spending (2020 $) [5]	**1,395**	**1,391**	**1,421**	**1,426**	**1,761**	**1,813**	**1,960**	**2,555**	**2,512**	**2,195**	5.2
Growth rate (per cent)	1.2	-0.3	2.2	0.4	23.5	2.9	8.1	30.4	-1.7	-12.6	5.4

[1] Includes Transportation Investment Plan capital spending and, beginning in 2017/18, Transportation Investment Corporation rehabilitation costs for the Port Mann Bridge due to reclassification from self-supported commercial Crown corporation to a taxpayer-supported agency in response to the cancellation of tolls. Effective April 1, 2018, Transportation Investment Corporation became a subsidiary of BCTFA.

[2] Includes post-secondary institutions' self-supported subsidiaries.

[3] Capital spending as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2021/22 amounts divided by nominal GDP for the 2021 calendar year).

[4] Per capita capital spending is calculated using July 1 population (e.g. 2021/22 amounts divided by population on July 1, 2021).

[5] Capital spending is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2021 CPI for 2021/22 capital spending).

Table A15 Statement of Financial Position – 2014/15 to 2023/24

($ millions)	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Financial assets:											(per cent)
Cash and temporary investments	3,675	3,892	4,232	3,440	3,029	3,985	4,822	2,306	2,507	2,683	-3.4
Other financial assets	9,115	9,636	10,143	11,650	12,524	12,278	13,492	13,851	14,689	14,837	5.6
Sinking funds	977	1,580	1,087	1,348	752	692	494	522	538	527	-6.6
Investments in commercial Crown corporations:											
Retained earnings	8,269	7,529	7,509	6,126	5,732	6,515	9,519	9,332	10,017	11,133	3.4
Recoverable capital loans	20,624	22,041	23,809	20,534	22,547	24,768	26,254	29,005	32,659	32,659	5.2
Total investments in commercial Crown corporations	28,893	29,570	31,318	26,660	28,279	31,283	35,773	38,337	42,676	43,792	4.7
Total financial assets	**42,660**	**44,678**	**46,780**	**43,098**	**44,584**	**48,238**	**54,581**	**55,016**	**60,410**	**61,839**	4.2
Liabilities:											
Accounts payable & accrued liabilities	8,443	8,618	9,031	9,751	10,573	11,497	12,227	12,712	14,040	14,683	6.3
Deferred revenue	9,835	9,807	9,589	9,992	10,467	10,576	11,186	12,062	13,547	14,940	4.8
Debt:											
Taxpayer-supported debt	41,880	42,719	41,499	43,607	42,681	46,229	59,962	71,642	82,771	92,732	9.2
Self-supported debt	21,040	22,532	24,338	21,312	23,281	25,932	27,524	30,238	32,688	33,882	5.4
Forecast allowance	-	-	-	-	-	-	-	1,000	750	400	n/a
Total provincial debt	62,920	65,251	65,837	64,919	65,962	72,161	87,486	102,880	116,209	127,014	8.1
Add: debt offset by sinking funds	977	1,580	1,087	1,348	752	692	494	522	538	527	-6.6
Less: guarantees and non-guaranteed debt	(739)	(820)	(835)	(896)	(850)	(1,337)	(1,275)	(1,238)	(1,228)	(1,228)	5.8
Financial statement debt	63,158	66,011	66,089	65,371	65,864	71,516	86,705	102,164	115,519	126,313	8.0
Total liabilities	**81,436**	**84,436**	**84,709**	**85,114**	**86,904**	**93,589**	**110,118**	**126,938**	**143,106**	**155,936**	7.5
Net liabilities	**(38,776)**	**(39,758)**	**(37,929)**	**(42,016)**	**(42,320)**	**(45,351)**	**(55,537)**	**(71,922)**	**(82,696)**	**(94,097)**	10.4
Capital and other assets:											
Tangible capital assets	39,028	40,282	41,303	45,837	47,830	50,025	53,720	59,566	65,729	71,722	7.0
Restricted assets	1,553	1,631	1,695	1,768	1,834	1,931	1,999	2,063	2,128	2,193	3.9
Other assets	1,383	1,155	1,242	1,072	1,114	1,277	1,141	837	(358)	829	-5.5
Total capital and other non-financial assets	**41,964**	**43,068**	**44,240**	**48,677**	**50,778**	**53,233**	**56,860**	**62,466**	**67,499**	**74,744**	6.6
Accumulated surplus (deficit)	**3,188**	**3,310**	**6,311**	**6,661**	**8,458**	**7,882**	**1,323**	**(9,456)**	**(15,197)**	**(19,353)**	-222.2
Per cent of nominal GDP: [1]											
Net liabilities	15.9	15.9	14.4	14.9	14.3	14.7	18.8	22.9	25.0	27.3	6.2
Capital and other assets	17.2	17.2	16.8	17.2	17.1	17.2	19.3	19.9	20.4	21.7	2.6
Growth rates (per cent):											
Net liabilities	-0.3	2.5	-4.6	10.8	0.7	7.2	22.5	29.5	15.0	13.8	-255.6
Capital and other assets	3.2	2.6	2.7	10.0	4.3	4.8	6.8	9.9	8.1	10.7	14.6
Per capita: [2]											
Net liabilities	8,238	8,324	7,806	8,524	8,446	8,908	10,789	13,883	15,765	17,699	8.9
Capital and other assets	8,915	9,017	9,104	9,875	10,134	10,456	11,046	12,057	12,868	14,059	5.2

[1] Net liabilities as a per cent of nominal GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2021/22 amount divided by nominal GDP for the 2021 calendar year).

[2] Per capita net liabilities is calculated using July 1 population (e.g. 2021/22 amount divided by population on July 1, 2021).

Table A16 Changes in Financial Position – 2014/15 to 2023/24

($ millions)	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	10-Year Total
(Surplus) deficit for the year	**(1,659)**	**(769)**	**(2,765)**	**(314)**	**(1,531)**	**570**	**8,144**	**9,698**	**5,484**	**4,323**	**21,181**
Comprehensive income (increase) decrease	275	647	(236)	(36)	(266)	6	(1,585)	1,081	257	(167)	(24)
Change in accumulated (surplus) deficit	(1,384)	(122)	(3,001)	(350)	(1,797)	576	6,559	10,779	5,741	4,156	21,157
Capital and other asset changes:											
Taxpayer-supported capital investments	3,407	3,459	3,659	3,908	4,452	5,248	6,277	8,479	9,025	8,872	56,786
Less: amortization and other accounting changes	(2,157)	(2,205)	(2,638)	626	(2,459)	(3,053)	(2,582)	(2,633)	(2,862)	(2,879)	(22,842)
Increase in net capital assets	1,250	1,254	1,021	4,534	1,993	2,195	3,695	5,846	6,163	5,993	33,944
Increase (decrease) in restricted assets	60	78	64	73	66	97	68	64	65	65	700
Increase (decrease) in other assets	(26)	(228)	87	(170)	42	163	(136)	(304)	(1,195)	1,187	(580)
Change in capital and other assets	1,284	1,104	1,172	4,437	2,101	2,455	3,627	5,606	5,033	7,245	34,064
Increase (decrease) in net liabilities	**(100)**	**982**	**(1,829)**	**4,087**	**304**	**3,031**	**10,186**	**16,385**	**10,774**	**11,401**	**55,221**
Investment and working capital changes:											
Investment in commercial Crown corporations:											
Increase (decrease) in retained earnings	415	(740)	(20)	(1,383)	(394)	783	3,004	(187)	685	1,116	3,279
Self-supported capital investments	2,488	2,573	2,725	2,729	4,106	4,301	3,812	4,976	4,640	3,489	35,839
Less: loan repayments and other accounting changes	(1,119)	(1,156)	(957)	(6,004)	(2,093)	(2,080)	(2,326)	(2,225)	(986)	(3,489)	(22,435)
Change in investment	1,784	677	1,748	(4,658)	1,619	3,004	4,490	2,564	4,339	1,116	16,683
Increase (decrease) in cash and temporary investments	874	217	340	(792)	(411)	956	837	(2,516)	201	176	(118)
Other working capital changes	(202)	977	(181)	645	(1,019)	(1,339)	(324)	(974)	(1,959)	(1,899)	(6,275)
Changes in investment and working capital	**2,456**	**1,871**	**1,907**	**(4,805)**	**189**	**2,621**	**5,003**	**(926)**	**2,581**	**(607)**	**10,290**
Increase (decrease) in financial statement debt	**2,356**	**2,853**	**78**	**(718)**	**493**	**5,652**	**15,189**	**15,459**	**13,355**	**10,794**	**65,511**
(Increase) decrease in sinking fund debt	(142)	(603)	493	(261)	596	60	198	(28)	(16)	11	308
Increase (decrease) in guarantees	(33)	6	(23)	(188)	(2)	57	(168)	-	1,194	(1,194)	(351)
Increase (decrease) in non-guaranteed debt	46	75	38	249	(44)	430	106	(37)	(1,204)	1,194	853
Increase (decrease) in total provincial debt	**2,227**	**2,331**	**586**	**(918)**	**1,043**	**6,199**	**15,325**	**15,394**	**13,329**	**10,805**	**66,321**
Represented by increase (decrease) in:											
Taxpayer-supported debt	**812**	**839**	**(1,220)**	**2,108**	**(926)**	**3,548**	**13,733**	**11,680**	**11,129**	**9,961**	**51,664**
Self-supported debt	**1,415**	**1,492**	**1,806**	**(3,026)**	**1,969**	**2,651**	**1,592**	**2,714**	**2,450**	**1,194**	**14,257**
Forecast allowance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,000**	**(250)**	**(350)**	**400**
Total provincial debt	**2,227**	**2,331**	**586**	**(918)**	**1,043**	**6,199**	**15,325**	**15,394**	**13,329**	**10,805**	**66,321**

Table A17 Provincial Debt – 2014/15 to 2023/24

($ millions)	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Taxpayer-supported debt:											(per cent)
Provincial government											
Operating	9,280	8,034	4,644	1,156	-	-	8,799	14,939	19,483	22,912	10.6
Capital [2]											
K-12 education	7,572	8,012	8,454	8,891	8,885	9,757	10,611	11,455	12,358	13,439	6.6
Post-secondary institutions	3,860	4,063	4,285	4,584	4,607	4,917	5,210	5,626	6,209	6,835	6.6
Health facilities	5,105	5,416	5,835	6,141	6,173	6,705	7,510	8,654	10,215	12,378	10.3
Ministries general capital	1,698	1,987	2,288	2,718	2,363	3,133	3,702	4,241	4,698	5,096	13.0
Transportation	2,174	2,174	2,174	5,682	5,401	5,401	5,401	5,403	5,405	5,406	10.7
Social housing	413	428	449	619	619	805	1,131	1,444	1,788	2,028	19.3
Other	242	242	242	242	242	252	258	357	472	558	9.7
Total capital	21,064	22,322	23,727	28,877	28,290	30,970	33,823	37,180	41,145	45,740	9.0
Total provincial government	**30,344**	**30,356**	**28,371**	**30,033**	**28,290**	**30,970**	**42,622**	**52,119**	**60,628**	**68,652**	9.5
Taxpayer-supported entities:											
BC Pavilion Corporation	148	156	143	141	138	135	132	129	126	123	-2.0
BC Transit	123	106	94	84	73	65	61	86	119	167	3.5
BC Transportation Financing Authority	8,428	9,177	9,974	10,388	11,293	12,193	13,441	15,538	17,779	19,962	10.1
Health Authorities and Hospital Societies	1,417	1,582	1,717	1,762	1,795	1,802	1,845	1,841	1,800	1,755	2.4
InBC Investment Corp	414	304	217	161	70	45	37	40	47	53	-20.4
Post-secondary institutions	658	668	699	744	763	753	837	858	875	886	3.4
School districts	28	21	19	17	19	18	17	15	13	12	-9.0
Social housing	302	332	246	259	225	222	932	990	1,362	1,098	15.4
Other	18	17	19	18	15	26	38	26	22	24	3.2
Total taxpayer-supported entities	**11,536**	**12,363**	**13,128**	**13,574**	**14,391**	**15,259**	**17,340**	**19,523**	**22,143**	**24,080**	8.5
Total taxpayer-supported debt	**41,880**	**42,719**	**41,499**	**43,607**	**42,681**	**46,229**	**59,962**	**71,642**	**82,771**	**92,732**	9.2
Self-supported debt:											
Commercial Crown corporations and agencies											
BC Hydro	16,544	17,929	19,685	19,990	22,064	23,238	24,818	27,619	30,099	31,338	7.4
BC Lottery Corporation	140	150	145	155	100	233	272	200	187	151	0.8
Columbia Basin power projects	464	459	448	433	418	1,387	1,349	1,325	1,300	1,273	11.9
Columbia Power Corporation	300	296	291	286	282	276	270	264	257	250	-2.0
Liquor Distribution Branch	-	-	-	-	-	210	218	228	239	254	n/a
Post-secondary institution subsidiaries	222	310	340	418	387	504	498	497	497	498	9.4
Transportation Investment Corporation [1]	3,335	3,355	3,398	-	-	-	-	-	-	-	n/a
Other	35	33	31	30	30	84	99	105	109	118	14.5
Total self-supported debt	**21,040**	**22,532**	**24,338**	**21,312**	**23,281**	**25,932**	**27,524**	**30,238**	**32,688**	**33,882**	5.4
Forecast allowance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,000**	**750**	**400**	n/a
Total provincial debt	**62,920**	**65,251**	**65,837**	**64,919**	**65,962**	**72,161**	**87,486**	**102,880**	**116,209**	**127,014**	8.1

[1] Beginning in 2017/18, debt related to the Port Mann Bridge was reclassified as taxpayer-supported due to the elimination of tolls effective September 1, 2017.

[2] Includes debt incurred by the government to fund the building and construction of capital assets in the education, health, social housing and other sectors.

Table A18 Provincial Debt Supplementary Information – 2014/15 to 2023/24[1]

($ millions)	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Per cent of nominal GDP: [2]											(per cent)
Taxpayer-supported debt:											
Provincial government direct operating	3.8	3.2	1.8	0.4	-	-	3.0	4.8	5.9	6.7	6.4
Provincial government capital	8.6	8.9	9.0	10.2	9.6	10.0	11.5	11.8	12.4	13.3	4.9
Total provincial government	12.4	12.1	10.8	10.6	9.6	10.0	14.4	16.6	18.3	19.9	5.4
Taxpayer-supported entities	4.7	4.9	5.0	4.8	4.9	4.9	5.9	6.2	6.7	7.0	4.4
Total taxpayer-supported debt	17.2	17.0	15.7	15.4	14.4	15.0	20.3	22.8	25.0	26.9	5.1
Self-supported debt:											
Commercial Crown corporations & agencies	8.6	9.0	9.2	7.6	7.9	8.4	9.3	9.6	9.9	9.8	1.5
Total provincial debt	**25.8**	**26.0**	**24.9**	**23.0**	**22.3**	**23.3**	**29.6**	**32.7**	**35.1**	**36.9**	4.1
Growth rates (per cent):											
Taxpayer-supported debt:											
Provincial government direct operating	-9.2	-13.4	-42.2	-75.1	-100.0	-	-	69.8	30.4	17.6	-12.2
Provincial government capital	136.7	6.0	6.3	21.7	-2.0	9.5	9.2	9.9	10.7	11.2	21.9
Taxpayer-supported entities	5.0	7.2	6.2	3.4	6.0	6.0	13.6	12.6	13.4	8.7	8.2
Total taxpayer-supported debt	39.1	2.0	-2.9	5.1	-2.1	8.3	29.7	19.5	15.5	12.0	12.6
Self-supported debt:											
Commercial Crown corporations & agencies	7.2	7.1	8.0	-12.4	9.2	11.4	6.1	9.9	8.1	3.7	5.8
Total provincial debt	**26.5**	**3.7**	**0.9**	**-1.4**	**1.6**	**9.4**	**21.2**	**17.6**	**13.0**	**9.3**	10.2
Per capita: [3]											
Taxpayer-supported debt:											
Provincial government direct operating	1,971	1,682	956	235	-	-	1,709	2,884	3,714	4,310	9.1
Provincial government capital	4,475	4,673	4,883	5,858	5,646	6,083	6,570	7,177	7,844	8,604	7.5
Taxpayer-supported entities	2,451	2,588	2,702	2,754	2,872	2,997	3,368	3,768	4,221	4,529	7.1
Total taxpayer-supported debt	8,897	8,944	8,540	8,846	8,518	9,081	11,648	13,829	15,779	17,443	7.8
Self-supported debt:											
Commercial Crown corporations & agencies	4,470	4,717	5,009	4,323	4,646	5,094	5,347	5,837	6,232	6,373	4.0
Total provincial debt	**13,367**	**13,661**	**13,549**	**13,170**	**13,165**	**14,174**	**16,995**	**19,858**	**22,154**	**23,891**	6.7
Real Per Capita Provincial Debt (2020 $) [4]	**14,885**	**15,048**	**14,656**	**13,949**	**13,575**	**14,282**	**16,995**	**19,535**	**21,359**	**22,554**	4.7
Growth rate (per cent)	23.2	1.1	-2.6	-4.8	-2.7	5.2	19.0	14.9	9.3	5.6	6.8

[1] Numbers may not add due to rounding.

[2] Debt as a per cent of GDP is calculated using nominal GDP for the calendar year ending in the fiscal year (e.g. 2021/22 debt divided by nominal GDP for the 2021 calendar year).

[3] Per capita debt is calculated using July 1 population (e.g. 2021/22 debt divided by population on July 1, 2021).

[4] Debt is converted to real (inflation-adjusted) terms using the consumer price index (CPI) for the corresponding calendar year (e.g. 2021 CPI for 2021/22 debt).

Table A19 Key Provincial Debt Indicators – 2014/15 to 2023/24

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Updated Forecast 2020/21	Budget Estimate 2021/22	Plan 2022/23	Plan 2023/24	Average annual change
Debt to revenue (per cent)											(per cent)
Total provincial	106.6	105.9	99.3	94.7	89.5	95.9	114.8	139.5	148.2	157.2	4.4
Taxpayer-supported	94.1	91.3	81.8	82.5	75.0	80.6	102.6	125.9	135.4	147.5	5.1
Debt per capita ($) [1]											
Total provincial	13,367	13,661	13,549	13,170	13,165	14,174	16,995	19,858	22,154	23,891	6.7
Taxpayer-supported	8,897	8,944	8,540	8,846	8,518	9,081	11,648	13,829	15,779	17,443	7.8
Debt to nominal GDP (per cent) [2]											
Total provincial	25.8	26.0	24.9	23.0	22.3	23.3	29.6	32.7	35.1	36.9	4.1
Taxpayer-supported	17.2	17.0	15.7	15.4	14.4	15.0	20.3	22.8	25.0	26.9	5.1
Interest bite (cents per dollar of revenue) [3]											
Total provincial	4.3	4.7	3.8	4.0	3.8	3.8	3.6	3.9	4.0	4.2	-0.1
Taxpayer-supported	3.7	4.1	3.2	3.3	3.2	3.1	3.1	3.4	3.4	3.6	-0.4
Interest costs ($ millions)											
Total provincial	2,525	2,919	2,521	2,759	2,786	2,872	2,777	2,908	3,138	3,412	3.4
Taxpayer-supported	1,651	1,932	1,644	1,725	1,793	1,807	1,814	1,930	2,055	2,247	3.5
Interest rate (per cent) [4]											
Taxpayer-supported	4.0	4.6	3.9	4.1	4.2	4.1	3.4	2.9	2.7	2.6	-4.8
Background Information:											
Revenue ($ millions)											
Total provincial [5]	59,018	61,589	66,334	68,551	73,734	75,283	76,197	73,770	78,408	80,774	3.5
Taxpayer-supported [6]	44,514	46,805	50,726	52,866	56,881	57,386	58,453	56,899	61,153	62,889	3.9
Debt ($ millions)											
Total provincial	62,920	65,251	65,837	64,919	65,962	72,161	87,486	102,880	116,209	127,014	8.1
Taxpayer-supported [7]	41,880	42,719	41,499	43,607	42,681	46,229	59,962	71,642	82,771	92,732	9.2
Provincial nominal GDP ($ millions) [8]	243,872	250,784	263,912	282,283	296,135	309,059	295,282	314,268	331,168	344,251	3.9
Population (thousands at July 1) [9]	4,707	4,776	4,859	4,929	5,010	5,091	5,148	5,181	5,246	5,316	1.4

[1] The ratio of debt to population (e.g. 2021/22 debt divided by population at July 1, 2021).

[2] The ratio of debt outstanding at fiscal year end to provincial nominal gross domestic product (GDP) for the calendar year ending in the fiscal year (e.g. 2021/22 debt divided by 2021 nominal GDP).

[3] The ratio of interest costs (less sinking fund interest) to revenue. Figures include capitalized interest expense in order to provide a more comparable measure to outstanding debt.

[4] Weighted average of all outstanding debt issues.

[5] Includes revenue of the consolidated revenue fund (excluding dividends from enterprises) plus revenue of all government organizations and enterprises.

[6] Excludes revenue of government enterprises, but includes dividends from enterprises paid to the consolidated revenue fund.

[7] Excludes debt of commercial Crown corporations and agencies and funds held under the province's warehouse borrowing

[8] Nominal GDP for the calendar year ending in the fiscal year (e.g. nominal GDP for 2021 is used for the fiscal year ended March 31, 2022).

[9] Population at July 1st within the fiscal year (e.g. population at July 1, 2021 is used for the fiscal year ended March 31, 2022).

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BRITISH COLUMBIA

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REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 05, 2021

SUBJECT **2021 Federal Budget Highlights**

ISSUE SUMMARY

To provide the Committee with a high level review of potential impacts on CRD services in the 2021 Federal Budget.

BACKGROUND

On April 19, 2021, Deputy Prime Minister and Finance Minister Chrystia Freeland tabled the 2021 Federal Budget in the House of Commons. This information report is intended to provide highlights on items potentially relating to the Capital Regional District, Capital Regional Hospital District, and Capital Region Housing Corporation. While these highlights have been focused on organizational impacts, there was an attempt to include potential implications for member municipalities and electoral areas.

This is not intended to be a comprehensive budget review.

IMPLICATIONS

Refer to Appendix A for a CRD, CRHD, and CRHC perspective on the Federal Budget including potential impacts to member municipalities and electoral areas. Highlights also include potential services that may be impacted by provincial initiatives.

Refer to Appendix B: Federal Budget and Fiscal Plan, the main budget document from the Ministry of Finance that lays out the Government's three-year fiscal plan, including economic outlook, revenues, spending, tax measures, and forecasting risks and assumptions.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
That the 2021 Federal Budget Highlights report be received for information.

Submitted by:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: 2021 Federal Budget Highlights
Appendix B: Ministry of Finance – Federal Budget and Fiscal Plan

Highlights of 2021 Federal Budget

On April 19, 2021, Deputy Prime Minister and Finance Minister Chrystia Freeland tabled the 2021 Federal Budget in the House of Commons. This was the first official budget since the COVID-19 pandemic. Budget 2021 was historic in both in size and scope. With more than $650B in expenditures against $296B in revenue, the net result is a projected $354B deficit.

Federal Budget Highlights *Potentially* Impacting CRD & Member Municipalities

1. COVID Response

- $553M over five years to create BC economic development agency with ongoing support **[specific to BC! economic development, local impacts]**
- $500M Tourism Relief Fund supporting local business' adaption to meet public health measures **[economic development, local impacts]**
- $400M to create Community Services Recovery Fund for non-profits to adapt, modernize, and support economic recovery **[non-profit entities, economic development, local impacts]**
- $500M over two years to regional development agencies for community infrastructure **[local impacts]**
- $595M for a new Canada Recovery Hiring Program; employers experiencing declining revenue related to COVID, available June 6th to November 20th, 2021 **[business and non-profit entities]**

2. Affordable Housing

- New 1% tax foreign owned vacant or underused residential real estate **[to fund affordable housing initiatives, CRHC, grants]**
- Incremental $2.5B over seven years to CMHC, including $1.5 billion for the Rapid Housing Initiative **[CRHC, grants]**
- Incremental $567M over two years started in 2022 the Reaching Home Program **[CRHC, grants]**
- $1.9B to extend the Canadian Emergency Rent Subsidy and Lockdown Support until September 25, 2021 **[COVID response, affordable housing]**

3. Environment

- Incremental $5B over seven years for the Net Zero Accelerator program, supporting projects that reduce GHGs **[Grants, various services across the CRD, climate]**
- In partnership with BC, $35M to establish the Centre for Innovation and Clean Energy, scale-up and commercialization of clean technologies **[specific to BC!, advocacy partnership opportunities]**
- Creation of the Federal Green Bond with $5B target to fund green projects **[financing, climate, advocacy]**
- $67.2M for the Clean Fuel Standard for biofuel producers **[RTF? core service?]**

- $4.4B in interest-free loans for home energy retrofits **[Grants, various outreach and education programs across the CRD, climate]**
- $200M over three years to establish a Natural Infrastructure Fund to support natural and hybrid infrastructure projects TO mitigate impacts of climate change **[various services across the CRD, climate]**
- $10M increase, to Sustainable Fisheries Solutions and Retrieval Support Program and the Ghost Gear Fund at Fisheries and Oceans Canada, to retrieve, dispose of plastic waste, test new technology, etc **[climate, waste]**
- $1.9B over four years to the National Trade Corridors Fund to spur investments to roads, rail, and shipping routes **[E&N rail if trade/transport route?]**
- $2.3B to conserve land and inland waters, accelerate new protected areas, and protect priority species at imminent risk **[environment, parks?]**
- Regional Relief and Recovery Fund and the Indigenous Business Initiative programs have been extended to June 30th, 2021 **[FNR, COVID response]**
- $6B over five years with $388.9M ongoing invested to support infrastructure in Indigenous communities **[FNR, economic development, capacity building]**
    - $4.3B over four years for the Indigenous Community Infrastructure Fund to support shovel-ready infrastructure projects
    - $1.7B over five years to cover the operations and maintenance costs of community infrastructure **[core sewer?]**

4. Emergency Management

- $1.4B over 12 years to top up the Disaster Mitigation and Adaptation Fund to support wildfire mitigation, rehabilitation of stormwater systems, and restoration of wetlands and shorelines **[emergency management]**

5. Support Services

- Incremental $27.2B over five years for child care – to be delivered by way of provincial agreement in 50-50 cost sharing **[recreation?]**
- $3B over five years, starting in 2022 to revamp standards in long-term care homes **[health?]**
- $10B to extend the Canada Emergency Wage Subsidy until September 25, 2021 **[COVID response, local economic impacts, SMBs]**
- Incremental $708M over five years to MITACS to create 85,000 work integrated learning providing on-the-job learning **[HR learning & development]**
- Incremental $100M over 2 years to Enabling Accessibility Fund to enhance accessibility **[health, all CRD facilities]**
- $470M over three years to Employment and Social Development Canada for a new Apprenticeship Service in construction, manufacturing, Red Seal trades. Employers would be eligible to receive up to $5,000 for all first-year apprenticeships **[IWS?]**
- $960M over three years to Employment and Social Development Canada for a new Sectoral Workforce Solutions Program to design and deliver training on how to recruit and retain a diverse workforce **[HR learning & development, ODP, EDI]**

6. Other Budget Items of Interest

- $100M over three years to support innovative mental health interventions **[health]**
- $50M over two years to support COVID-19 trauma and PTSD programming **[COVID Response, health]**
- $1.4B over four years for the new Canada Digital Adoption Program to adopt new digital technologies **[COVID Response, economic development]**
- $2.6B over four years to the Business Development Bank of Canada to help businesses finance technology adoption **[COVID Response]**
- Incremental $60M over two years to support the Innovation Superclusters Initiative **[COVID Response, economic decelopment]**

A RECOVERY PLAN FOR JOBS, GROWTH, AND RESILIENCE



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Cat No.: F1-23/3E-PDF
ISSN: 1719-7740

This document is available on the Internet at
https://www.canada.ca/en/department-finance.html

Cette publication est aussi disponible en français.

In case of discrepancy between the printed version and the electronic version, the electronic version will prevail.

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Foreword

After thirteen months of uncertainty and hardship, Canadians continue to battle COVID-19, with determination and grit.

We are all tired, frustrated, and sometimes even afraid. Yet, it's our responsibility to finish this fight – and to ensure that nothing like it ever threatens our country in this way again. That is our job.

It's also our job to tackle the work of recovery, to create the conditions for new employment and new growth, now and in the years ahead.

This budget is about finishing the fight against COVID. It's about healing the economic wounds left by the COVID recession. And it's about creating more jobs and prosperity for Canadians in the days – and decades – to come.

It's about meeting the urgent needs of today, and about building for the long-term. It is a budget focused on middle class Canadians, and on pulling more Canadians up into the middle class. It's a plan that embraces this moment of global transformation to a green, clean economy.

This budget addresses three fundamental challenges.

First, we need to conquer COVID. That means buying vaccines and supporting provincial healthcare systems. It means enforcing our quarantine rules at the border and within the country. It means providing Canadians and Canadian businesses with the support they need to get through these final, third-wave lockdowns, and to come roaring back when the economy fully reopens.

Second, we must punch our way out of the COVID recession. That means ensuring lost jobs are recovered as swiftly as possible, and that hard-hit businesses rebound quickly and are able to flourish.

It means providing support where COVID has struck hardest – to women and young people and low-wage workers, and to small and medium-sized businesses, especially in hospitality and tourism.

The final challenge is to build a better, fairer, more prosperous, more innovative future. That means investing in Canada's green transition and the green jobs that go with it; in Canada's digital transformation and Canadian innovation; and in building infrastructure for a dynamic, growing country.

And it means providing Canadians with social infrastructure – from early learning and child care, to student grants – so the middle class can flourish and more Canadians can join it.

When this global pandemic hit Canada over a year ago, our government made a covenant with Canadians. We knew that fighting the virus would require all of us to accept unprecedented restrictions.

In exchange, we pledged to do whatever it takes to support Canadians in the face of those restrictions and, ultimately, to conquer this disease. We have kept that pledge. We will continue to do so.

When COVID first struck, we immediately provided $500 million to bolster our country's health-care system. Then last summer, we invested nearly $20 billion, through the Safe Restart Agreement, to support provinces and territories in the fight against COVID. Last fall we helped children return to school with $2 billion in the Safe Return to Class agreement.

Just last month, we committed to providing provinces and territories with an additional $4 billion to shore up the healthcare system as we fight the third wave, and an additional $1 billion to speed up the roll-out of vaccines.

Our elders have been this virus's principal victims. The disease has preyed on them mercilessly, cutting short thousands of lives and forcing all seniors into fearful isolation, for more than a year.

We have tragically failed so many of those living in long-term care facilities. To them, and to their families, let me say this: I am so sorry.

We owe you so much better than this. As a country, we must fix what is so clearly and utterly broken.

That's why we propose a $3 billion investment to ensure that provinces and territories provide a high standard of care in their long-term care facilities. We are delivering today on our promise to increase Old Age Security for Canadians aged 75 and older, which will provide up to $766 more for eligible seniors in the first year, and that will grow with indexation.

We owe our elders a great debt. This is a partial repayment.

Our government has been urgently procuring vaccines since last spring – and providing them – at no cost – to Canadians. More than 10 million vaccines were distributed to provinces and territories by the end of March; a further six million will be distributed by the end of this month.

And by the end of September, Canada will have received 100 million doses – more than enough for every adult Canadian to have received two doses of vaccine.

We need to be ready for new variants of COVID-19, and we must have the booster shots that will allow us to keep them in check.

That is why we must begin to rebuild our national capacity in bio-manufacturing and vaccine development and production. Making our own vaccines is essential to our national security. Canada has brilliant scientists and entrepreneurs. We will support them with an investment of $2.2 billion in Canada's bio-manufacturing and life-sciences sector. And, together, we will rebuild this vital industry.

Creating Jobs And Growth.

When COVID-19 first hit, it pushed our country into its deepest recession since the Great Depression.

But this is an economic shock of a very particular kind. We are not suffering because of endogenous flaws or imbalances within our economy.

Rather, the COVID recession is driven by an entirely external event – much like the economic devastation of a flood, blizzard, wildfire or other natural disaster.

That is why an essential part of Canada's fight against COVID-19 has been unprecedented federal support for Canadians and Canadian businesses. Our over-riding objective, from the very beginning, has been to prevent the long-term scarring of Canadian society and the Canadian economy.

And it has worked. Our support helped keep food on the tables of millions of families

This unprecedented federal action staved off a flood of bankruptcies and preserved our country's economic muscle.

The government's economic support measures have been a cost-effective investment – as the IMF has confirmed – averting an economic collapse that would have been truly devastating.

Indeed, thanks to the investments our government made in averting economic scarring, the Canadian economy is poised to come roaring back. The rebound has already started: Canada's GDP rose by almost 10 percent, annualized, in Q4 of 2020.

We will continue to honour our covenant with Canadians, until COVID-19 is fully behind us. The government is prepared to extend support measures, as long as the fight against this virus requires.

But as Canada pivots to recovery, our economic measures will, too. And as we look to brighter days, our efforts will be relentlessly focused on jobs and growth.

****

We promised last November to spend up to $100 billion over three years to get Canada back to work and to ensure the lives and prospects of Canadians are not permanently stunted by this pandemic recession.

This budget keeps that promise. It is an ambitious plan for jobs and growth that is precisely designed to heal the specific wounds of the COVID-19 recession, and to build new economic muscle, creating prosperity for us and for our children, for years to come.

Altogether, this budget creates nearly 500,000 new training and work experience opportunities for Canadians.

It will keep our Throne Speech promise of creating one million jobs by the end of this year.

Some will say our sense of urgency is misplaced.

To them, I ask this: Did you lose your job during a COVID lockdown? Were you reluctantly let go by your small-business employers who were like a family to you, but simply could not afford your salary any longer?

Are you a young mother, forced to quit the dream job you fought to get, because there was no way to keep working while caring for your pre-school children? Did you graduate from university last spring, and are you still struggling to find work in the worst job market since the Great Depression?

Is your family business – launched perhaps, by your parents, and which you'd hoped to pass on to your children – now struggling under a sudden burden of debt, and fending off bankruptcy through sheer grit, every day?

Yet this is the bitter harvest millions of Canadians have reaped during the pandemic.

The ravages of COVID have been uneven. Some parts of our economy, and workers in those sectors – people who work in forests, banks and technology companies, building homes and selling them, for example – are already doing better than they were before the pandemic struck. All of us admire their ingenuity and are grateful for their resilience.

But many others have been grievously hurt by the pandemic and the lockdowns it has required: women, young people, low wage workers and small businesses. Very often, these four groups intersect. To support Canadian workers as we finish our fight against the third wave, and to provide an economic bridge to a fully reopened economy, we will build on the enhancements we've made during the pandemic to maintain flexible access to EI benefits for another year, until the fall of 2022The CRB, which we created to support Canadians not covered by EI, will remain in place until September, offering an additional 12 weeks of benefits, but

stepping down to $300 a week after July 17 as our economy fully reopens over the summer.

About 300,000 Canadians who had a job before the pandemic are still out of work. This month's lockdowns are essential, but they may temporarily make things worse. We need to be there to support Canadian workers – and we will be.

Low-wage workers in Canada work harder than anyone else in this country, for less pay. In the past year they've faced either layoffs or significant infection risks, and often both in succession. We cannot ignore their contribution and their hardship – and we will not.

So, Budget 2021 proposes to expand the Canada Workers Benefit, to invest $8.9 billion over six years in additional support for low-wage workers – extending support to about a million more Canadians and lifting nearly 100,000 people out of poverty.

I am sure all Canadians would agree that no one working full-time in our great country should live in poverty. This investment will help make that very Canadian value a reality. To further support Canadians working hard to join the middle class, this budget will introduce a $15 an hour federal minimum wage.

And Budget 2021 reiterates the government's commitment to amend the Canada Labour Code to improve labour protection for Canadians working in the gig economy.

We know the pandemic has exacerbated systemic barriers faced by racialized Canadians. So, Budget 2021 provides additional funding for the Black Entrepreneurship Program, as well as an investment in a Black-led Philanthropic Endowment Fund, to help fight anti-Black racism and improve social and economic outcomes in Black communities.

One of the most striking aspects of the pandemic has been the historic sacrifice young Canadians have made to protect their parents and grandparents. Our youth have paid a high price to help keep the rest of us safe.

Unemployment among young people is now 14 per cent, compared to 7.5 per cent among Canadians as a whole.

And the mental strain on our youth, who have been sequestered at home at a time of life when people most need to hang out with their friends, has been extraordinary.

We will not allow young Canadians to become a lost generation. They need our support to launch their adult lives and careers in post-COVID Canada – and they will get it. This budget proposes to invest $5.7 billion over five years in Canada's youth. This is an investment in our future and it will yield great dividends.

We will make college and university more accessible and affordable. We will create job openings in skilled trades and high-tech industries. And we will double the Canada Student Grant for two more years, extending the waiver of interest on federal student loans through March 2023.. More than 450,000 low-income student borrowers will also have access to more generous repayment assistance.

We will help young Canadians launch their careers by helping to create 215,000 additional quality job skills development and work opportunities to help youth and students join or return to the workforce over the next two years, including through Canada Summer Jobs, the Youth Employment and Skills Strategy and through work-integrated learning for students.

COVID has brutally exposed something women have long known: Without childcare, parents – usually mothers – can't work. The closing of our schools and daycares drove women's participation in the labour force down to its lowest level in over two decades. Early learning and childcare has long been a feminist issue; COVID has shown us all that it is an urgent economic issue, too.

This is a cause forward-thinking Canadians have championed for more than 50 years. I was two years old when the Royal Commission on the Status of Women urged Canada to establish a universal system of early learning and childcare.

My mother was one of Canada's redoubtable second wave of feminists who fought – and outside Quebec, failed – to make that recommendation a reality. A generation after that, another minister, Ken Dryden, almost got this done.

Their long labour is a testament to the difficulty and complexity of this task.

But we are going to do it. This budget is the map and the trailhead.

For there is agreement, across the political spectrum, that early learning and childcare is the national economic policy we need now.

It delivers a jobs-and-growth hat-trick, allowing both mothers and fathers to work, thus increasing our workforce and boosting our growth, creating jobs for mostly women childcare workers, and helping to raise a smarter, better educated next generation.

The evidence from Quebec – which began building a universal early learning and childcare system more than two decades ago – is incontrovertible. Early learning and childcare is an investment in social infrastructure that pays for itself. Quebec has among the highest labour force participation of women with children under three, in the world. TD Economics has pointed to a range of studies showing that , for every dollar invested in early learning and childcare in Quebec, between $1.50 and $2.80 comes back to the broader economy.

Canadians have been fighting for early learning and childcare unsuccessfully for so long, that some may question whether our government has the determination and staying power to finally get this done.

To those who doubt us, I say this: This budget commits up to $30 billion over five years, reaching $8.3 billion on a permanent basis, to build a high-quality, affordable and accessible early learning and childcare system across Canada.

This funding will allow for a 50 per cent reduction in average fees for regulated early learning and child care in all provinces outside of Quebec, to be delivered by the end of 2022. It will also ensure annual growth in quality and affordable child care spaces across the country in partnership with provinces and territories

That said, this is not an effort that will deliver instant gratification. I am well aware of the political challenges ahead, particularly given our federal political structure. We are building something that, of necessity, must be constructed gradually, collaboratively, and for the long-term.

But I have confidence in us. I have confidence that we are a country that believes in investing in our future; in our children; and in our young parents. Here is our goal: That, in the next 5 years, Canadian parents across the country have access to high quality early learning and child care, for an average of $10 a day.

The truth is that the tragedy of COVID-19 has created a window of opportunity, which we can open to finally build a system of early learning and childcare across our country.

This is social infrastructure that will drive jobs and growth. This is feminist economic policy. This is smart economic policy.

I make this promise to Canadians, speaking as your Minister of Finance and as a working mother: We will get it done.

Small businesses are the bustling, thriving heart of our economy. They are the spine of Main Street in every city, town and village in Canada. And while many big, multinational companies have actually prospered during this low-interest rate COVID year, our small businesses have been battered.

Healing the wounds of COVID requires a rescue plan for them.

Budget 2021 proposes to extend the wage subsidy, rent subsidy, and Lockdown Support for businesses and other employers until September 25, 2021, for an estimated total of $12.1 billion in additional support.

To help the hardest-hit businesses pivot back to growth, we propose a new Canada Recovery Hiring Program, which will run from June to November and will provide $595 million to make it easier for businesses to hire back laid-off workers or to bring on new ones. We supported Canadian businesses when lockdowns forced them to shut their doors. And we will continue to provide support as they come roaring back over the summer and fall.

But our government proposes to do much more than execute a rescue.

With this budget, we will make unprecedented and historic investments in Canada's small businesses – helping them invest in new technologies and innovation.

This will help Canadian small businesses become more productive and prosperous. It will give them a shot at becoming the Canadian-headquartered global champions of tomorrow.

The future and resilience of Canada's small businesses depends on their ability to adopt new technology. We propose to invest $4 billion in a game-changing new effort that will help up to 160,000 small and medium-sized businesses buy the new technologies they need to grow.

The new Canada Digital Adoption Program will also provide these businesses with the advice and help they need to get the most out of these new technologies by training 28,000 young Canadians – a Canadian technology corps – and sending them out to work with our small and medium sized businesses.

This groundbreaking new program will help Canadian small businesses become more efficient, go digital, take advantage of e-commerce, and become more competitive in Canada and abroad. Increased funding for the Venture Capital Catalyst Initiative will help provide financing to innovative Canadian businesses, so they can grow and create well-paying jobs in Canada.

Budget 2021 also provides an important boost for business investments. It proposes to allow immediate expensing of up to $1.5 million of eligible investments by Canadian-controlled private corporations in each of the next three years. It is estimated that these larger deductions will represent $2.2 billion in additional support that will help drive growth and create jobs today and in the future. This will support 325,000 businesses in making critical investments to grow their output.

Building for the future means investing in innovation and entrepreneurs.

This budget proposes to help our innovators turn Canadian research, talent and discoveries into new products, services and companies.

We propose to invest in the next phase of the Pan-Canadian Artificial Intelligence Strategy and to launch similar strategies in genomics and quantum science, areas where Canada is a global leader.

To jumpstart tourism, this budget proposes $[1 billion], including to support festivals and other events that provide jobs and growth, and enhance the life of our communities.

As we emerge from our COVID lockdowns, let's spend the next year supporting each other and exploring our own breathtaking country.

In 2021, job growth means green growth.

Putting a price on carbon was no simple task. But we did it and made it stick, resulting in the first credible carbon-reduction program put forward by any Canadian government in history.

The government's updated climate plan, presented in December, was another turning point towards the green economy.

Building a net zero economy is no longer a matter of debate. It is not a matter of right versus left. It is about leaving a healthy planet, with clean water and clean air, for our children and their children. It is about averting a climate catastrophe. And it's about securing jobs today and creating the careers of the future.

This budget sets out a plan to help achieve GHG emissions reductions of 36 per cent from 2005 levels by 2030, and puts us on a path to achieve net-zero emissions by 2050. And it puts in place the funding to achieve our 25 per cent land and marine conservation targets by 2025.

By making targeted investments in transformational technologies, we can ensure that Canada benefits from the next wave of global investment and growth. Investing now in areas such as clean fuels and carbon capture, will foster well-paying middle-class jobs now and for many years into the future.

We can and will foster jobs and growth by building on what we already do well. The resource and manufacturing sectors that are Canada's traditional economic pillars – energy, mining, agriculture, forestry, steel, aluminum, autos, aerospace – will be the foundation of our new, sustainable economy.

That is why we propose a historic investment of a further $5 billion over seven years, starting in 2021-22, in the Net Zero Accelerator.

With this added support, on top of the $3 billion we committed in December, the Net Zero Accelerator will help even more companies invest to reduce their

greenhouse gas emissions, while growing their businesses. This will help build Canada's clean industrial advantage and bolster the domestic market for Canada's own clean technology innovators.

Budget 2021 further proposes to incentivize the green transformation through new tax measures, including for zero emissions technology manufacturing, carbon capture and storage, and green hydrogen.

We are at a pivotal moment. Just as the invention of the steam engine and of the personal computer triggered transformative economic shifts, today, the global economy is turning swiftly, decisively and irreversibly green. It is essential for the prosperity of the next generation of Canadians – and indeed, for those of us working today – for Canada to be at the forefront of this great transformation.

We can lead, or we can be left behind. Our government knows that the only choice for Canada is to be in the vanguard.

Throughout this crisis, we've found ourselves relying on our devices more than ever – for grieving and for celebrating, for work, for school and for fun. This is essential infrastructure. Therefore we propose to provide another $1 billion over six years for the Universal Broadband Fund, to support access to high-speed internet by Canadians in rural and remote communities.

This puts us on track to achieve our 98-per-cent high-speed coverage initiative by 2026.

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Canadians are the most educated people in the OECD; we are the lucky stewards of a vast and beautiful land; and in contrast to so much of the rest of the world, we have built a thriving, multicultural society that embraces new arrivals. Our growing population is one of our great structural economic strengths.

But a growing country needs to build. We need to build housing. We need to build public transit. We need to build infrastructure. And we will.

A long-term plan for a faster-growing Canadian economy must include housing that is plentiful and affordable for working Canadians, especially young families. So, we propose to invest $2.5 billion and reallocate $1.3 billion in existing funding in order to help build, repair or support 35,000 housing units.

And we will support the conversion to affordable housing of the empty office space that has appeared in our downtowns, by reallocating $300 million from the Rental Construction Financing Initiative.

Making housing affordable for all Canadians will require significant investments. That is why, on January 1st, 2022, our government will introduce Canada's first national tax on vacant property owned by non-residents.

Strong, sustained growth also depends on modern transit. That's why, in February, we announced $14.9 billion over eight years to build new public transit, electrify existing transit systems, and develop transit solutions to connect rural, remote and Indigenous communities.

Once public health allows, we will seize the opportunity to draw even more talented, highly skilled people to Canada, including international students, to drive growth and create jobs.

Investments in this budget will support an immigration system that is easier to navigate, and more efficient in welcoming the dynamic new Canadians who add to our country's strength.

Building a Better, Fairer Canada

Our government has made progress in righting the historic wrongs in Canada's relationship with Indigenous Peoples. But we have a lot of work still ahead.

It's important to note that Indigenous peoples have led the way in battling COVID-19. This success is a credit to Indigenous leadership and self-governance.

This budget proposes more than $18 billion in investments to further narrow gaps between Indigenous and non-Indigenous peoples, support healthy, safe, and prosperous Indigenous communities, and advance meaningful reconciliation with First Nations, Inuit, and the Métis Nation.

That includes more than $6 billion to help close infrastructure gaps in Indigenous communities, and $2.2 billion for actions to end the national tragedy of missing and murdered Indigenous women and girls.

This has been a year when we have been reminded of the power of solidarity, when we have learned that each of us truly is our brother's – and our sister's – keeper. Solidarity is getting us through this pandemic. And solidarity depends on fairness, on each of us bearing our share of the collective burden.

That is why, now more than ever, fairness in our tax system – which is the practical underpinning of so much of our collective ability to support each other – is essential.

To ensure our system is fair, this budget will invest in the fight against tax evasion, shine a light on beneficial ownership arrangements, and close significant tax loopholes that allow multinational corporations to jurisdiction-shop.

Our government is also committed to working with our partners at the OECD to find multilateral solutions to the dangerous race to the bottom in corporate taxation. That includes work to conclude a deal on taxing large digital services companies. We are optimistic that such a deal can be reached this summer. But

meanwhile, this budget reaffirms our government's commitment to impose such a tax until an acceptable multilateral approach comes into effect.

The economic impact of COVID has been breathtakingly uneven. While hundreds of thousands of Canadians have lost their jobs, and small businesses have been pushed to the brink – and beyond – stock prices have soared, homes are worth more than ever, and the personal savings of the most affluent Canadians have surged.

The success of Canadians, and Canadian companies, in such a difficult year is cause for celebration.

Yet, it is also fair to ask those who have prospered in this bleak year to do a little more to help those who have not. That is why we are introducing a luxury tax on new cars and private aircraft worth more than $100,000 and pleasure boats worth more than $250,000.

If you've been lucky enough, or smart enough, or hard-working enough, to afford to spend $100,000 on a car, or $250,000 on a boat – congratulations! And thank you for contributing a little bit of that good fortune to help heal the wounds of COVID and invest in our future collective prosperity.

This budget lives up to our promise to do whatever it takes to support Canadians in the fight against COVID, and it makes significant investments in our future. It follows a year when we acted with speed and at scale to support Canadians during our country's biggest economic shock since the Great Depression. All of this costs a lot of money.

So it is entirely appropriate to ask: Can we afford it?

We can. And here is why.

First, because this is a budget that invests in growth. The best way to pay our debts is to grow our economy. The investments this budget makes in early learning and childcare, in small businesses, in students, in innovation, in public transit, in housing, in broadband, and in the green transition are all investments in jobs and growth.

We are building Canada's social infrastructure, and our physical infrastructure. We are building our human capital, and our physical capital. Canada is a young, vast country, with a tremendous capacity for growth. This budget will fuel that. These are investments in our future, and they will yield great dividends.

In today's low interest rate environment, not only ***can*** we afford these investments in Canada's future, it would be short-sighted of us ***not*** to make them.

Second, because our decision last year to support Canadians – at great cost, to be sure – is already paying off. Decisive government action prevented economic scarring in our businesses and our households, allowing the Canadian economy to begin strongly rebounding from the COVID recession, even before we have finished our fight against the virus.

The current, and necessary, lockdowns, are likely, of course, to slow that recovery. But we know – because we took the decision to preserve our economic capacity – that we can come roaring back.

Third, because our government has a plan, and we keep our promises. We said in the Fall Economic Statement that we would spend up to $100 billion over three years to support Canada's economic recovery – and that is what we are outlining here today.

We predicted a deficit for 2020/2021 of up to $382 billion dollars. But, thanks to a stronger-than-expected economic recovery, aided by this government's investments to support Canadians – and the remarkable ingenuity and resilience of Canadians across this great country – we have spent less than we provisioned for. Our deficit for 2020-2021 is $354 billion, significantly below our forecast.

Finally, and crucially, we can afford this ambitious budget because the spending we propose today is responsible, and sustainable.

We understand that there are limits to our capacity to borrow and that the world will not write Canada any blank cheques. We don't expect any.

That's why this budget shows a declining debt-to-GDP ratio and a declining deficit, with the debt-to-GDP ratio falling to 49.2 per cent by 2025-2026 and the deficit falling to 1.1 percent of GDP.

These are important markers. They show that the spending proposed today is sustainable, and that the extraordinary spending we have undertaken to support Canadians through this crisis, and to stimulate a rapid recovery in jobs, is temporary and finite. And our proposed long-term spending on social infrastructure, physical infrastructure, small and medium sized businesses, new technology and innovation and the green transition will permanently boost Canada's economic capacity.

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Canadians have been profoundly wounded by this virus, and by the recession it has caused. But we are resilient. We keep on keeping on.

This budget represents a starting point for the healing that will follow our victory over this pandemic, and invests in a more prosperous future for us all.

In 2015, this federal government was elected on a promise to help middle class Canadians, and people working hard to join the middle class.

We offered a plan to invest in workers and their prosperity, in long-term growth for us all. We did that.

Today, we meet this new challenge, the greatest our country has faced in modern history, with a renewed promise, built on those earlier ones:

Opportunity is coming.

Growth is coming.

Jobs are coming.

After a long year of retrenchment, Canadians are ready to recover and rebuild.

We will finish the fight against COVID-19. We will put our shoulders to the wheel. We will bounce back. And we will grow, not just to where we have been before, but to new heights.



The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance

Overview

Our Shared Economic and Social Foundations — Challenges and Opportunities Ahead

Canada entered 2020 in the midst of a sustained period of economic expansion. More than a million jobs had been created since 2015, unemployment was at historically low rates, wages were on the rise, the labour market was broadening to include more Canadians traditionally under-represented, over 1.3 million Canadians had been lifted out of poverty including 400,000 children since 2015, businesses were reporting above-average profits, and Canada had a strong and growing middle class. Canada was the second fastest growing economy in the G7 with the enviable position of having the lowest debt-to-GDP ratio in the group.

In the early weeks of 2020, news of a novel coronavirus began to spread. By March a global pandemic was declared. Canada went into a widespread lockdown and the global economy was facing unprecedented uncertainty.

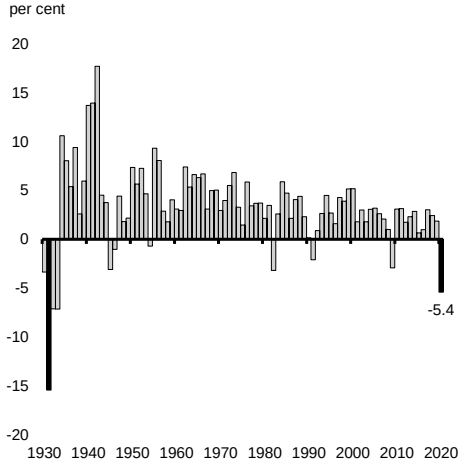
1. The Course of COVID-19 in Canada

An unprecedented global disruption

The COVID-19 pandemic brought about the deepest and fastest recession, worldwide, since the Great Depression (Chart 1). Here at home, real GDP fell by a record 13 per cent over the first half of 2020. Activity in Canada declined about three times as much as in the 2008-09 recession, in a much shorter time.

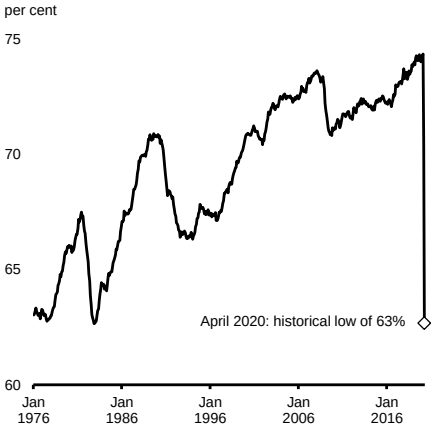
The crisis had an unprecedented impact on the Canadian labour market, with more than 3 million Canadians losing their jobs and another 2.5 million Canadians working significantly reduced hours—representing about 30 per cent of the pre-pandemic workforce. By the end of April, the employment rate for Canadians aged 15 to 64 fell from record highs to record lows (Chart 2). The pandemic had its worst impacts on many of the most vulnerable people in Canada—primarily low-wage workers, young people, racialized workers, and women. On the disproportionate effects on women in particular, this has led to what many experts call a "She-cession."

Chart 1
Annual Real GDP Growth



Note: Last data point is 2020.
Source: Statistics Canada.

Chart 2
Share of Canadians Age 15-64 Employed



Note: Last data point is April 2020.
Source: Statistics Canada.

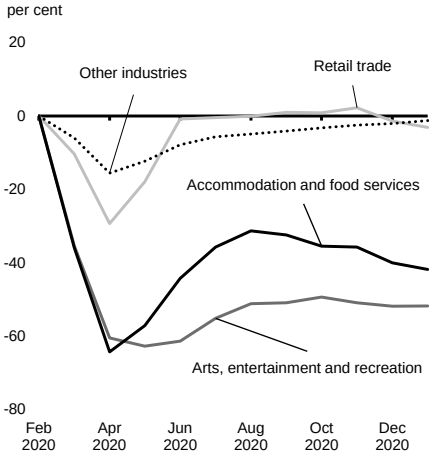
The recovery path has been uneven over the fall and winter

Following the first wave of infections, economic activity and employment rebounded at a faster pace than expected over the summer of 2020 as restrictions eased, businesses reopened, and Canadians adapted. The Canadian economy saw a bounce-back in real GDP at over 40 per cent (annualized) in the third quarter, and over three-quarters of the 3 million jobs lost at the peak of the pandemic were recovered by the end of September.

Nevertheless, the recovery shifted into a slower gear in the fall and remaining gains were harder fought, with virus risks still hindering tourism, indoor dining, and activities involving large gatherings (Chart 3). Restrictions on these activities intensified over recent months as virus cases surged and hospitalizations surpassed their earlier peaks. This made for highly uneven impacts across sectors, with layoffs concentrated once again in contact-sensitive businesses with a larger share of part-time workers like retail, hotels, entertainment, and restaurants, while many other industries were virtually unaffected (Chart 4). Many small businesses in these sectors continue to face acute challenges.

Chart 3

Real GDP Change in Key Sectors since February 2020

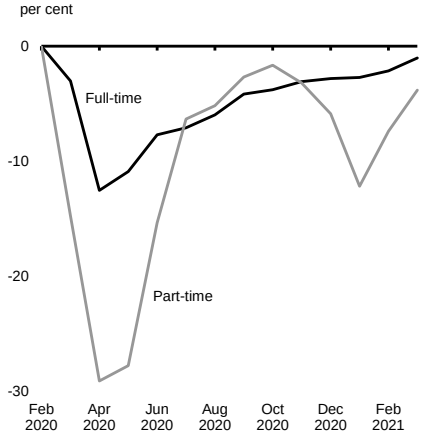


Note: Last data point is January 2021.

Source: Statistics Canada

Chart 4

Employment Change by Employment Status since February 2020



Note: Last data point is March 2021.

Source: Statistics Canada

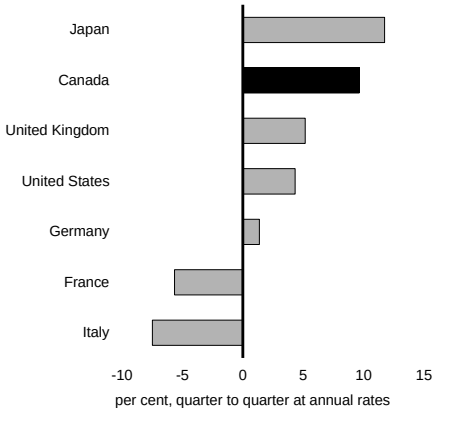
Canada's economic performance has exceeded expectations

Economic activity during the second wave has proved more resilient than during the initial wave, showing that Canadians and businesses have adapted to operating under restrictions. While some peers saw contractions amid the second wave (Chart 5), Canada closed out 2020 far ahead of forecasters' mid-2020 predictions (Chart 6).

Early indications suggest that this momentum has carried over to the beginning of the year. Forecasts point to real GDP increasing for the third quarter in a row, in stark contrast to expectations for second wave impacts set out in the *Fall Economic Statement*.

Chart 5

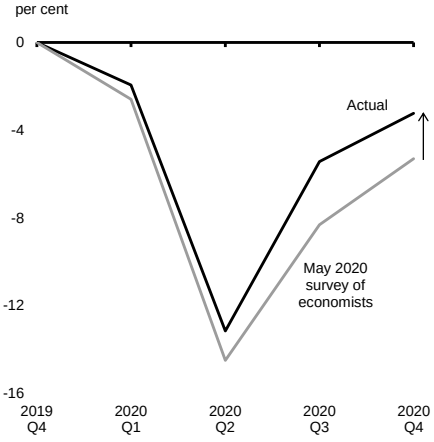
Real GDP Growth, Fourth Quarter of 2020



Sources: Haver Analytics; Statistics Canada.

Chart 6

Canadian Real GDP Change since 2019Q4



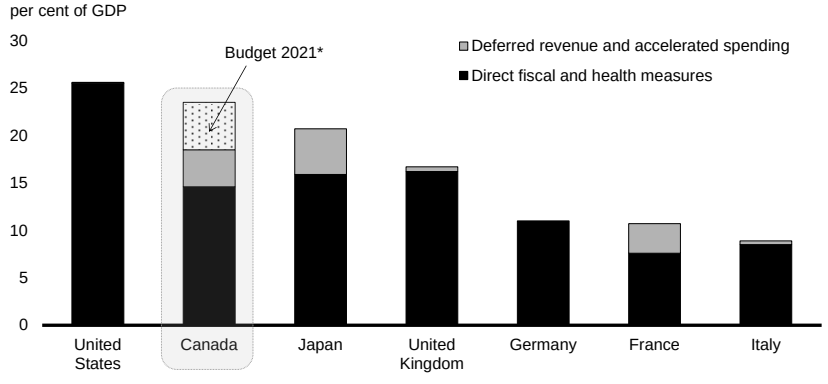
Sources: Statistics Canada; Department of Finance May 2020 survey of private sector economists.

Canada's COVID-19 Economic Response has bridged Canadians through the crisis

Canada's COVID-19 economic response — including job protections through the Canada Emergency Wage Subsidy, liquidity support through programs like the Canada Emergency Business Account, and income support through the Canada Emergency Response Benefit and the suite of Recovery Benefits — has been key in bridging Canadians and businesses through the COVID-19 shock waves and stabilized the economy. With fiscal policy support exceeding 23 per cent of GDP, Canada's response including Budget 2021 investments has been one of the largest and fastest among G7 countries (Chart 7).

Chart 7

Significant Fiscal Policy Support Announced across G7 Countries



Notes: The timeframe for the announced measures is country-specific. Excludes the proposed *American Jobs Plan* for the U.S. (unveiled March 31, 2021) and Germany's supplementary budget for 2021 and Budget 2022 planned net new borrowing (unveiled March 24, 2021).

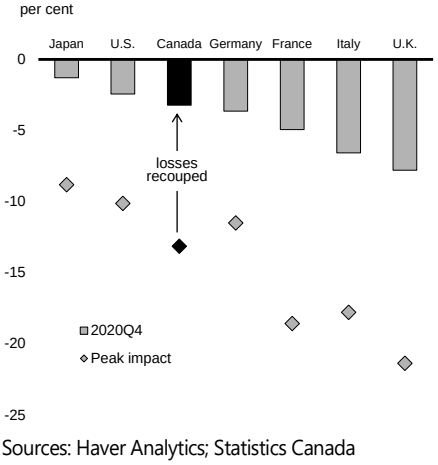
* Includes commitments made in Chapter 3 of the 2020 *Fall Economic Statement* and policy actions since, including Budget 2021.

Source: International Monetary Fund, April 2021 *Fiscal Monitor*, includes announced measures as at March 17, 2021; Department of Finance Canada calculations.

Overall, Canada's comprehensive and flexible response plan has helped engineer a near-term economic turnaround at a faster-than-anticipated pace compared with some peers (Charts 8 and 9).

Chart 8

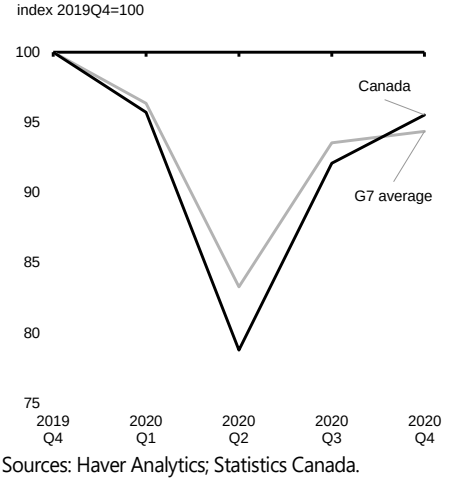
Real GDP Change from 2019Q4



Sources: Haver Analytics; Statistics Canada

Chart 9

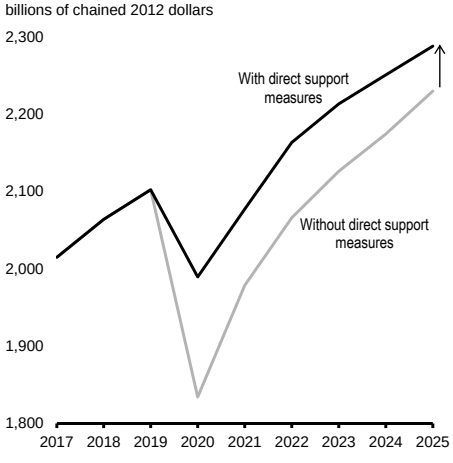
Total Hours Worked by Country



Sources: Haver Analytics; Statistics Canada.

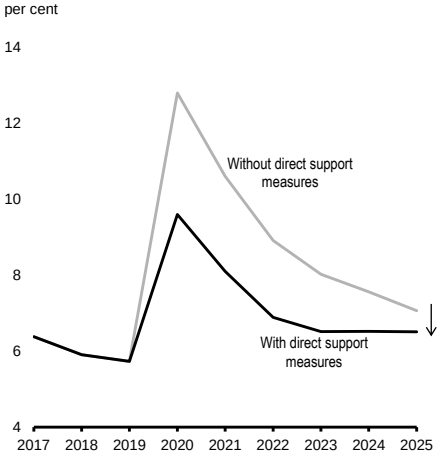
A recent IMF analysis indicates that without direct support measures, Canada's real GDP would have declined by about 13.2 per cent in 2020 (versus an actual decline of 5.4 per cent), a difference of about 8 percentage points (Chart 10). Further, in its scenario without support measures, the IMF estimates that the unemployment rate would have risen by an additional 3.2 percentage points in 2020 (Chart 11).

Chart 10
Real GDP



Source: International Monetary Fund, *Canada: 2021 Article IV Consultation, Staff Report.*

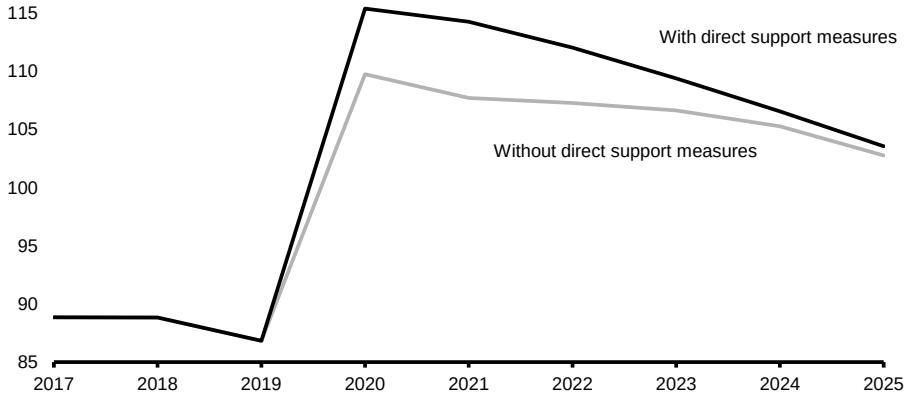
Chart 11
Unemployment Rate



Source: International Monetary Fund, *Canada: 2021 Article IV Consultation, Staff Report.*

While the fiscal costs have been steep, the impact on the government's fiscal position would have still been severe if the government had done less. The IMF analysis suggests that, absent direct support measures, the gross debt-to-GDP ratio would not have been significantly smaller than the IMF's baseline projection (Chart 12).

Chart 12
General Government Gross Debt
per cent of GDP



Note: General government includes the federal, provincial/territorial and local/Aboriginal government sectors, as well as the Canada Pension Plan and the Quebec Pension Plan.
Source: International Monetary Fund, *Canada: 2021 Article IV Consultation, Staff Report*.

What this means is that a failure to provide support to Canadians and businesses would have resulted in almost as large a debt burden, greater human misery, and greater long-term economic scarring.

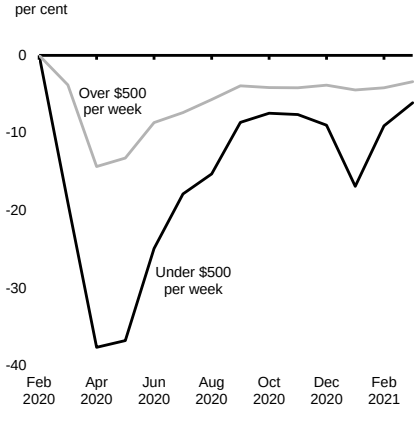
> *"…Decisive actions and unprecedented fiscal support helped to avert an even sharper fall in output. While the fiscal deficit and public debt have increased sharply, sizeable fiscal support was necessary to help avert larger economic and social losses…"*
>
> – IMF 2021 Article IV Consultation, Staff Report (March 2021)

Jobs recovery continues to progress at an uneven pace for many Canadians

The re-tightening of restrictions has an outsized impact on employment and exacerbated an already-difficult labour market for many Canadians. Workers in close-contact sectors once again bore the brunt of second-wave impacts. Youth, women, and older Canadians, as well as low-wage workers were disproportionally likely to be laid off or to have their hours worked sharply reduced (Charts 13 and 14). Early in the crisis, women's labour market outcomes deteriorated more than men's, unlike most previous downturns, with larger rises in unemployment rates and declines in labour force participation.

These uneven impacts across demographic groups — which reflected a combination of women working in affected sectors and taking on unpaid care work when schools or child care centres closed – diminished somewhat as we emerged from the second wave. The risk is exacerbated amidst the latest wave, highlighting the importance of sustained growth for these groups to recover.

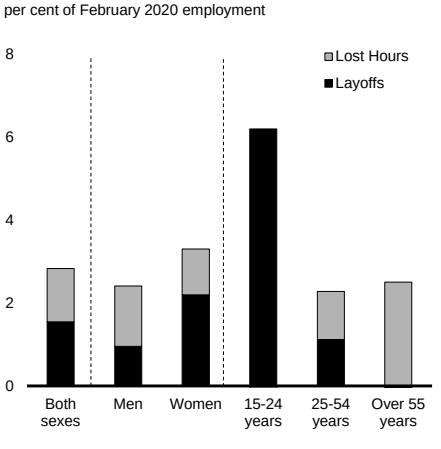
Chart 13
Change in Employment by Weekly Earnings since February 2020



Note: This analysis compares the change vs February in 2020 to the average change over the same period in 2015-2019. Last data point is March 2021.

Sources: Statistics Canada; Department of Finance Canada calculations.

Chart 14
Workers Affected by COVID-19 by Age and Sex, March 2021



Note: Affected means laid off or working less than half of their usual hours (including no hours) for reasons likely related to COVID-19.

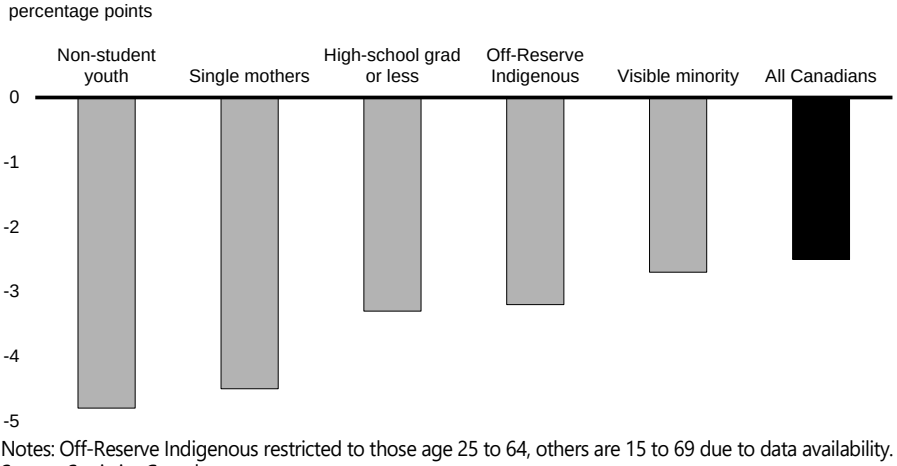
Source: Statistics Canada.

Many vulnerable people remain much more deeply affected than the average worker. Employment rates of single mothers, less educated Canadians, Indigenous peoples, and racialized Canadians, which already tend to be at lower levels, have declined much more than the economy-wide average during this crisis (Chart 15).

Long unemployment spells mean that many vulnerable workers risk withdrawing from the workforce or seeing their skills erode, with lasting impacts on their lifelongs earnings, and on the wider labour market, that could take years to reverse. Not surprisingly, these vulnerable groups are also those that have seen the strongest decline in their mental health and life satisfaction.

Chart 15

Change in the Employment Rate, by Selected Groups, February 2020 to February 2021



Notes: Off-Reserve Indigenous restricted to those age 25 to 64, others are 15 to 69 due to data availability.
Source: Statistics Canada.

> *" A complete recovery is a shared recovery — shared by working women and men of all ages across Canada."*
>
> –Governor of the Bank of Canada, Tiff Macklem, February 2021

Fiscal guardrails continue to guide the policy stance

As announced in the *Fall Economic Statement*, the government tracks progress against several economic indicators to assess and gauge the impact of fiscal policy support, recognizing that no one data point is a perfect representation of the health of the economy.

These indicators include key measures of labour market conditions like the employment rate, total hours worked, and the unemployment rate. A comprehensive range of indicators show that the Canadian economy is still far from seeing a strong labour market with broadly shared benefits (Charts 16 to 19). Forward looking expectations will also guide the government's response.

Fiscal Guardrails and Key Labour Market Metrics

Chart 16

Employment Rate

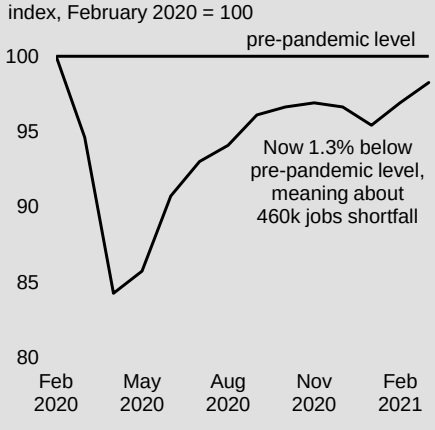


Chart 17

Unemployment

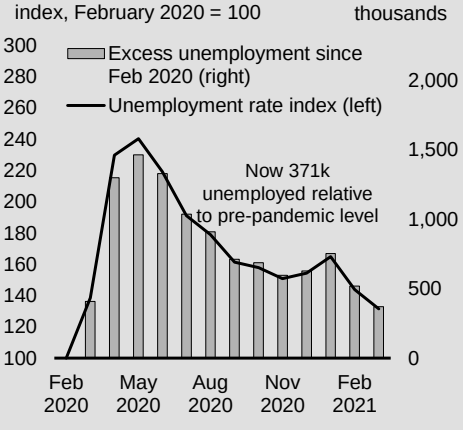


Chart 18

Total Hours Worked

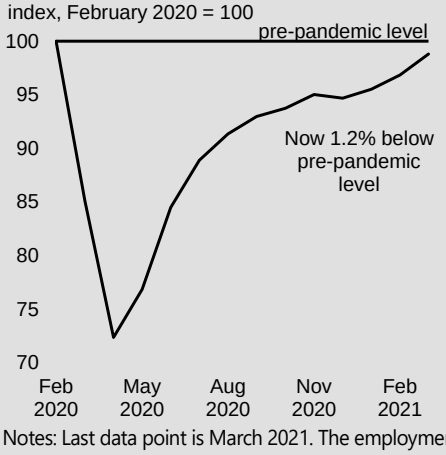
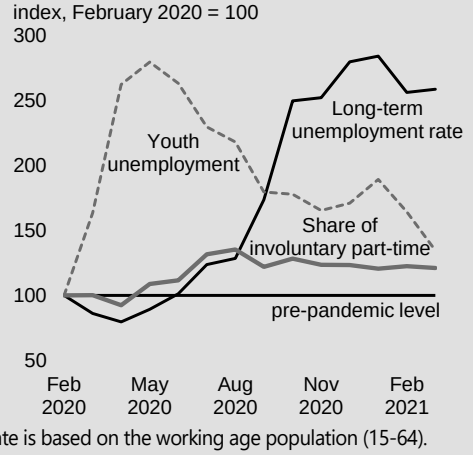


Chart 19

Additional Labour Market Metrics



Notes: Last data point is March 2021. The employment rate is based on the working age population (15-64).
Sources: Statistics Canada; Department of Finance Canada.

2. Gaining Economic Momentum through 2021

Progress controlling the virus will determine the path forward

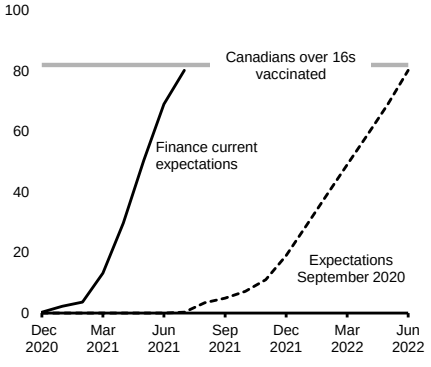
Progress controlling the virus and inoculating Canadians are key factors in how the economic recovery in Canada will unfold in the coming months (Chart 20). The approval of a number of highly effective vaccines and expectations of a near-term acceleration in vaccinations has significantly raised the outlook for growth (Chart 21).

The best way to keep the economy strong is to keep Canadians healthy. Some restrictions will be necessary to limit the spread of the virus and will continue to temporarily impact economic activity. This issue is being compounded by the variant-driven third wave.

Chart 20

Illustrative Vaccination Scenarios

per cent of population who could receive first dose



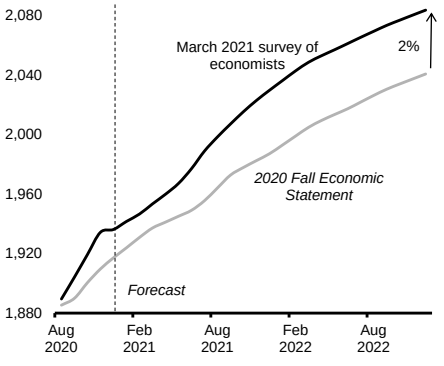
Note: These are illustrative scenarios to calibrate the economic forecast.

Source: Department of Finance Canada calculations.

Chart 21

Real GDP Path

billions of chained 2012 dollars, annualized



Note: Last data point is December 2022.

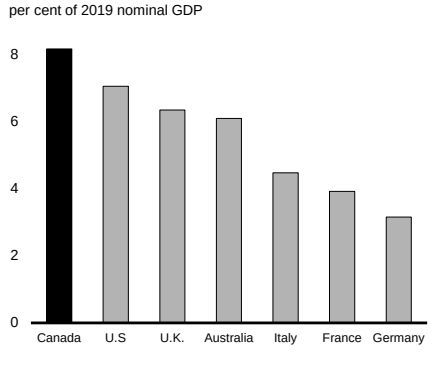
Sources: Statistics Canada; Department of Finance Canada September 2020 and March 2021 surveys of private sector economists.

Potential for tailwinds to boost the recovery

Economic activity could recover faster than in a typical recession due to the fact that the effects of this crisis on the economy are the result of a public health emergency rather than an unwillingness to spend. Over the last year, Canadian households, in particular, have built up significant savings (Chart 22). When the pandemic recedes, the release of pent-up demand could translate into a tangible if temporary boost to economic activity. Additional benefits are possible from the large-scale fiscal support and investment in the U.S., which could have substantial spillover into the Canadian economy (Chart 23).

Chart 22

Accumulation of Excess Household Savings by Country

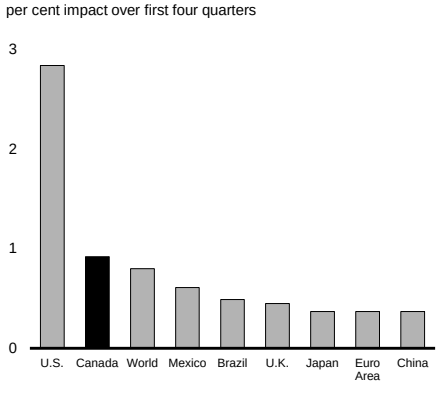


Note: Excess savings over the 2020Q1 to 2020Q4 period relative to a baseline where the 2019 savings rate is held constant.

Sources: Haver Analytics; Department of Finance Canada calculations.

Chart 23

Real GDP Impact of the American Rescue Plan



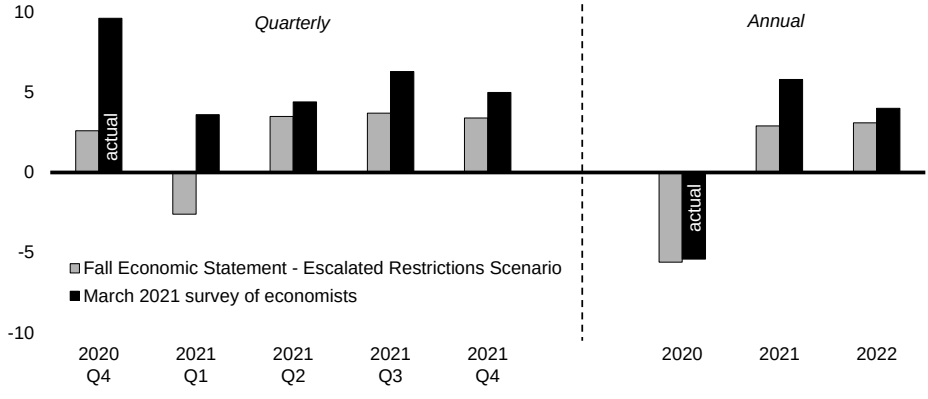
Note: Based on lower bound estimates from the OECD.

Source: OECD, March 2021 Economic Outlook, Interim Report.

Economists expect the pace of economic activity to pick-up as vaccination progresses

Altogether, economists have significantly revised up their views for the recovery path since the *Fall Economic Statement* (Chart 24). Following a record decline of 5.4 per cent in 2020, real GDP is expected to grow by 5.8 per cent in 2021 and by 4 per cent in 2022. The projected level of real GDP by the end of 2022 is almost 2 per cent higher than projected in the *Fall Economic Statement*.

Chart 24
Real GDP Growth Forecasts
per cent, period to period at annual rates



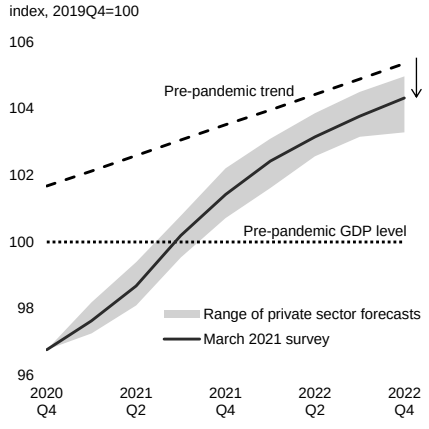
Sources: Statistics Canada; Department of Finance Canada March 2021 survey of private sector economists; Department of Finance Canada calculations.

Real GDP is expected to reach its pre-pandemic level over the course of 2021, about six months earlier than previously expected, but there is a high degree of uncertainty among private sector forecasters with respect to this outcome (Chart 25).

The recovery of the labour market is expected to lag behind the GDP recovery, given the scale of disruptions in labour-intensive sectors and the prospect of workers or businesses facing difficulty reintegrating into the post-pandemic economy (Chart 26). The unemployment rate is expected to decline over the course of the year, but will still be around 7 per cent at the end of this year and 6.3 per cent at the end of next year, reaching around 6 per cent only by 2024.

Chart 25

Real GDP Growth Forecast

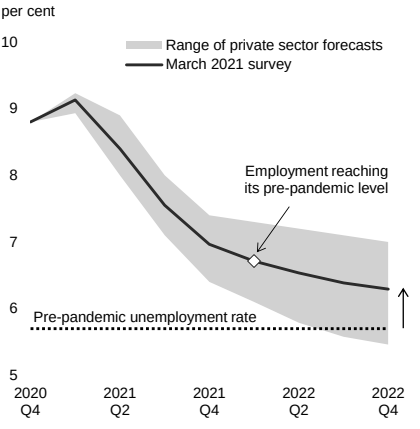


Note: Range represents the highest and lowest forecasted growth rates in each quarter.

Sources: Statistics Canada; Department of Finance Canada March 2021 survey of private sector economists.

Chart 26

Unemployment Rate Forecast



Note: Range represents the highest and lowest forecast in each quarter. Labour market figures from the March survey include actual Labour Force Survey data up to January 2021.

Sources: Statistics Canada; Department of Finance Canada March 2021 survey of private sector economists.

Indeed, there remains a high degree of uncertainty around the trajectory of the recovery, with transmission of more contagious variants of the virus causing regions to re-tighten restrictions yet again. Consistent with this dynamic situation, emergency support measures, such as the Canada Emergency Wage Subsidy and Canada Recovery Benefit, will continue to support workers and businesses until the pandemic abates.

In this context, to illustrate the consequences of different health outcomes and the associated responses of households and businesses, the Department of Finance has also considered two alternative scenarios to the baseline projections: (i) one scenario where improved health outcomes and the current momentum in activity is sustained enabling a stronger recovery; and (ii) another scenario where an acute third wave of infections and delayed, or less effective, vaccination program lead to a slower recovery.

Under the acute third wave 'slower recovery' scenario described above, economic growth is reduced by 0.7 percentage points in 2021. In this scenario, slower economic activity would drag on tax revenues, and the costs of the government's COVID-19 emergency response programs would be expected to increase due to necessary extensions of support, resulting in an estimated fiscal impact of approximately $15 billion in 2021-22. Under the 'faster recovery' scenario, estimated *positive* fiscal impacts are approximately $10 billion in 2021-22. Details of these scenarios can be found in Annex 1.

3. Securing the Recovery and Building a Stronger Economy

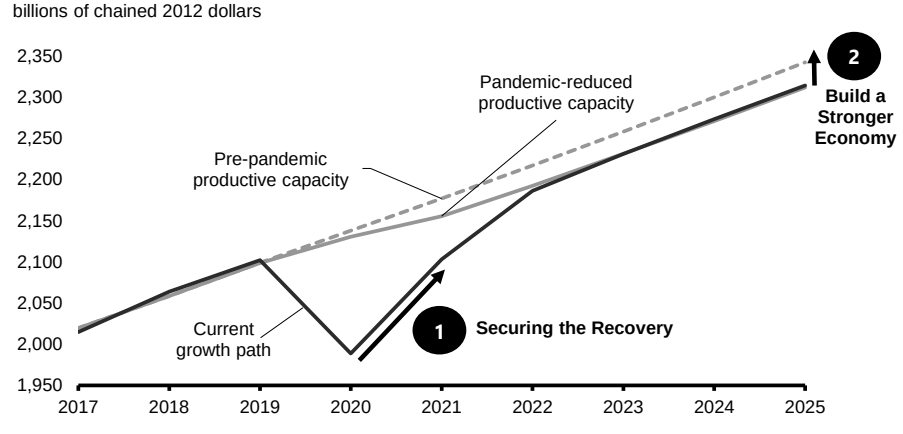
The recovery has a long way to go—the longer it takes, the more scars the pandemic recession will leave. Canadians remain underemployed and business activity in some sectors remains sluggish. The pandemic's severe impacts on investment, immigration, and workers have also placed Canada on a slower long-term growth path. As we emerge from the crisis, we must make up lost ground and put Canada's economy on a stronger footing, both for Canadians today and future generations. We can build this stronger, more resilient economy by investing in a green recovery, and making sure that every Canadian can participate in a growing economy and benefit from it.

The government's plan is twofold: first, *securing the recovery* with effective and time-limited measures; and second, *building a stronger economy* through smart, forward-looking investments (Chart 27).

Budget 2021 does this by putting forward a plan that concentrates spending in the earliest part of the recovery in order to drive as fast of a return to normal as possible, making long-term investments in initiatives that generate large returns to society and the economy, and producing a fiscal framework that is far stronger and more sustainable than forecasted in the *Fall Economic Statement*.

Chart 27

Impact of COVID-19 on the Canadian Economy



Sources: Statistics Canada; Department of Finance Canada March 2021 survey of private sector economists; Department of Finance Canada calculations.

Securing the recovery

While there is evidence that Canada is well positioned for recovery, the risk of doing too little is very high. Past experience has shown that there are lasting social and economic consequences from deep recessions and slow recoveries.

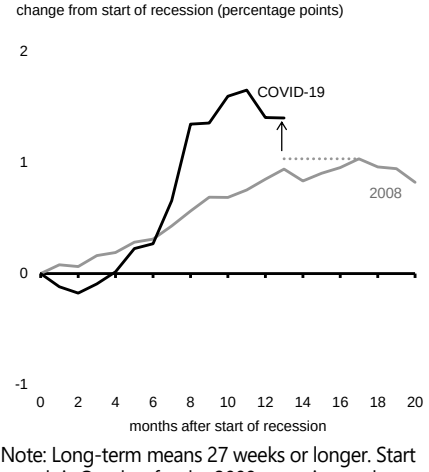
Overall, there remain over 500 thousand workers that have been laid off or faced working hours cuts due to the pandemic, including over 280,000 Canadians who have been unemployed for at least six months, still much higher than at the worst of the 2008-09 recession (Chart 28). The impacts of COVID-19 have also been disproportionate across the population, with adverse labour market outcomes for those that were vulnerable prior to the pandemic. Young people graduating into a weak labour market face lower lifetime earnings. This is an even more pointed concern for young women and racialized communities.

Many businesses remain closed, with the number of active businesses still nearly 4 per cent—or about 30,000 businesses—below pre-crisis levels with closures disproportionally concentrated among smaller businesses (Chart 29). Many of these closures are likely temporary, but risk becoming permanent if not enough is done.

Budget 2021 recognizes that a rapid and sustained economic recovery is the most reliable way to secure higher employment and income levels, improved and expanded job opportunities, and narrower economic disparities. That is why the goverment has a plan for a targeted and robust stimulus.

Chart 28

Change in Long-term Unemployment Rate

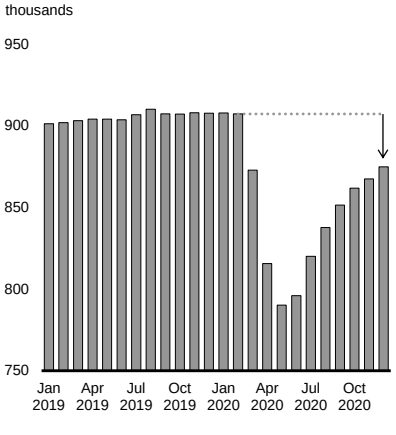


Note: Long-term means 27 weeks or longer. Start month is October for the 2008 recession and February for the 2020 COVID-19 crisis. Last data point is March 2021.

Source: Statistics Canada.

Chart 29

Number of Active Businesses



Note: Active businesses are those businesses that reported having one or more employees in a given month. Last data point is December 2020.

Source: Statistics Canada.

The Economic and Social Benefits of Investing in a Strong and Sustained Recovery

There are lessons to be learned from the recent past. After the 2008-09 recession, many Canadians struggled to find work for an extended period of time, leading many to drop out of the labour force entirely (Charts 30 and 31). Faced with lower demand and an uncertain outlook, businesses remained reluctant to invest (Chart 32). Economic inequalities widened as economic growth failed to bring every one along.

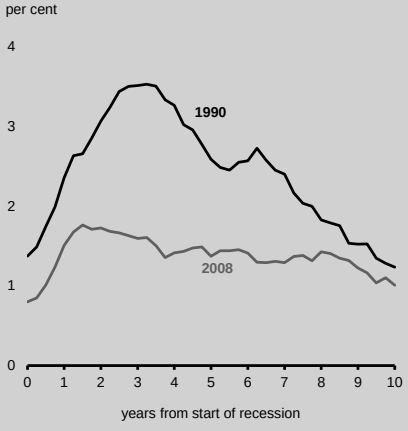
A swift and sustained recovery can prevent this type of long-term scarring and stem rising inequalities by drawing in potential workers who would otherwise sit on the sidelines. In strong labour markets, the persistent disparities facing many vulnerable groups like those with lower education, youth, and recent immigrants, diminish. In fact , just before the pandemic hit, the labour force participation rate of working-age Canadians reached an all-time high, reflecting increasing participation of women and vulnerable groups into the labour market. Many of these gains had emerged only years after the recession when eventually improved job opportunities provided more scope for participation to recover. In strong labour markets the persistent disparities facing many vulnerable groups tend to shrink, particularly for those with lower education, youth, or who are recent immigrants (Chart 33).

A strong recovery may also help rebalance the economy in a more sustainable manner, allowing interest rates to normalize and avoiding excessive dependence on interest-sensitive activities like consumer spending and housing to drive growth.

The risks of sustaining strong labour markets may also be lower now than previously believed. The relationship between the tightness of the labour market and inflation appears to have weakened in recent decades in many advanced economies. This suggests that a strong economy with low levels of unemployment could persist for an extended period before running up against higher inflation.

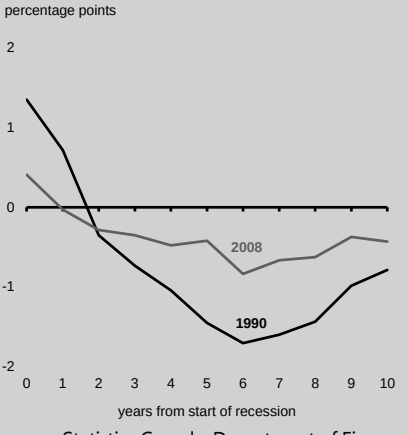
Accelerating the recovery would help to keep permanent economic harm to a minimum. The pandemic was initially expected to lower potential GDP relative to pre-pandemic by 2 per cent by the end of 2025 – or about $50 billion, meaning more than $2,000 on average for every Canadian aged 15 to 64. Although uncertainty surrounding this estimate remains high, medium-term GDP losses are now expected to be minimal partly reflecting extraordinary policy support and additional investments to safeguard a strong recovery.

Chart 30
Long-Term Unemployment Rate



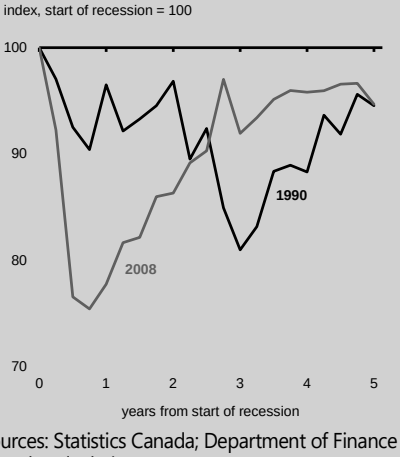
Note: Long-term means 27 weeks or longer.
Sources: Statistics Canada; Department of Finance Canada calculations.

Chart 31
Deviation from Trend in the Labour Force Participation Rate



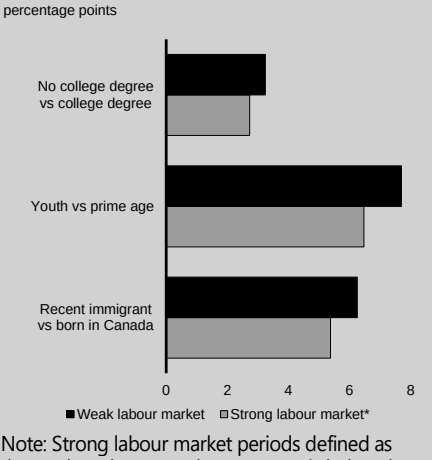
Sources: Statistics Canada; Department of Finance Canada calculations.

Chart 32
Real Investment in Machinery and Equipment



Sources: Statistics Canada; Department of Finance Canada calculations.

Chart 33
Unemployment Rate Differences



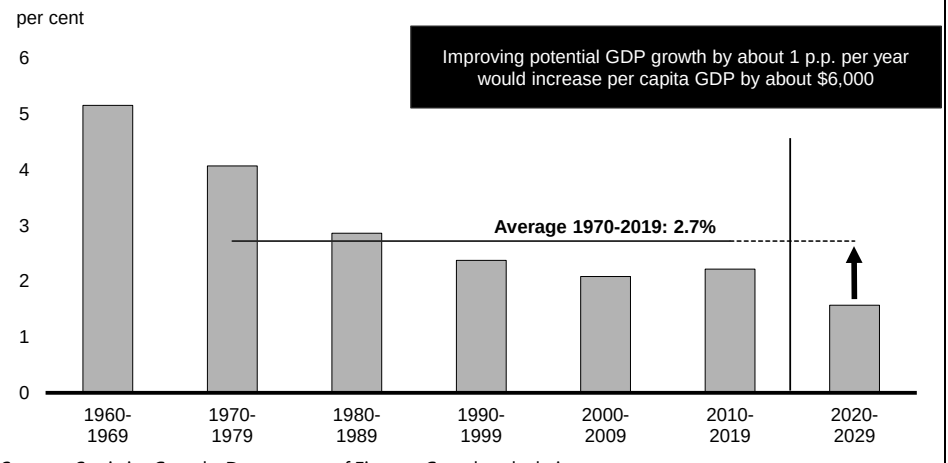
Note: Strong labour market periods defined as those when the unemployment rate is below the natural unemployment rate.

Sources: Statistics Canada; Department of Finance Canada calculations.

Building a stronger economy

Securing the recovery is not enough. Budget 2021 recognizes that the government needs to take action to protect Canada's long term economic growth prospects. The challenges and fundamental shifts faced by Canada prior to the pandemic, such as climate change, population aging, and unrealized workforce participation by women, will not disappear. These challenges on the horizon will have longer lasting impacts on our future prosperity if not addressed (Chart 34).

Chart 34
Potential Real GDP Growth



Sources: Statistics Canada; Department of Finance Canada calculations.

With this context in mind, Budget 2021 will focus on pillars of growth to act as the foundation on which to build the economic recovery and move the Canadian economy onto a higher and more inclusive growth path.

Breaking down barriers that prevent people from joining the labour force, such as child care, creating opportunities for young Canadian workers, and helping workers find positions that match their skills will help each worker reach their full potential. Restarting Canada's immigration system and generating labour market market momentum for new Canadians will restore this key driver of working-age population growth.

As the world confronts the climate emergency and the economy shifts, investments that fight climate change and hasten the development of Canada's green economy help to create new industries and jobs now. And, as a result, they secure the well-being and prosperity of the next generations of Canadians.

Further, massive disruptions over the last year have potentially derailed new business investments, a critical pillar of Canada's long-term growth trajectory. Additional incentives to encourage businesses to invest and to adapt new

technologies to take advantage of an increasingly digitized economy will help business compete locally and globally.

The crisis has also demonstrated that not everything that matters to Canadians is easily measured or described in economic and financial terms. Important issues such as inequality, housing affordability, access to mental health support and the existential threat from climate change, are fundamental to Canadians' quality of life. To ensure that it continues to broaden the focus of its policy objectives and takes into account all aspects of Canadians' quality of life in its decisions, the government is moving forward in developing and refining a quality of life framework, further details of which can be found in Annex 4.

4. An Historic Plan for a Stronger and More Resilient Canada

Budget 2021 outlines a plan that will get Canadians back to work and begin improving Canada's growth potential. The actions in this budget will build upon the commitments made in the 2020 *Fall Economic Statement* and the *Enhanced Climate Plan*, which together comprise a recovery plan that will create shared prosperity, improve Canadians' quality of life, and power our green transformation.

Overall, better-than-expected economic outcomes and revisions to the estimated costs of some large economic response plan measures since the *Fall Economic Statement* have had a positive impact on the projected budgetary balance over the forecast horizon.

After accounting for Budget 2021 measures, the budgetary balance is expected to show a deficit of $354.2 billion in 2020-21, improving to $154.7 billion in 2021-22, and gradually declining to a deficit of $30.7 billion in 2025-26, or approximately one per cent of GDP. The federal debt is expected to peak at 51.2 per cent of GDP in 2021-22 before declining to 49.2 per cent of GDP in 2025-26. This balance includes the cost of incremental investments since FES 2020 of $101.4 billion, or 4.2 per cent of GDP, over the next three fiscal years.

As noted in Table 1, the deficit and the federal debt-to-GDP ratio remain below levels shown in the 2020 *Fall Economic Statement* that incorporated the planned $100 billion in incremental spending and forecasted economic and fiscal impacts of the second wave.

Table 1

Budget 2021 Fiscal Outlook including Policy Actions and Investments

$billions

	Projection					
	2020-2021	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
Budgetary balance – FES 2020 (before stimulus)	-381.6	-121.2	-50.7	-43.3	-30.9	-24.9
Economic and fiscal developments since FES 2020 Table A1.4	35.2	15.8	19.3	16.0	12.8	10.3
Budgetary balance before policy actions and investments	**- 346.4**	**-105.4**	**-31.4**	**-27.3**	**-18.1**	**-14.6**
Policy actions since FES 2020	0.2	0.3	0.9	-1.1	-0.7	-0.3
Investments in Budget 2021 (by chapter)						
1. *Keeping Canadians Healthy and Safe*	-5.0	-1.2	-1.0	-0.9	-0.8	-0.7
2. *Seeing Canadians and Businesses Through to Recovery*	-0.2	-27.0	-4.2	-1.0	-0.7	0.7
3. *New Opportunities for Canadians*	-0.5	-3.9	-9.0	-7.5	-7.6	-8.8
4. *Helping Canadian Businesses Grow and Succeed*	0.0	-3.7	-4.5	-5.0	-2.4	-0.8
5. *A Healthy Environment for a Healthy Economy*	0.0	-1.2	-1.9	-2.0	-1.8	-1.9
6. *Strengthening the Cities and Communities We Call Home*	-2.2	-4.6	-3.3	-2.3	-2.0	-3.1
7. *A More Equal Canada*	0.0	-1.8	-1.6	-2.1	-2.2	-2.4
8. *Strong Indigenous Communities*	0.0	-4.3	-3.5	-3.0	-1.3	-1.0
9. *Protecting Our Shared Values*	-0.1	-1.9	-1.1	-0.7	-0.5	-0.4
10. *Responsible Government*	0.0	-0.2	0.7	1.8	2.4	2.5
Total – Actions since FES 2020 and Budget 2021 Investments	**-7.7**	**-49.3**	**-28.3**	**-23.8**	**-17.7**	**-16.1**
Budgetary balance	**-354.2**	**-154.7**	**-59.7**	**-51.0**	**-35.8**	**-30.7**
Budgetary balance (%GDP)	-16.1	-6.4	-2.3	-1.9	-1.3	-1.1
Federal Debt (%GDP)	49.0	51.2	50.7	50.6	50.0	49.2
Note: FES 2020 Escalated Restrictions scenario and $100 billion stimulus						
Budgetary balance	*-398.7*	*-166.7*	*-109.6*	*-71.7*	*-39.4*	*-33.4*
Budgetary balance (%GDP)	*-18.2*	*-7.3*	*-4.5*	*-2.9*	*-1.5*	*-1.2*
Federal Debt (%GDP)	*51.4*	*56.4*	*58.1*	*58.5*	*57.6*	*56.6*

Accelerating the Rescue and Recovery—International Comparisons

To address the pandemic, governments across the globe have taken swift fiscal policy actions totalling more than 16% of the world's GDP as of March 17, 2021. The IMF estimates that without such support, the collapse in economic activity registered in 2020 could have been three times worse.

Similar to Canada, a number of peer countries have mobilized additional fiscal resources since the 2020 *Fall Economic Statement* —ranging from 1.9% of GDP to more than 12% of GDP.

Selected Country	Fiscal Support Announcements	Size (% of 2021 GDP)
United States	COVID-19 *Response and Relief Act* (4.1% of GDP - Dec. 2020) and *American Rescue Plan Act* (8.2% of GDP - Mar. 2021)	12.3% of GDP
Canada	Commitments made in Chapter 3 of FES 2020 (0.3% of GDP) and policy actions since, including Budget 2021 (4.2% of GDP)	4.6% of GDP
Germany	Supplementary Budget for 2021 and Budget 2022 net new borrowing for 2022 (Mar. 2021)	4.0% of GDP
Japan	Third Supplementary Budget for 2020 – net new COVID-19 related measures and Budget 2021 – Additional COVID-19 Contingency Fund (Dec. 2020)	3.6% of GDP
UK	Budget 2021 - net borrowing impact of policy decisions over 2020-21 and 2021-22 (Mar. 2021)	2.9% of GDP
Italy	Additional fiscal room through rise in borrowing limit (Jan. 2021)	1.9% of GDP

Sources: Committee for a Responsible Federal Budget; UK Treasury, Bundesministerium der Finanzen; Ministero dell'Economia e delle Finanze; Japan Ministry of Finance; Australian Treasury; Department of Finance Canada calculations.
NOTE: For the United States, the table excludes the proposed *American Jobs Plan* unveiled on March 31, 2021. Announcements above are not directly comparable as they can cover multiple years (largely focused on 2021 and 2022) and include varying combinations of on-budget items, additional COVID-19 health spending, the extension of existing support measures, off-budget items, as well as contingency or reserve funds yet to be allocated to specific measures. They also generally exclude offsetting financing measures. Totals may not add due to rounding

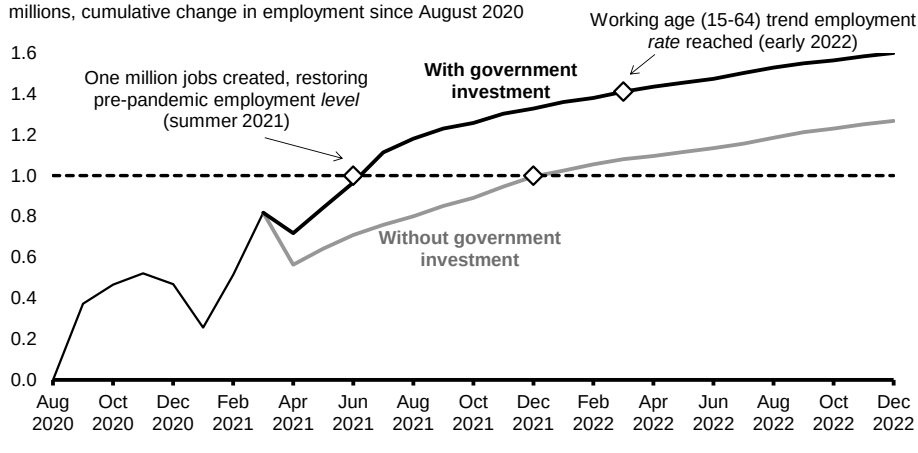
Delivering on the government's one million jobs commitment

In last fall's Speech from the Throne, the government announced its commitment to create one million jobs and restore employment to previous levels. Despite the severe impacts of the second wave on Canadian workers and businesses, we are on path to create one million jobs by the end of the year (Chart 35)—ahead of the schedule predicted in the 2020 *Fall Economic Statement*. The plan outlined in Budget 2021 will continue to support a strong recovery creating more good jobs in the years to come.

Even once this goal is reached there will still be work to do. Population growth means that we will still be short of our pre-pandemic employment rate level. The investments announced in this budget have put us on a path to reach this overall objective by early 2022, almost two years earlier than if the government had failed to make the extraordinary investments that get Canadians back to work and level-up Canada's growth potential.

Chart 35

Path to One Million Jobs



Sources: Statistics Canada; Department of Finance Canada calculations.
Note: Last actual data point is March 2021.

Estimated Short-Term Economic Impacts

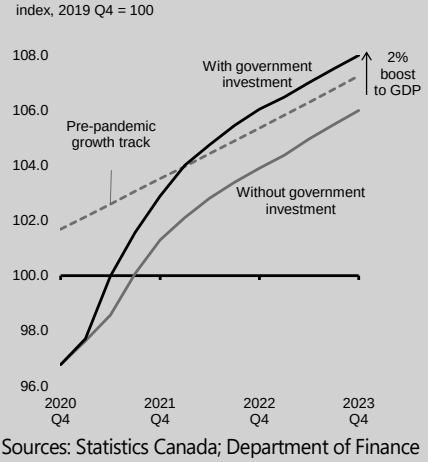
Government investments in the *Fall Economic Statement*, the *Enhanced Climate Plan*, and Budget 2021 are expected to raise the level of real GDP by 2.0 per cent by the second year (Table 2). This is expected to translate into an increase in employment of more than 330 thousand jobs created or maintained by 2022-2023 (Charts 36 and 37). Details of these estimates can be found in Annex 1.

Most forecasters see the Canadian economy having a material amount of slack over the medium term—providing some indication that a full recovery will take time. Based on the current track, the output gap is expected to remain open over the near term. Accordingly, while the unemployment rate is expected to decline from where it sits today, it is still expected to be above its pre-crisis level for some time (Charts 38 and 39).

Table 2
Impacts on Real GDP and Employment
per cent, unless otherwise indicated

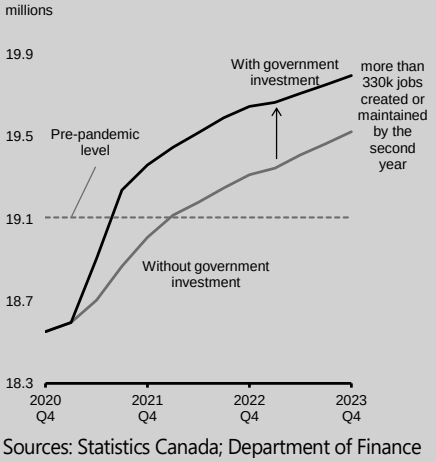
	2021–2022	2022–2023	2023–2024
Real GDP (per cent)	1.6	2.0	1.9
Employment (jobs created or maintained, thousands)	315	334	280

Chart 36
Real GDP Projections



Sources: Statistics Canada; Department of Finance Canada calculations.

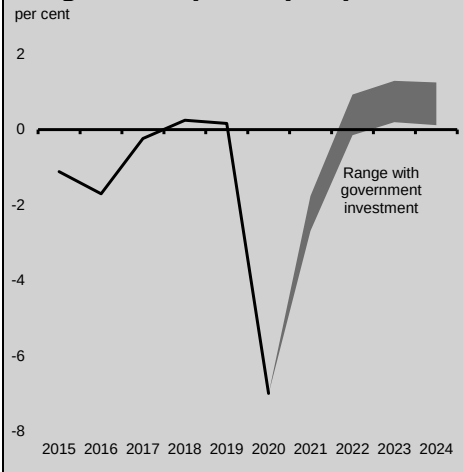
Chart 37
Employment Projections



Sources: Statistics Canada; Department of Finance Canada calculations.

Chart 38

Range of Output Gap Expectations

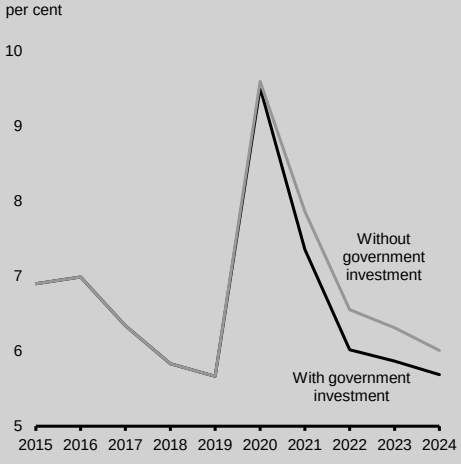


Note: Given how hard it is to project potential output following recessions and at time of government investment, caution needs to be taken about putting too much emphasis on the projected output gap.

Source: Department of Finance Canada.

Chart 39

Unemployment Rate Expectations



Source: Department of Finance Canada.

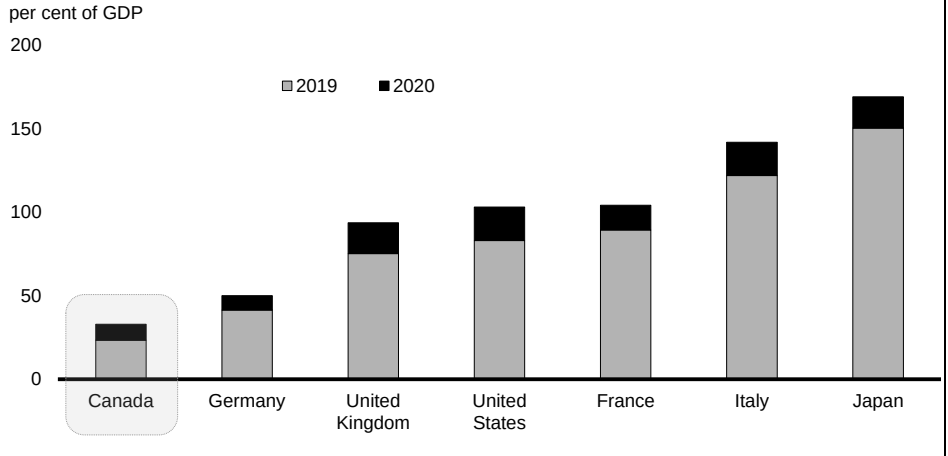
5. A Responsible Fiscal Plan

Canada entered this crisis in a strong fiscal position, allowing the government to take decisive action to put in place the support necessary for people and businesses to weather the storm and support a robust and inclusive recovery of the Canadian economy.

However, those actions, combined with lower revenues due to the recession, have increased public debt sharply. Canada's history of prudent fiscal management means that, despite the unprecedented actions we took to fight the virus, we continue to have, by far, the lowest net debt-to-GDP balance relative to international peers (Chart 40).

Chart 40

General Government Net Debt, G7 Countries



Note: The general government definition includes the central, state, and local levels of government, as well as social security funds. For Canada, this includes the federal, provincial/territorial, and local government sectors, as well as the Canada Pension Plan and the Quebec Pension Plan.

Source: IMF, April 2021 *Fiscal Monitor*; Department of Finance Canada calculations.

The government is committed to responsible fiscal policy. Budget 2021 deficits and the federal debt-to-GDP ratio remain below levels shown in FES 2020 that incorporated the planned $100 billion in incremental spending and forecasted economic and fiscal impacts of the second wave (Charts 41 and 42).

The government is committed to unwinding COVID-related deficits and reducing the federal debt as a share of the economy over the medium-term. This fiscal anchor will continue to protect Canada's low debt advantage so that borrowing costs remain low, and future generations are not burdened with COVID-19-related debt. Budget 2021 meets this test, by providing a prudent and sustainable path forward for public finances, as demonstrated by several important indicators:

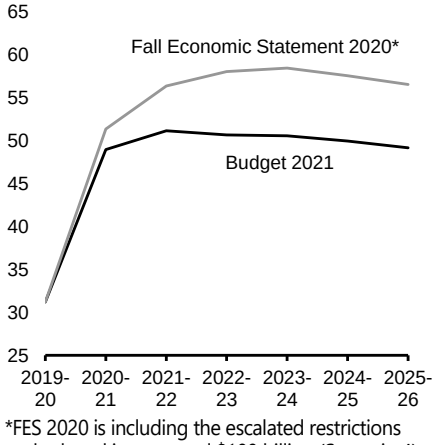
- After rising over the next year to support concentrated investments to kickstart the recovery, the federal debt-to-GDP ratio returns to a downward track over the following years, and is forecast to be approximately 49 per cent in 2025-26 (Chart 41);
- The deficit-to-GDP ratio, which measures the size of the deficit in relation to the economy, is on a path to fall to 1.1 per cent over the planning horizon (Chart 42), a level that is lower than the forecasted size of the deficit for 2019-20 and 2020-21 when the government tabled its Economic and Fiscal Update in December 2019.

Notwithstanding the sharp increase in the federal debt-to-GDP ratio, public debt charges are projected to remain historically low. Despite recent increases in interest rates in Canada and elsewhere due to a stronger and faster-than-expected recovery (Chart 43), public debt charges as a per cent of GDP are expected to stay near their lowest level in over a century over the forecast horizon (Chart 44).

Chart 41

Federal Debt

per cent of GDP



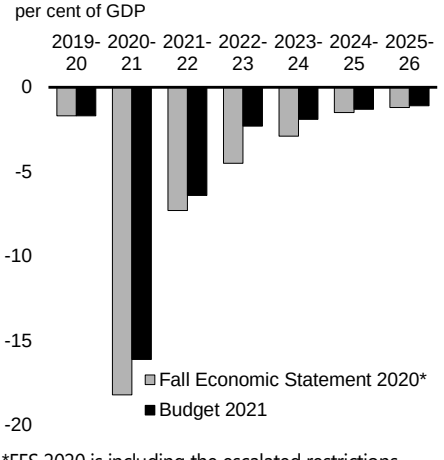
*FES 2020 is including the escalated restrictions outlook and incremental $100 billion (Scenario 4)

Sources: Fiscal Reference Tables; Department of Finance Canada.

Chart 42

Budgetary Balance

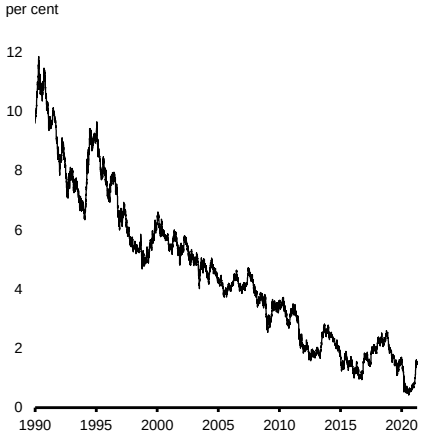
per cent of GDP



*FES 2020 is including the escalated restrictions outlook and incremental $100 billion (Scenario 4)

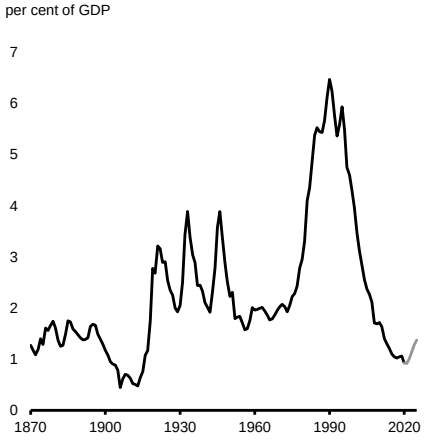
Sources: Fiscal Reference Tables; Department of Finance Canada.

Chart 43
10-Year Yields on Government of Canada Bonds



Note: Last observation is April 13, 2021.
Source: Bank of Canada.

Chart 44
Public Debt Charges, 1870-71 to 2025-26



Sources: Statistics Canada; Fiscal Reference Tables, Jordà-Schularick-Taylor Macrohistory Database; Department of Finance Canada calculations.

Building a stronger and more resilient economy will improve fiscal sustainability

In the current low-interest rate environment, growth-enhancing investments can help improve fiscal sustainability by raising GDP growth more than they raise costs in terms of increased debt service over the longer term. Budget 2021 is a plan that uses public investment to address these challenges head-on, by making investments in key measures that will drive future growth and prosperity, including:

- **Building Opportunities and Investing in People:** Budget 2021 aims at making it easier for parents to fully participate in the labour market by introducing a National Early Learning and Child Care Plan. The addition of 240,000 workers in the labour force stemming from greater access to high quality day care could raise real GDP by as much as 1.2 per cent over the next two decades, boosting real GDP growth by 0.05 p.p. per year over that period. This is one of the most significant actions taken since the introduction of North American Free Trade Agreements to expand economic opportunity for Canadians.

- **Connecting People and Businesses and Unleashing Innovation:** Budget 2021 supports investments in infrastructure, including public transit and trade infrastructure, and supports firms, particularly SMEs, in innovating and investing in technology so that they grow and take advantage of the new opportunities. Efforts to boost the productivity of Canadian workers will pay long-term dividends. For instance, working to reduce Canada's productivity gap with the U.S. by just one tenth could raise real GDP by 3 per cent over the next two decades, boosting real GDP growth by 0.15 p.p. per year over that period.

While no single initiative in this budget accomplishes the government's mission, the potential payoff from acting now in a broad range of policy areas is substantial, as measures tend to reinforce themselves over time and build momentum for further action to boost Canada's growth trajectory.

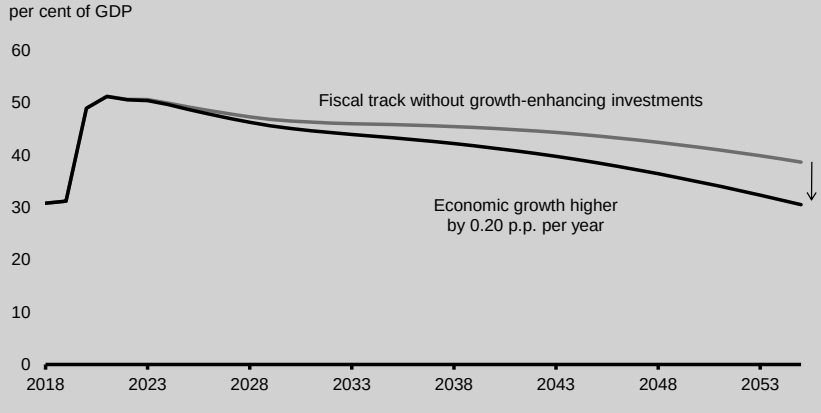
Investing to Grow the Economy

Long-term fiscal and economic projections can help assess whether the current fiscal policy trajectory is sustainable or whether fiscal policy adjustments are required. These estimates are not predictions of the future, but useful indicators of how economic and fiscal variables interact under specific conditions and assumptions.

They also help to illustrate that Canada's long-term fiscal sustainability depends not only on sound fiscal policies as exemplified through a declining debt-to-GDP ratio but also on strong economic policies and growth enhancing investments that contribute to sustained increases in economic growth over the longer term.

Chart 45

Impact of Higher Economic Growth Scenarios on Federal Debt



Note: Alternative simulation assumes a gradual increase in growth over the 2021 to 2025 period before reaching the longer term higher growth rate starting in 2026. Last data point is 2055.

Sources: Statistics Canada; Department of Finance Canada calculations.

Part I

Finishing the Fight Against COVID-19

Chapter 1
Keeping Canadians Healthy and Safe

For over a year, Canadians have been living through the greatest global public health challenge of our lifetime. Across Canada, governments of all orders have worked tirelessly to prevent outbreaks and protect lives.

Since day one of this crisis, the government moved quickly to provide rapid support to Canadians. Whether with the Canada Emergency Response Benefit, the Canada Emergency Wage Subsidy, or the business support measures, these programs meant that people could stay home and stay safe. At the same time, the government secured the most vaccines per capita of any country, and ensured some of the toughest border rules in the world, including with the U.S., while keeping vital supplies moving. The government also supported domestic manufacturing, including of personal protective equipment, and started to restore bio-manufacturing capabilities that have not been in Canada for decades.

Canada took further action to close its borders, encourage Canadians to avoid non-essential travel, and put in place mandatory testing and quarantine orders, including hotel quarantine when waiting on testing results after arriving by air. Continually informed by the latest evidence and advice, these are some of the toughest border measures in the world. Keeping Canadians healthy and safe has been, and continues to be, the Government of Canada's top priority.

Nothing is more important than saving lives and keeping Canadians safe. We have witnessed the devastation this virus brought to long-term care homes. And we have seen racialized Canadians and Indigenous communities face higher infection rates.

Nurses, doctors, personal support workers, emergency medical technicians, and other front-line workers have bravely treated patients, putting themselves at risk, and experiencing some of the highest infection rates.

Canadians have made great sacrifices to try to contain the virus. The isolation, stress, economic damage, and disruption to lives has taken its toll on mental health.

While we are in the midst of the virus' third wave here in Canada, the rollout of safe and effective vaccines is a light at the end of what has been a long, dark tunnel.

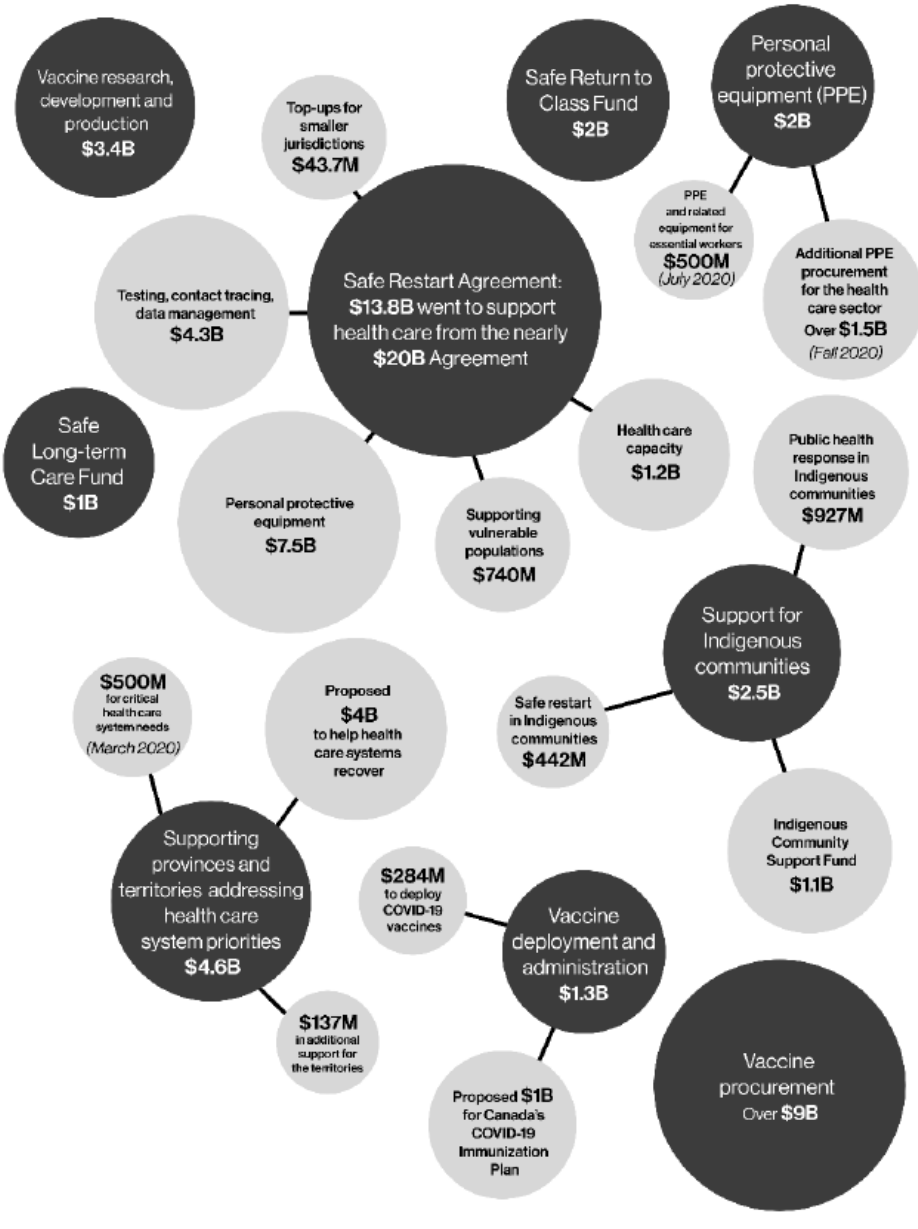
The largest immunization campaign in Canada's history is well underway. Canada is on track to meet the commitment that every Canadian who wants to will be fully vaccinated by September.

While finishing the fight, Canada must also learn lessons and take steps so it can be prepared for future threats. Rebuilding domestic bio-manufacturing capacity is a key part of this work. Better support and protections for our seniors, particularly those in long-term care facilities, is also essential.

The past year has been difficult, but better days are ahead. Until then, the Government of Canada will do whatever it takes to keep Canadians safe.

Figure 1.1

Major Federal Investments to Fight COVID-19*



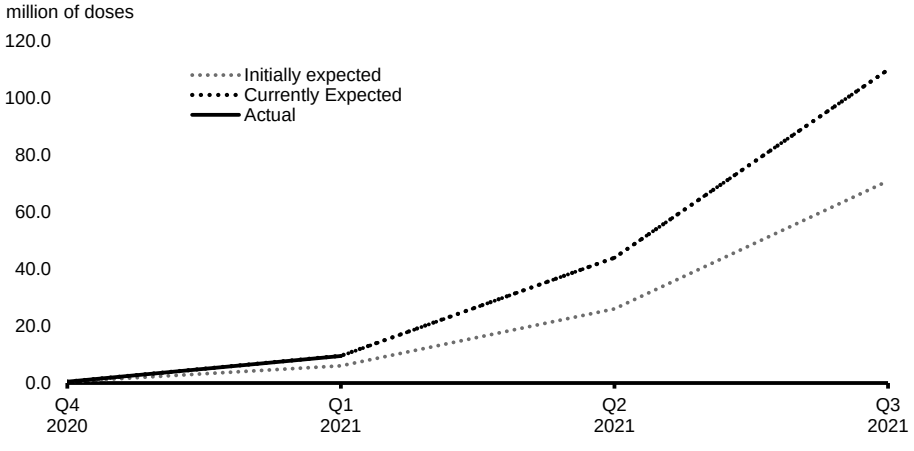
* Does not include proposed Budget 2021 measures.

1.1 Providing Access to Vaccines

Canada has secured the most diverse portfolio of vaccines in the world. As vaccine programs accelerate across the country, the government is ensuring that provinces, territories, and Indigenous communities have the resources they need to deliver vaccine doses to people as quickly as possible. Canada is on track to meet the commitment that every Canadian who wants to will be fully vaccinated by September. As a result of the federal government's ongoing efforts to accelerate the delivery of COVID-19 vaccines, Canada received a total of 9.5 million doses by the end of March 2021, 3.5 million more than the initial target of 6 million doses. (Chart 1.1).

Chart 1.1

Expected Supply of Authorized Vaccines (Cumulative)



Notes: Initially expected reflects expected deliveries up to the next four quarters as of January 26, 2021, i.e. before approval of the AstraZeneca vaccine and the Johnson and Johnson vaccine. Actual reflects what have been received so far, week of March 29. Currently Expected reflects doses to come as of April 1, 2021.

Currently Expected reflects revised delivery schedules for the Pfizer vaccine. Notably, Pfizer recently committed to advance 1 million doses ahead of schedule in both April and May 2021 (March 5, 2021). This is in addition to another commitment from Pfizer on March 30, 2021, to advance 5 million doses.

Sources: Public Services and Procurement Canada and Public Health Agency of Canada.

Bilateral Agreements with COVID-19 Vaccine Suppliers

Vaccines (Authorized by Health Canada)	Type of Vaccine	Number of Doses
Pfizer	mRNA	Up to 76 million
Moderna	mRNA	44 million
AstraZeneca	Viral vector	20 million
Verity Pharmaceuticals Canada/ Serum Institute of India (in collaboration with AstraZeneca Canada Inc)	Viral vector	2 million
Janssen	Viral vector	Up to 38 million
Vaccines (Yet to be authorized by Health Canada)		
Medicago	Virus-like particle	Up to 76 million
Novavax	Protein subunit	Up to 76 million
Sanofi and GlaxoSmithKline	Protein subunit	Up to 72 million
International		
International COVAX Facility	-	Up to 15 million

Canada's COVID-19 Immunization Plan

The Government of Canada is covering the full cost of vaccines we procure, and ensuring they are free of charge to every person in Canada. On the rollout, the government is coordinating delivery with all provinces and territories, providing nationwide logistical support, warehousing services to supplement provincial and territorial capacity, and providing support for vaccine rollout campaigns. In addition, the Canadian Armed Forces are assisting with vaccination efforts in remote communities.

On March 25, 2021, the government tabled legislation in the House of Commons in order to provide a one-time payment of up to $1 billion to the provinces and territories, on an equal per capita basis, to help get shots into arms as quickly as possible.

Provinces and territories, with the support of municipalities, will be able to use this funding for a variety of vaccine-related costs, such as to recruit and train immunizers, establish mass vaccination clinics, set up mobile vaccination units, engage Indigenous communities to advance vaccine rollout, and reach vulnerable populations through community-based vaccination efforts.

International COVID-19 Response

To end this pandemic anywhere, we have to end it everywhere. Canada is part of the robust global pandemic response and has committed more than $2 billion, to date, to international efforts to fight and address the impacts of the virus. Canada is a founding member of the Access to COVID-19 Tools (ACT) Accelerator and the COVID-19 Vaccines Global Access Facility (COVAX), and plays a major role within the Advance Market Commitment initiative.

To ensure we prevail in the global fight against COVID-19:

- Budget 2021 proposes to provide up to $375 million, in 2021-22, to Global Affairs Canada to support Canada's international COVID-19 response, with a focus on addressing the health needs of developing countries. This would facilitate the world's poorest countries to access the tools necessary to help contain the spread of COVID-19.

1.2 Protecting Our Seniors

The COVID-19 pandemic has been devastating for Canada's seniors.

Many have spent the past thirteen months isolated from family and friends. For far too many seniors who live in long-term care, this year has been tragic; they have been the overwhelming casualties of this pandemic. Every senior in Canada deserves to live in dignity, safety, and comfort, regardless of which province or territory they call home.

It is essential that we protect the health and well-being of our seniors, and the personal support workers who care for them—many of whom are women, many of whom are racialized—through this difficult time and into the future.

The government is taking action, including through the $1 billion Safe Long-term Care Fund announced in the 2020 *Fall Economic Statement*, to ensure seniors, and those who help them, are well protected and well supported through the pandemic and for years to come.

Strengthening Long-term Care and Supportive Care

The pandemic has shone a light on systemic issues affecting long-term care facilities across the country. The government welcomes the news that the Heath Standards Organization and Canadian Standards Association are launching a process to help address those issues in Canada. The Health Standards Organization's and Canadian Standards Association's work with governments, stakeholders, and Canadians to develop national standards will help inform our ongoing discussions with provinces and territories on improving the quality of life of seniors in long-term care.

To protect seniors across Canada and build on this work:

- Budget 2021 proposes to provide $3 billion over five years, starting in 2022-23, to Health Canada to support provinces and territories in ensuring standards for long-term care are applied and permanent changes are made. To keep seniors safe and improve their quality of life, the federal government will work collaboratively with provinces and territories, while respecting their jurisdiction over health care, including long-term care. This work would ensure seniors and those in care live in safe and dignified conditions.
- Budget 2021 proposes to provide $41.3 million over six years, and $7.7 million ongoing, starting in 2021-22, for Statistics Canada to improve data infrastructure and data collection on supportive care, primary care, and pharmaceuticals.

Helping Seniors Age Well at Home

After a lifetime of hard work, seniors want to live healthy, safe, and independent lives. Seniors want to stay at home, in the communities that support them, for as long as possible. But that can become difficult as they age. This leads to many vulnerable seniors transitioning to supportive care before they would otherwise need to if they were better supported at home. To look at new ways to support seniors in their homes for longer:

- Budget 2021 proposes to provide $90 million over three years, starting in 2021-22, to Employment and Social Development Canada to launch the Age Well at Home initiative. Age Well at Home would assist community-based organizations in providing practical support that helps low-income and otherwise vulnerable seniors age in place, such as matching seniors with volunteers who can help with meal preparations, home maintenance, daily errands, yard work, and transportation. This initiative would also support regional and national projects that help expand services that have already demonstrated results in helping seniors stay in their homes. For example, knowledge hubs can help seniors access the local services available to them or provide information, resources, and training to community-based organizations delivering practical supports to seniors.

The government is also proposing to increase Old Age Security for seniors 75 and over, beginning in 2022. Details are outlined in Chapter 7.

1.3 Strengthening Our Health System

Throughout the pandemic, public health officials, hospital administrators, and health care workers have worked hard to protect Canadians and save lives. But the pandemic has put health care under enormous strain.

The federal government is making investments to shore up public health systems so that they can continue to provide world-class care to Canadians throughout the COVID-19 pandemic.

Every year, the federal government provides significant support to provincial and territorial health care systems through the Canada Health Transfer. For 2021-22, this amounts to $43.1 billion. This is in addition to other supports for the health care system provided during the pandemic, such as procurement of vaccines and personal protective equipment, and more (see Figure 1.1).

Helping Our Health Care Systems Recover

In the fight against COVID-19, doctors and patients have deferred many procedures. Health care systems are facing substantial backlogs that require time and resources to clear. The federal government continues to support provinces and territories, including addressing urgent health care needs.

As announced in March 2021, the federal government is proposing to provide provinces and territories with $4 billion through a one-time top-up to the Canada Health Transfer. This will help health systems ensure Canadians get the procedures and treatments they need to stay healthy and clear through the backlog of delayed procedures. The government has been clear that it will be there to support provinces' increasing health care needs in the long term, once we get through the COVID crisis.

Regulatory Cooperation with Trusted International Partners

The government is committed to enhancing Canada's drug approval process by promoting alignment and collaboration with trusted regulators in other countries. Regulatory cooperation with trusted authorities will make accessing life-saving medicines faster and simpler, ensuring that safe and effective drugs are available to Canadians more quickly.

Renewing the Territorial Health Investment Fund

No matter where anyone lives in Canada, they should be confident that they have access to reliable, well-funded public health care. To support the territories in overcoming the challenges of delivering health care services in the North:

- Budget 2021 proposes to provide $54 million over two years, starting in 2021-22, to renew the Territorial Health Investment Fund. Of this amount, $27 million would be allocated to Nunavut, $12.8 million would be allocated to Yukon, and $14.2 million would be allocated to the Northwest Territories.

1.4 Supporting Mental Health

Forty per cent of Canadians reported that their mental health deteriorated last year, and for those with pre-existing mental health conditions that number rose to 61 per cent.

Since 2015, the government has provided funding to the provinces and territories to improve mental health services, made significant investments to support Indigenous mental health services, and has launched innovative virtual mental health care tools throughout the pandemic.

The federal government understands that supporting mental health requires a comprehensive approach. The many investments the government is making to foster a strong and inclusive recovery recognize the social and economic factors of mental health, will support better mental well-being among all Canadians, and will complement investments to improve mental health services.

Figure 1.2

Budget 2021 Measures that Address the Social and Economic Factors of Mental Health



*Please see Chapter 8 for information on broader measures on action to address the tragedy of missing and murdered Indigenous women and girls.

*Please note that total amounts are over a five-year period.

National Standards for Mental Health Services

Before the pandemic began, almost one in ten Canadians reported that their mental health care needs were not met. A set of clear national standards is needed so that Canadians can access timely care, treatment, and support. To move forward on establishing national mental health standards:

- Budget 2021 proposes to provide $45 million over two years, starting in 2021-22, to Health Canada, the Public Health Agency of Canada, and the Canadian Institutes of Health Research to help develop national mental health service standards, in collaboration with provinces and territories, health organizations, and key stakeholders.

Supporting the Mental Health of Those Most Affected by COVID-19

Young people have seen the greatest decline in good mental health compared to pre-pandemic levels. Seven in ten health care workers reported worsening mental health during the pandemic. Sixty-four per cent of Indigenous people said their mental health had worsened. Racialized and Black Canadians can also face distinct challenges with mental health including structural racism and inequities in access to care.

To support populations most affected by COVID-19 in dealing with mental health challenges:

- Budget 2021 proposes to provide $100 million over three years, starting in 2021-22, to the Public Health Agency of Canada to support projects for innovative mental health interventions for populations disproportionately impacted by COVID-19, including health care workers, front-line workers, youth, seniors, Indigenous people, and racialized and Black Canadians.
- Budget 2021 proposes to provide $50 million over two years, starting in 2021-22, to Health Canada to support a trauma and post-traumatic stress disorder (PTSD) stream of mental health programming for populations at high risk of experiencing COVID-19 trauma and those exposed to various trauma brought about by COVID-19.

Additional support for veterans' mental health is outlined in Chapter 7. Investments to support mental health in First Nations, Inuit, and Métis Nation communities are outlined in Chapter 8.

Investing in the Wellness Together Canada Portal

In April of last year, the Government of Canada launched the Wellness Together Canada portal to provide Canadians with free access to live support, treatment, and credible information. Wellness Together Canada is available in all provinces and territories and to date over 1.1 million individuals have accessed the portal in over 3.5 million web sessions.

- Budget 2021 proposes to provide $62 million, in 2021-22, to Health Canada for the Wellness Together Canada portal so that it can continue to provide Canadians with tools and services to support mental health and well-being.

Since 2015, the federal government has invested over $8 billion to provide Canadians with better mental health care services.

Past Investments in Mental Health Care

As part of the 2017 Agreements on Home Care and Mental Health, the federal government provided $5 billion over 10 years to provinces and territories to improve access to mental health and addiction services.

Over this period, nearly $1.9 billion has been invested to support Indigenous mental health services, including $1 billion in Budget 2021 (more details can be found in Chapter 8). These investments are on top of existing mental wellness programs as well as supports available under Jordan's Principle for Indigenous youth and the Non-Insured Health Benefits Program.

Since the start of the pandemic, the government has invested nearly $250 million to develop virtual care and mental health tools and support the Kids Help Phone. Proposed funding would provide further support to the Wellness Together Canada portal.

Working Towards a New Crisis Hotline

The COVID-19 pandemic has exacerbated existing mental health challenges for Canadians and increased the number of Canadians in crisis. Making mental health services easier to access will have substantial benefits for Canadians and help save lives. The funding for the Kids Help Line that was initially provided in 2020-21 was extended into 2021-22 to ensure that it can continue to deliver counselling services to youth during the COVID-19 pandemic.

The Public Health Agency of Canada is continuing to work with the Centre for Addiction and Mental Health and partners to implement and sustain an expanded pan-Canadian suicide prevention service. Once fully implemented, people across Canada will have bilingual access to 24 hours a day, 7 days a week, crisis support using the technology of their choice: voice, text, or online chat.

The Canadian Radio-television and Telecommunications Commission is launching a regulatory proceeding to consult on a proposed three-digit hotline so Canadians have a memorable number they can call when they need help. The government is supportive of these efforts including ensuring funds are available to support the creation of this hotline.

Support for Canadians in Distress

In addition to the Wellness Together Canada portal (wellnesstogether.ca), if you or someone you know is in distress, call the Canada Suicide Prevention Service at **1-833-456-4566**. Canadians aged 5 to 29 can call the Kids Help Phone at **1-800-668-6868**.

Indigenous peoples can also reach out to Hope for Wellness at **1-855-242-3310**.

1.5 Investing in Research and Science

A resilient and long-lasting recovery must include a plan for future pandemic preparedness. Strategic investments in cutting edge life sciences research and biotechnology is a critical part of that. These growing fields are not only critical to our safety, but are fast-growing sectors that support well-paying jobs and attract investment.

From the start of the pandemic, the government has funded and coordinated our biomedical and scientific response. From the National Microbiology Laboratory in Winnipeg, which leads dozens of COVID-19 response projects in its Level 4 labs; to investing in AbCellera in Vancouver, which helped create a leading antibody therapeutic; to Quebec City's Medicago working to develop a leading vaccine candidate; to building the Biologics Manufacturing Centre at the National Research Council to manufacture vaccines, Canada has been building on its strengths to respond to this pandemic.

Raising the bar on our domestic life sciences and bio-manufacturing capacity will provide Canada with a more secure pipeline for vaccines in the future.

Strengthening Canada's Bio-manufacturing and Life Sciences Sector

Growing Canada's life sciences and bio-manufacturing sector is a priority that goes beyond responding to COVID-19. This is a growing sector that supports thousands of good, middle class jobs.

- Budget 2021 proposes to provide a total $2.2 billion over seven years towards growing a vibrant domestic life sciences sector. This support would provide foundational investments to help build Canada's talent pipeline and research systems, and support the growth of Canadian life sciences firms, including:
  - $500 million over four years, starting in 2021-22, for the Canada Foundation for Innovation to support the bio-science capital and infrastructure needs of post-secondary institutions and research hospitals.
  - $250 million over four years, starting in 2021-22, for the federal research granting councils to create a new tri-council biomedical research fund.
  - $92 million over four years, starting in 2021-22, for adMare to support company creation, scale up, and training activities in the life sciences sector.
  - $59.2 million over three years, starting in 2021-22, for the Vaccine and Infectious Disease Organization to support the development of its vaccine candidates and expand its facility in Saskatoon.
  - $45 million over three years, starting in 2022-23, to the Stem Cell Network to support stem cell and regenerative medicine research.

Several other initiatives proposed in Budget 2021 also include targeted support for the life sciences and bio-manufacturing sector. These measures form an important part of the government's investment in the sector and include:

- $1 billion on a cash basis over seven years, starting in 2021-22, of support through the Strategic Innovation Fund would be targeted toward promising domestic life sciences and bio-manufacturing firms. This is a key component of the total investment in the Strategic Innovation Fund proposed in Chapter 4.
- $250 million over three years, starting in 2021-22, to increase clinical research capacity through a new Canadian Institutes of Health Research Clinical Trials Fund, as proposed in Chapter 4.
- $50 million on a cash basis over five years, starting in 2021-22, to create a life sciences stream in the Venture Capital Catalyst Initiative, as part of a larger venture capital investment proposed in Chapter 4.

These investments would be reinforced by other measures proposed in Budget 2021, including: the Pan-Canadian Genomics Strategy; the Pan-Canadian Artificial Intelligence Strategy; the expansion of the Industrial Research Assistance Program; support to help firms tap intellectual property expertise; efforts to upskill and attract workers; as well as the expansion of work-integrated learning opportunities. These investments offer support to firms at various stages of maturity, and allow Canada's research and development efforts to be more closely connected to commercialization and business development supports. More details can be found in Chapters 3 and 4.

Action to Address Antimicrobial Resistance

The World Health Organization has declared that antimicrobial resistance is one of the top 10 global public health threats facing humanity. It occurs when bacteria, viruses, fungi, and parasites mutate and no longer respond to medicines. By 2050, it is estimated that as many as 396,000 lives in Canada could be lost to antimicrobial resistance if the phenomenon is not addressed.

- Budget 2021 proposes to provide $28.6 million over five years, beginning in 2021-22, with $5.7 million per year ongoing, to the Public Health Agency of Canada, Health Canada, and the Canadian Food Inspection Agency, to help address antimicrobial resistance. Investments would support efforts to prevent the inappropriate use of antimicrobials and expand efforts to monitor the emergence of antimicrobial resistance in Canada.

1.6 A Plan for the Safe Reopening of Our Borders

The government has implemented stringent travel restrictions and strict public health measures at border crossings and airports to slow the spread of COVID-19. At this time, the government continues to strongly advise against all non-essential travel.

Ahead of any reopening of borders, the government is working to improve the safety and efficiency of our borders so that Canada is ready for a strong and safe recovery.

Supporting Safe Air Travel

Air travel has declined sharply due to the COVID-19 pandemic. To facilitate the safe restart of air travel, when conditions allow, in a way that limits transmission of COVID-19 and protects travellers:

- Budget 2021 proposes to provide $82.5 million in 2021-22 to Transport Canada to support major Canadian airports in making investments in COVID-19 testing infrastructure.
- Budget 2021 also proposes to provide $105.3 million over five years, starting in 2021-22, with $28.7 million in remaining amortization and $10.2 million per year ongoing to Transport Canada to collaborate with international partners to further advance the Known Traveller Digital Identity pilot project, which will test advanced technologies to facilitate touchless and secure air travel.

To improve sanitization at screening checkpoints:

- Budget 2021 proposes to provide $6.7 million in 2021-22 to the Canadian Air Transport Security Authority to acquire and operate sanitization equipment.

These measures would help restore Canadians' confidence in the safety of air travel when public health restrictions and border measures are adjusted and would support the recovery of Canada's hard-hit air and tourism sectors, which so many Canadians rely on for their jobs and livelihoods.

Continuing to Protect Air Travellers

The Canadian Air Transport Security Authority (CATSA) plays a critical role in ensuring the safety of air travel by screening travellers and their baggage (as well as airport workers). CATSA has adopted additional screening practices, such as temperature checks at Canada's busiest airports, to help prevent the transmission of COVID-19. To help protect air travellers:

- Budget 2021 proposes to provide $271.1 million in 2021-22 to CATSA to maintain operations and enhanced screening services at the 89 airports where it works.

Supporting Temporary Foreign Workers while they Quarantine

Approximately 4,000 Canadian employers in the farming, fish harvesting, and food production and processing sectors rely on temporary foreign workers each year to fill up to 60,000 jobs and address domestic labour shortages. These workers are important to ensure critical operations of the agriculture sector and help to safeguard Canadian food production. These workers must follow isolation requirements under the *Quarantine Act*, which is a cost for employers.

- Budget 2021 proposes to provide $57.6 million in 2021-22 to extend the Mandatory Isolation Support for Temporary Foreign Workers Program to help employers offset costs associated with temporary foreign workers fulfilling isolation requirements upon entering Canada. Support of up to $1,500 per worker would be provided to employers until June 15, 2021 for costs of the 14-day isolation period. If workers are required to quarantine at a government approved facility, due to a lack of suitable facilities at their employers' facilities, employers can receive up to $2,000 per worker for costs associated with mandatory isolation requirements.

This program was launched to stabilize the labour market and the food supply chain and make sure there was food on the shelves for Canadians when the pandemic first hit. It also ensures that migrant workers do not unfairly carry the costs of their quarantine period.

- After June 15, 2021, employers would receive $750 per worker until the wind-down of the program on August 31, 2021. After August 31st, the government intends on phasing-out this program and will consult with employers on the transition to ensure that migrant workers are similarly compensated through their quarantine period by their employers.

Further measures that propose to reform the Temporary Foreign Worker Program can be found in Chapter 6.

Chapter 1

Protecting Canadians' Health

millions of dollars

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026	Total
1.1. Providing Access to Vaccines	**1,000**	**375**	**0**	**0**	**0**	**0**	***1,375***
Canada's COVID-19 Immunization Plan*	1,000	0	0	0	0	0	*1,000*
International COVID-19 Response	0	375	0	0	0	0	*375*
1.2. Protecting Our Seniors	**0**	**17**	**639**	**653**	**609**	**607**	***2,525***
Strengthening Long-term Care and Supportive Care	0	2	609	608	609	607	*2,435*
Helping Seniors Age Well at Home	0	15	30	45	0	0	*90*
1.3. Strengthening Our Health System	**4,000**	**27**	**27**	**0**	**0**	**0**	***4,054***
Helping our Health Care Systems Recover*	4,000	0	0	0	0	0	*4,000*
Renewing the Territorial Health Investment Fund	0	27	27	0	0	0	*54*
1.4. Supporting Mental Health	**0**	**140**	**83**	**35**	**0**	**0**	***257***
National Standards for Mental Health Services	0	48	48	0	0	0	*95*
Supporting the Mental Health of Those Most Affected by COVID-19	0	30	35	35	0	0	*100*
Investing in the Wellness Together Canada Portal	0	62	0	0	0	0	*62*
1.5. Investing in Research and Science	**0**	**237**	**275**	**199**	**198**	**6**	***916***
Strengthening Canada's Bio-manufacturing and Life Sciences Sector	0	251	297	206	192	0	*946*
Less: Funds Sourced From Existing	*0*	*-15*	*-29*	*-14*	*0*	*0*	*-59*

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026	Total
Departmental Resources							
Action to Address Antimicrobial Resistance	0	2	7	7	6	6	*29*
1.6. A Plan for the Safe Reopening of Our Borders	**0**	**424**	**10**	**10**	**39**	**39**	***523***
Supporting Safe Air Travel	0	96	10	10	39	39	*194*
Continuing to Protect Air Travellers	0	271	0	0	0	0	*271*
Supporting Temporary Foreign Workers while they Quarantine	0	58	0	0	0	0	*58*
Additional Investments – Protecting Canadians' Health	**0**	**9**	**0**	**0**	**0**	**0**	***9***
Maintaining Federal COVID-19 Digital Tools to Inform Canadians	0	9	0	0	0	0	*9*
Funding for Health Canada to ensure the continued availability of federal digital tools for COVID-19 that provide up-to-date information and valuable resources to Canadians throughout the pandemic, including the Canada COVID-19 mobile app and the federal COVID self-assessment tool. Together, these tools help Canadians and their families to stay informed about COVID-19.							
Chapter 1 – Net Fiscal Impact	***5,000***	***1,229***	***1,033***	***897***	***847***	***652***	***9,658***

Note: Numbers may not add due to rounding.

*Announced in March 2021.

Chapter 2
Seeing Canadians and Businesses Through to Recovery

In the face of the COVID-19 pandemic, the government acted swiftly to protect Canadians and support people and businesses, adapting as the pandemic evolved.

The government's broad suite of support measures has helped families, protected jobs, and supported businesses across Canada. More than eight of every ten dollars spent to fight COVID-19 and support Canadians continues to come from the federal government.

Table 2.1
Canada's COVID-19 Economic Response – Federal, Provincial, and Territorial Support

	Federal	Provincial and Territorial	Total
Impact ($ billions)			
Direct Measures to Fight COVID-19 and Support People	345.6	77.6	423.2
Tax and Payment Deferrals	85.1	31.5	116.6
Credit Support	81.9	2.6	84.5
Total	**512.6**	**111.6**	**624.2**
Share of Spending (per cent)			
Direct Measures to Fight COVID-19 and Support People	81.7	18.3	100
Tax and Payment Deferrals	73.0	27.0	100
Credit Support	96.9	3.1	100
Total	**82.1**	**17.9**	**100**

Notes: Provincial and territorial government announcements; Department of Finance Canada calculations. As of April 9, 2021. For federal totals, the data reflects the total impact which differs from fiscal cost on an accrual basis. Totals may not add due to rounding.

Thanks to Canadians' hard work and sacrifice over the past year, these measures have worked effectively to stabilize the economy and prevent scarring. There have been early signs that we will have a robust recovery. So far, Canada's economic rebound has outpaced forecasters' expectations and compares favourably with that of peers. Canada saw record gains of about 40 per cent annualized real GDP in the third quarter of 2020, and 10 per cent annualized GDP growth in the fourth quarter, which was the second highest in the G7. Canada has also recovered about 90 per cent of jobs lost during the pandemic and is outpacing the United States in this respect, where less than two-thirds of lost jobs have been recouped.

Despite these encouraging signs, the virus remains a serious threat to Canadians. Public health restrictions are ongoing and new variants of COVID-19 make economic conditions uncertain for the months ahead.

Today, over half a million Canadians who had a job before the crisis are still out of work or working sharply reduced hours, worse than in the depths of the 2008 recession. Many businesses, particularly those that rely on close in-person contact or travel, continue to struggle.

The government will do whatever it takes to see Canadians through to recovery. To this end, the government has developed a framework to guide key decisions on how temporary programs such as the recovery benefits, the wage subsidy, and the rent subsidy are transitioned as we move from crisis to recovery. These economic support measures will remain in place without change until at least July 2021, after which they will begin a gradual but purposeful transition through the early fall.

This timing is based on continued progress in vaccine roll-out through the spring and early summer, and that by September, all Canadians who want to be vaccinated, will be fully vaccinated. Should there be a change in the course of the pandemic, the government will take a flexible approach to ensure that Canadians and Canadian businesses have the support they need.

The government recognizes that some harder-hit industries will require support beyond the fall, which is why Budget 2021 proposes a series of investments to continue supporting the hardest-hit workers and employers.

2.1 Protecting Jobs and Supporting Businesses

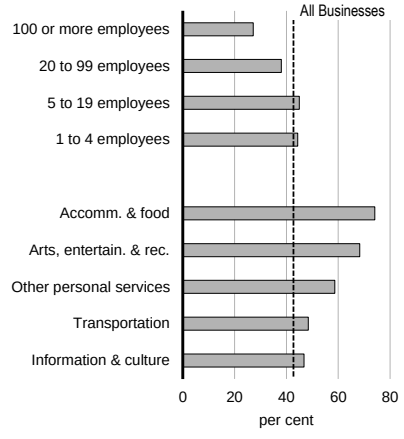
The economic situation remains uneven in different sectors across the country.

Close contact businesses, such as retail, restaurants, and performing arts face intermittent restrictions and weak demand as Canadians continue to stay home. These businesses, many of them small businesses, employ women, young people, and racialized Canadians in greater proportion—and they have faced severe and ongoing revenue declines (Chart 2.1). In sectors less affected by restrictions, such as professional services and construction, the number of fully open businesses has rebounded sharply (Chart 2.2).

Overall, business confidence is markedly up, buoyed by the prospect of mass vaccination and a gradual return to normal. But a complete recovery will take time.

Chart 2.1

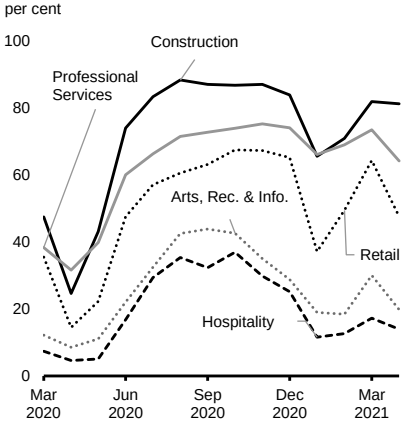
Share of Businesses Losing at Least 20% of Revenue in 2020, by Firm Size and Selected Sectors



Source: Statistics Canada.

Chart 2.2

Share of Small Businesses Fully Open, Selected Industries



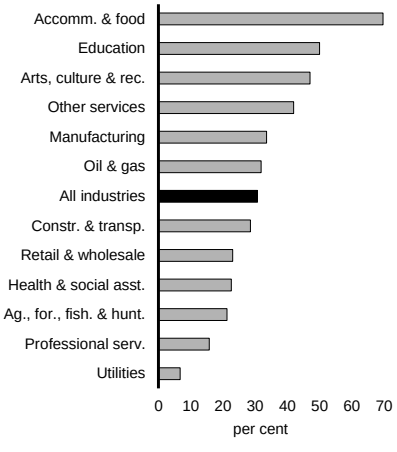
Note: For months where there was more than one survey, results were averaged. Last data point is April 2021 and is subject to revision once the CFIB completes its April survey.

Source: Canadian Federation of Independent Business.

Federal support measures have protected jobs and helped limit the number of permanent business closings. By preventing scarring the government has made it easier for Canada to quickly rebound. The Canada Emergency Wage Subsidy has, at times, supported over a quarter of private sector employment, and an even higher share in some hard-hit industries like accommodation and food services (Chart 2.3). Business insolvencies have, so far, remained low and below historical levels (Chart 2.4).

Chart 2.3

Share of Private Sector Workers Covered by the Canada Emergency Wage Subsidy, by Industry, November 2020

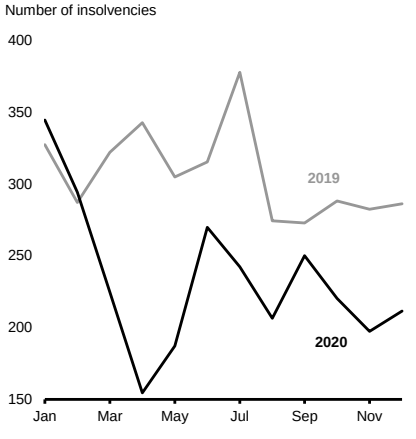


Note: Private sector workers include the incorporated self-employed. Other services includes business and building support. Professional services includes finance and real estate.

Sources: Canada Revenue Agency; Department of Finance Canada calculations.

Chart 2.4

Monthly Business Insolvencies



Note: Seasonally adjusted by Haver Analytics. Includes both bankruptcies and proposals.
Source: Office of the Superintendent of Bankruptcy.

Extending the Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy has helped more than 5.3 million Canadians keep their jobs and provided more than $73 billion in support to the Canadian economy.

The wage subsidy program is currently set to expire in June 2021. In order to bridge Canadians through the rest of this crisis to recovery, continued support is needed. To give workers and employers certainty and stability over the coming months:

- Budget 2021 proposes to extend the wage subsidy until September 25, 2021. It also proposes to gradually decrease the subsidy rate, beginning July 4, 2021, in order to ensure an orderly phase-out of the program as vaccinations are completed and the economy reopens.

Extending this support will mean that millions of jobs will continue to be protected. In addition, the government is proposing to introduce the new Canada Recovery Hiring Program, outlined later in Chapter 4. This would provide an alternative support for businesses affected by the pandemic to help them hire more workers as the economy reopens. The hiring program would be in place from June until November 2021, allowing firms to shift from the Canada Emergency Wage Subsidy to this new support.

It is estimated that the extension of the wage subsidy will cost $10.1 billion in 2021-22.

The government will seek the legislative authority to have the ability to further extend the wage subsidy program through regulations until November 20, 2021, should the economic and public health situation require it beyond September 2021.

For more information, please see Annex 6.

Ensuring the Canada Emergency Wage Subsidy Supports Workers

The intention of the wage subsidy has always been to preserve and protect Canadians' jobs. It was designed to do this by making sure employers who had suffered revenue declines during the pandemic had the support they needed to keep employees on the payroll and encourage them to re-hire laid off employees. Canadians expect businesses that use government support for their operations—especially at a time of widespread personal difficulty—to not increase the compensation of their top executives.

Any publicly listed corporation that decides to increase executive pay during this difficult time, while receiving taxpayer support, may have their wage subsidy funds clawed back.

- Budget 2021 proposes to require that any publicly listed corporation receiving the wage subsidy and found to be paying its top executives more in 2021 than in 2019 will need to repay the equivalent in wage subsidy amounts received for any qualifying period starting after June 5, 2021 and until the end of the wage subsidy program.

This is in recognition that the program is meant to serve workers and that, during recovery, businesses boosting top executive pay have clearly demonstrated that they have the resources to support workers.

Extending the Canada Emergency Rent Subsidy and Lockdown Support

The Canada Emergency Rent Subsidy and Lockdown Support have helped more than 154,000 organizations with rent, mortgage, and other expenses. The rent subsidy provides eligible organizations with direct and easy-to-access rent support. Importantly, it is available directly to tenants. Lockdown Support provides organizations eligible for the rent subsidy with additional support if they are subject to a lockdown or must significantly restrict their activities under a public health order. To date, these measures have provided $2.6 billion in support to Canadian businesses.

The program is set to expire in June 2021. To bridge Canadians through the rest of this crisis to recovery, continued support is needed.

- Budget 2021 proposes to extend the rent subsidy and Lockdown Support until September 25, 2021. It also proposes to gradually decrease the rate of the rent subsidy, beginning July 4, 2021, in order to ensure an orderly phase-out of this program as vaccinations are completed and the economy reopens.

It is estimated the extension of the rent subsidy and Lockdown Support will cost $1.9 billion in 2021-22.

The government will seek the legislative authority to have the ability to extend further the program through regulations until November 20, 2021, should the economic and public health situation require further support beyond September 2021.

For more information, please see Annex 6.

Extending the Canada Emergency Business Account

The Canada Emergency Business Account (CEBA) has provided interest-free, partially forgivable loans to more than 850,000 Canadian small businesses. In December 2020, the government increased the value of the loan from $40,000 to $60,000 to help small businesses bridge to recovery. If a business repays their loans by December 31, 2022, up to a third of the value of their loans (meaning up to $20,000) will be forgiven. In further recognition of the ongoing pandemic, the government recently extended the application deadline for CEBA to June 30, 2021.

A small number of businesses have faced challenges accessing the program, including Indigenous and rural businesses. To make sure these businesses are not left behind, the government provides similar support through the Regional Relief and Recovery Fund and Indigenous Business Initiative. To make sure these businesses can continue to access support:

- Budget 2021 proposes to extend the application deadline for similar support under the Regional Relief and Recovery Fund and the Indigenous Business Initiative until June 30, 2021.
- Budget 2021 proposes to provide up to $80 million in 2021-22, on a cash basis, for the Community Futures Network of Canada and regional development agencies, and to shift remaining funds under the Indigenous Business Initiative into 2021-22, to support an extended application deadline for the Regional Relief and Recovery Fund and Indigenous Business Initiative until June 30, 2021. This would support small businesses in rural communities so they can continue to serve local populations.

2.2 Supporting Affected Workers

More than two and a half million Canadians have returned to work since the pandemic began, but the uneven and evolving public health environment means many workers continue to face challenges finding and keeping work. The virulent third wave of the virus and the unpredictable impact of new variants add to the uncertainty for Canadian workers.

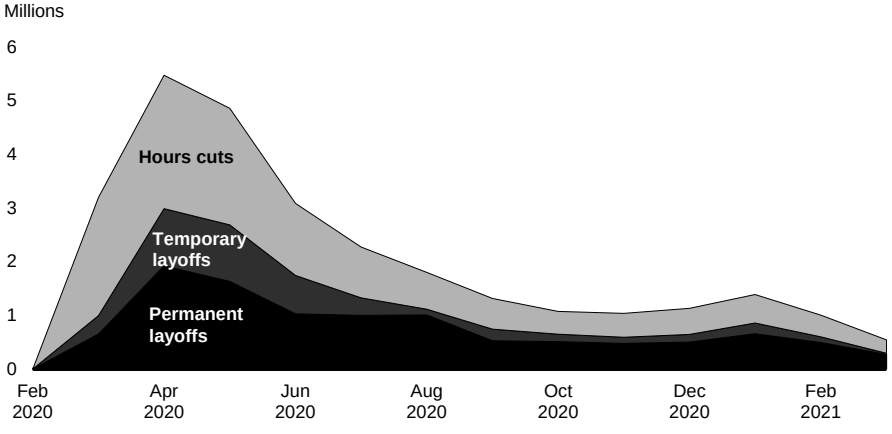
Some jobs lost during the pandemic may also be lost for good because businesses have found new ways to operate. That means that roughly half the Canadians out of work now may not be returning to their previous jobs when restrictions lift—they may have been permanently laid off (Chart 2.5). These workers are disproportionately women, young people, and racialized workers. If they are not supported, this could have long-term impacts on the economy's potential, and, most importantly, on the livelihoods of people and their families.

Capable and willing workers are at risk of being underemployed, underpaid, or even withdrawing from the workforce entirely. Chapters 3 and 4 outline key measures the government is taking to help workers retrain, reskill, and re-establish their careers to help accelerate recovery and ensure all workers are brought along.

But until enough people are vaccinated and the economy reopens, withdrawing income support programs too rapidly would be counterproductive and costly.

Chart 2.5

Number of Canadians Laid off or Seeing Sharply Reduced Hours Since February 2020



Note: Sharply reduced hours means less than half of usual hours, including zero hours. Last data point March 2021.

Sources: Statistics Canada; Department of Finance Canada calculations.

Temporarily Waiving the One-week Waiting Period for Employment Insurance Claims

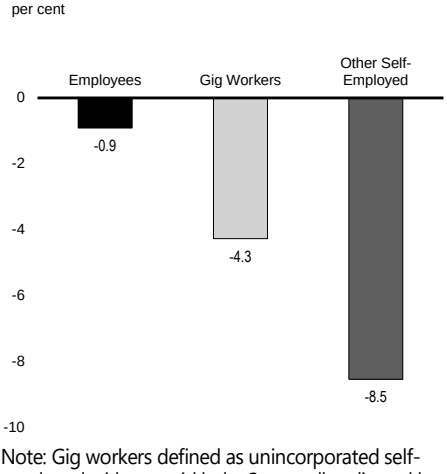
Last fall, the government made temporary changes to Employment Insurance (EI) to support Canadians during the pandemic. The changes have ensured that Canadians who continue to face challenges in finding and keeping work have the support they need.

In response to ongoing restrictions in many parts of the country this winter, the government announced that the waiting period would be waived for EI beneficiaries who establish a new claim between January 31, 2021, and September 25, 2021. This includes claims for regular, fishing, and special benefits. This temporary change allows people who apply for benefits to be paid their first week of unemployment, helping ease their financial stress.

Providing Additional Weeks of Recovery Benefits and EI Regular Benefits

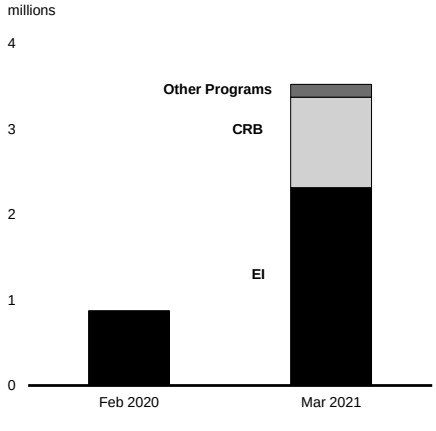
Despite temporary changes to the Employment Insurance system, the government recognized that certain workers who did not qualify for EI regular benefits needed support during the pandemic. These include self-employed workers, particularly gig workers, Canadians who have small amounts of part-time work, and those who cannot take jobs because the pandemic has forced them to shoulder greater-than-usual caregiving duties (Chart 2.6). After the creation of the Canada Emergency Response Benefit, which supported over 8 million Canadians, the government transitioned the support to a suite of new temporary benefits: the Canada Recovery Benefit, the Canada Recovery Caregiving Benefit, and the Canada Recovery Sickness Benefit. In March 2021, about 3.5 million Canadians received income support through the recovery benefits and EI (Chart 2.7).

Chart 2.6
Change in Employment by Class of Worker, Feb 2020 to Mar 2021



Note: Gig workers defined as unincorporated self-employed without paid help. Seasonally adjusted by the Department of Finance.
Source: Statistics Canada; Department of Finance calculations.

Chart 2.7
Income Support Beneficiaries by Program



Note: CRB = Canada Recovery Benefit. Other Programs are the Canada Recovery Caregiving Benefit and the Canada Recovery Sickness Benefit.
Sources: Employment and Social Development Canada; Canada Revenue Agency; Statistics Canada.

In February 2021, to ensure continued support for Canadians, the government increased the number of weeks available under the Canada Recovery Benefit and the Canada Recovery Caregiving Benefit by 12 weeks to a total of 38 weeks, the number of weeks available under the Canada Recovery Sickness Benefit from 2 weeks to 4 weeks, and the number of weeks of EI regular benefits available by 24 weeks up to a maximum of 50 weeks. These previously announced changes are expected to cost an estimated $12.1 billion over three years.

- To continue to support workers through a transition away from emergency income supports and position Canadians for the recovery, the government proposes to provide up to 12 additional weeks of Canada Recovery Benefit to a maximum of 50 weeks. The first four of these additional 12 weeks will be paid at $500 per week. As the economy reopens over the coming months, the government intends that the remaining 8 weeks of this extension will be paid at a lower amount of $300 per week claimed. All new Canada Recovery Benefit claimants after July 17, 2021 would also receive the $300 per week benefit, available up until September 25, 2021.
- Budget 2021 also proposes to extend the Canada Recovery Caregiving Benefit an additional 4 weeks, to a maximum of 42 weeks, at $500 per week, in the event that caregiving options, particularly for those supporting children, are not sufficiently available in the interim as the economy begins to safely reopen.

It is estimated that the Budget 2021 extension of the Canada Recovery Benefit and the Canada Recovery Caregiving Benefit will cost $2.5 billion over two years, starting in 2021-22.

If additional flexibility is required based on public health considerations later this year, the government will continue to do whatever it takes to be there for Canadians. To ensure this flexibility:

- Budget 2021 proposes legislative amendments to provide authority for additional potential extensions of the Canada Recovery Benefit and its associated suite of sickness and caregiving benefits, as well as regular EI benefits until no later than November 20, 2021, should they be needed.

Maintaining Flexible Access to Employment Insurance Benefits

Following the end of the Canada Emergency Response Benefit last fall, over 3.3 million Canadians have accessed EI and $25.3 billion in benefits have been paid since.

As the economy reopens, the EI system must remain responsive to the needs of Canadians.

- Budget 2021 proposes $3.9 billion over three years, starting in 2021-22, for a suite of legislative changes to make EI more accessible and simple for Canadians over the coming year while the job market begins to improve. The changes would:
  - Maintain uniform access to EI benefits across all regions, including through a 420-hour entrance requirement for regular and special benefits, with a 14-week minimum entitlement for regular benefits, and a new common earnings threshold for fishing benefits.

- Support multiple job holders and those who switch jobs to improve their situation as the recovery firms up, by ensuring that all insurable hours and employment count towards a claimant's eligibility, as long as the last job separation is found to be valid.
- Allow claimants to start receiving EI benefits sooner by simplifying rules around the treatment of severance, vacation pay, and other monies paid on separation.
- Extend the temporary enhancements to the Work-Sharing program such as the possibility to establish longer work-sharing agreements and a streamlined application process, which will continue to help employers and workers avoid layoffs.

As has been identified by the International Monetary Fund, the Organisation for Economic Co-operation and Development, and other experts, the pandemic has shown that Canada needs a more effective income support system for the 21st century. For this reason:

- Budget 2021 announces forthcoming consultations on future, long-term reforms to EI. To support this effort, the government proposes to provide $5 million over two years, starting in 2021-22, to Employment and Social Development Canada to conduct targeted consultations with Canadians, employers, and other stakeholders from across the country. Consultations will examine systemic gaps exposed by COVID-19, such as the need for income support for self-employed and gig workers; how best to support Canadians through different life events such as adoption; and how to provide more consistent and reliable benefits to workers in seasonal industries. Any permanent changes to further improve access to EI will be made following these consultations and once the recovery is fully underway.

Extending Employment Insurance Sickness Benefits to Better Support Canadians Suffering From Illness or Injury

When Canadians are facing illness or injury, they should feel confident that they are supported and that their jobs are protected as they recover. However, for some Canadians, the 15 weeks of sickness benefits available under EI is simply not enough. Workers receiving cancer treatments or requiring a longer period to recover from an illness or injury can face a stressful income gap between the time they exhaust their EI sickness benefits and when they are healthy enough to return to work.

- Budget 2021 proposes funding of $3.0 billion over five years, starting in 2021-22, and $966.9 million per year ongoing to enhance sickness benefits from 15 to 26 weeks, as previously committed to in the Minister of Employment, Workforce Development and Disability Inclusion's mandate letter. This extension, which would take effect in summer 2022, would provide approximately 169,000 Canadians every year with additional time and flexibility to recover and return to work.

- Budget 2021 also proposes to make amendments to the *Employment Insurance Act*, as well as corresponding changes to the *Canada Labour Code* to ensure that workers in federally regulated industries have the job protection they need while receiving EI sickness benefits.

The government also intends to launch consultations with employers, labour organizations and private insurers regarding improvements that may be required to the EI Premium Reduction Program. Under the Premium Reduction Program, employers who provide short-term disability plans to their employees can obtain a reduction in EI premiums.

Extending Temporary Support for Seasonal Workers Who Continue to be Affected by the Pandemic

Self-employed fishers and seasonal workers have shown incredible resilience throughout the COVID-19 pandemic. Federal income support has been a lifeline to approximately 20,000 fishers and thousands of seasonal workers since September, especially in Atlantic Canada. With restrictions ongoing and recovery only just underway, these Canadians continue to need support. To better support fishers and seasonal workers and ensure they do not lose access to needed financial support:

- Budget 2021 proposes legislative changes to ensure that all self-employed fishers who submit an Employment Insurance (EI) claim for the winter 2021 fishing benefit period are treated equally, by extending temporary eligibility changes for the entire benefit period.

- Budget 2021 also proposes legislative changes and funding of $99.9 million over three years, starting in 2021-22, to extend the rules of an existing EI seasonal pilot project for an additional year, until October 2022. The measure would provide up to 5 additional weeks of EI regular benefits to seasonal claimants in 13 regions of Atlantic Canada, Quebec, and Yukon.

Chapter 2

Seeing Canadians and Businesses Through to Recovery

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
2.1. Protecting Jobs and Supporting Businesses	**-70**	**12,208**	**0**	**0**	**0**	**0**	***12,138***
Extending the Canada Emergency Wage Subsidy	0	10,140	0	0	0	0	*10,140*
Extending the Canada Emergency Rent Subsidy and the Lockdown Support	0	1,920	0	0	0	0	*1,920*
Extending the Application Deadline for CEBA Gap-Filling Programs	0	148	0	0	0	0	*148*
Less: Funds Previously Provisioned in the Fiscal Framework	*-70*	*0*	*0*	*0*	*0*	*0*	*-70*
2.2. Supporting Affected Workers	**312**	**14,622**	**4,195**	**1,006**	**662**	**-683**	***20,112***
Temporarily Waiving the One-week Waiting Period for Employment Insurance Claims[1]	106	214	0	0	0	0	*320*
Less: Projected Revenues	*0*	*0*	*0*	*0*	*0*	*-36*	*-36*
Providing Additional Weeks of Recovery Benefits and EI Regular Benefits[2]	206	9,596	2,207	109	0	0	*12,118*
Less: Projected Revenues	*0*	*0*	*0*	*0*	*0*	*-610*	*-610*
Providing Additional Weeks of the Canada Recovery Benefit and Canada Recovery Caregiving Benefit	0	2,449	27	0	0	0	*2,476*
Maintaining Flexible Access to Employment Insurance Benefits	0	2,364	1,898	864	866	915	*6,906*
Less: Funds Previously Provisioned in the Fiscal Framework	*0*	*-4*	*0*	*0*	*0*	*0*	*-4*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Less: Projected Revenues	*0*	*0*	*0*	*0*	*-204*	*-941*	*-1,145*
Extending Temporary Support for Seasonal Workers Who Continue to be Affected by the Pandemic	0	4	63	33	0	0	*100*
Less: Projected Revenues	*0*	*0*	*0*	*0*	*0*	*-11*	*-11*
Additional Investments – Seeing Canadians and Businesses Through to Recovery	**0**	**130**	**0**	**0**	**0**	**0**	***130***
Support to the Government of Quebec to align the Quebec Parental Insurance Plan with Temporary EI Changes	0	130	0	0	0	0	*130*
Budget 2021 proposes funding and a legislative change to support the Government of Quebec in ensuring that benefits offered under the Quebec Parental Insurance Plan reflect the temporary changes in place between September 2020 and September 2021 that have made Employment Insurance maternity and parental benefits more generous for some claimants.							
Chapter 2 - Net Fiscal Impact	***242***	***26,960***	***4,195***	***1,006***	***662***	***-683***	***32,380***

Note: Numbers may not add due to rounding.

[1] Announced in January 2021

[2] Announced in February 2021

Part II

Creating Jobs and Growth

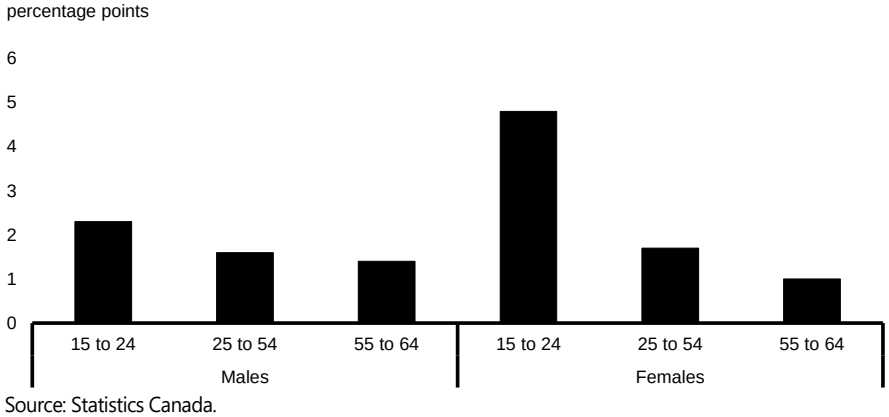
Chapter 3
New Opportunities for Canadians

In planning for Canada's economic recovery, the government's first order of business is to heal the specific wounds of the COVID-19 recession.

The impact has been even more uneven than previous recessions. Some sectors, many large businesses, and many wealthier Canadians have done quite well. They have managed to keep working during the pandemic, have absorbed the customers from locked-down small business competitors, and have seen their homes and other assets grow in value.

The COVID-19 recession has had its worst impact on many of the most vulnerable people in Canada—primarily low-wage workers, young people, racialized workers, and women. It has affected businesses that disproportionately employ these people.

Chart 3.1
Change in the Unemployment Rate, by Age and Sex, February 2020 to March 2021



Source: Statistics Canada.

Today, about 296,000 people are still out of work, and 247,000 are facing sharply reduced work hours, and with that reduced wages, and reduced access to opportunities.

> *"The labour market is a long way from recovery, with employment still well below pre-COVID levels. Low-wage workers, young people and women have borne the brunt of jobs losses."*
>
> — Bank of Canada, March 10, 2021

Lessons from recessions of the past make it clear that a recovery that focuses on GDP alone is one that risks leaving people behind.

The government's COVID-19 recovery plan puts people first. It is targeted at the groups that have been most affected, to make sure they are part of our recovery. It does so by making higher education more affordable and reducing the burden of student debt for more Canadians in need. It does so by improving conditions for workers struggling to make ends meet—or those trying to rejoin the workforce after a difficult time. It is about supporting the middle class and helping more people join the middle class.

In the 2020 Speech from the Throne, the Government of Canada launched a campaign to create over one million jobs, restoring employment to pre-pandemic levels including through historic investments in training that will skill up workers.

Budget 2021 will create almost 500,000 new job and training opportunities for workers over coming years—including 215,000 new opportunities for youth.

Most importantly, Budget 2021 makes a generational investment in a Canada-wide system of affordable child care.

3.1 Women in the Economy

COVID-19 has affected all Canadians, but women have been disproportionately affected.

In the labour market, women were hit earlier and harder, and their jobs continue to recover more slowly.

The closure of schools and child care centres has exacerbated work-life balance challenges for women as they have overwhelmingly borne the burdens of unpaid care work. This has made it more difficult for some women to work full time, for some to work at all, and for many women it has worsened their mental health.

For far too long, the work women do, paid and unpaid, has been systematically devalued by our economy and by our society. Long-standing gender inequities have only been amplified over the course of the pandemic—and it has put decades of hard-fought gains for women in the workplace at risk. Today, more than 16,000 women have dropped out of the labour force completely, while the male labour force has grown by 91,000. This is a she-cession.

Budget 2021 lays out an expansive jobs and growth plan that is very much a feminist plan. It seeks to build a recovery that gives all women in Canada the ability to fully participate in our economy.

The government recognizes the many different lived experiences of women—experiences shaped by racial identity, income level, disabilities, geography, and more. Budget 2021 seeks to build a recovery that acknowledges that many women start from a position of disadvantage in the workforce, in the demands placed upon them in the care economy, in their access to resources and capital as entrepreneurs, in their access to health care, and in the threat of violence they disproportionately face.

In March, the Government of Canada created a Task Force on Women in the Economy to help guide a robust, inclusive, and feminist recovery and to help address long-standing systemic barriers. Composed of a diverse group of experts and leading voices, the task force has begun advising the government on policies and measures to support women's employment and address issues of gender equality in the wake of the pandemic. In particular, the task force has provided advice on early learning and child care, support for youth, and women who work in low-wage jobs. The members provide feedback with an intersectional lens that is instrumental in this budget and will continue to provide advice on the path forward.

The work of creating a more inclusive, sustainable, feminist, and resilient economy that values women's work will take time. The government will continue its progress to build a feminist, intersectional Action Plan for Women in the Economy that will work to push past systemic barriers and inequities, for good. This will create an economy that works for everyone and build a stronger middle class.

A Canada-wide Early Learning and Child Care Plan

More than 50 years ago, the Royal Commission on the Status of Women in Canada called on the federal government to immediately begin working with provinces and territories to establish a national daycare plan. Generations of Canadians have waited for their government to answer this call.

The pandemic has made access to early learning and child care a universal issue that is resonating across sectors, regions, and income brackets. School and child care centre closures have been difficult for parents. Some have had to leave their jobs, or reduce their hours significantly. Without access to child care, parents cannot fully participate in our economy.

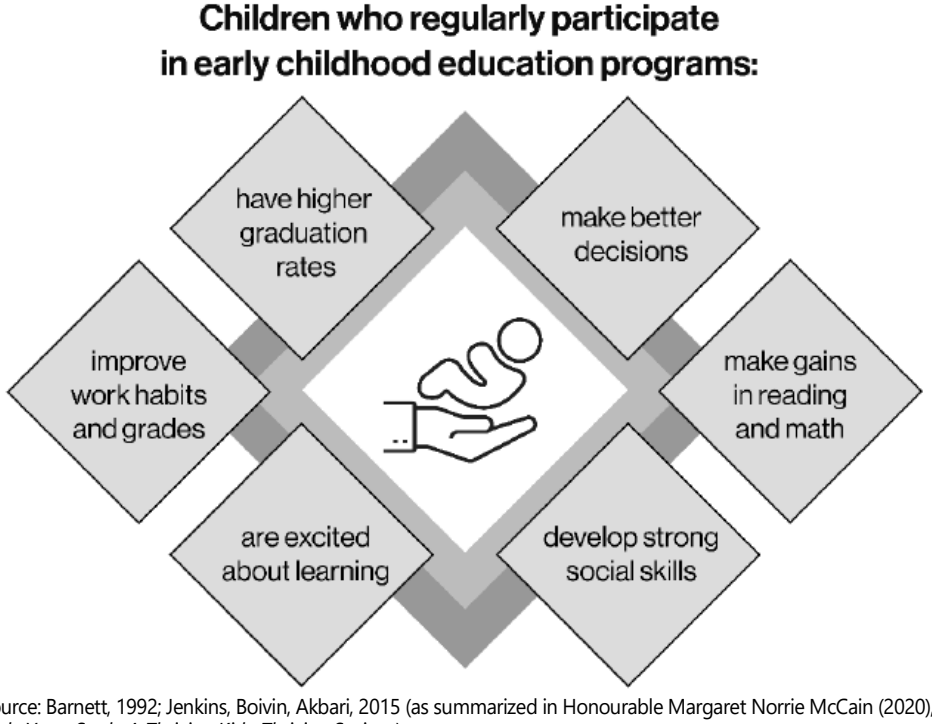
This is an economic issue as much as it is a social issue. Child care is essential social infrastructure. It is the care work that is the backbone of our economy. Just as roads and transit support our economic growth, so too does child care.

Investing in early learning and child care offers a jobs-and-growth hat trick: it provides jobs for workers, the majority of whom are women; it enables parents,

particularly mothers, to reach their full economic potential; and it creates a generation of engaged and well prepared young learners.

Studies by Canadians Dr. Fraser Mustard and the Honourable Margaret McCain have shown that early learning is at least as important to lifelong development as elementary, secondary, and post-secondary education—it improves graduation rates, promotes lifelong well-being, boosts lifetime earnings, and increases social equity.

Figure 3.1
Benefits of Early Learning and Child Care for Children



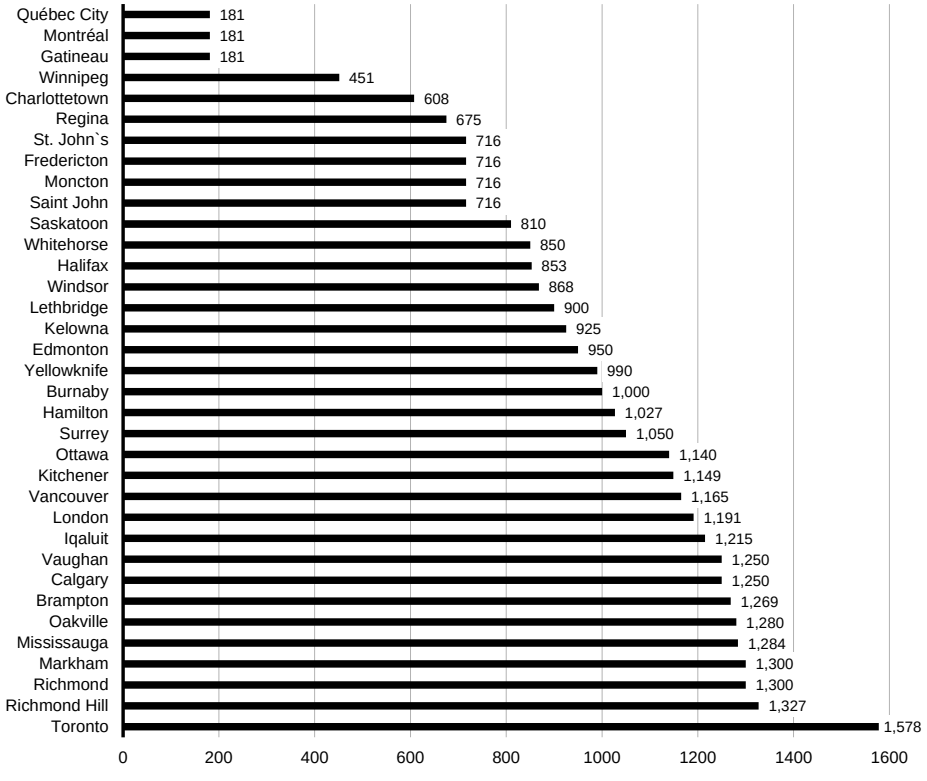
Source: Barnett, 1992; Jenkins, Boivin, Akbari, 2015 (as summarized in Honourable Margaret Norrie McCain (2020), *Early Years Study 4: Thriving Kids, Thriving Society.)*

Yet, early learning and child care can be more expensive than university tuition in some cities—something families have decades longer to save up for. The pandemic has shifted the public understanding of how access to child care supports children, their families, and our economy. The clear benefits of early learning and child care should not be a luxury for only the Canadian families that can afford it. Lack of access is not a choice, nor are unaffordable fees. The current system is leaving too many children and families behind, particularly low-income and racialized families. Every child deserves a fair start.

The high cost of child care—in some urban centres fees for one child can be as much as rent or mortgage payments—is a tax on a segment of the population that Canada requires to drive economic growth. Young families are juggling sky high housing costs, the increasing cost of living, expected to save up for their retirements, while managing child care fees.

Chart 3.2

Median Toddler Fees in 2020 (gross, monthly)



Note: These data represent gross child care fees and do not include reductions from means-tested child care subsidies or tax-based supports.

Source: Canadian Centre for Policy Alternatives (2021).

The very best example of the economic power of an affordable, well-run early learning and child care system is Quebec. At the time the *Québec Educational Childcare Act* was instituted in 1997, women's labour force participation rate in Quebec was four percentage points lower than the rest of Canada. Today it is four points higher. And Quebec women with children under three have some of the highest employment rates in the world. Furthermore, studies show that child care alone has raised Quebec's GDP by 1.7 per cent.

Furthermore, TD Economics has pointed to a range of studies that have shown that for every dollar spent on early childhood education, the broader economy receives between $1.50 and $2.80 in return.

Beyond the simple economic facts, it is also a question about the kind of Canada we want. Early learning and child care represents a chance for the country to offer each and every child the best start in life. It represents an equalizer, a way to build communities, a bold feminist policy, and the most effective step we can take to support our economy in the short, medium and long term. It is about making sure that everyone has the same access to opportunities, even from their youngest age.

It is time for the rest of Canada to learn from Quebec's example. A Canada-wide early learning and child care plan is a plan to drive economic growth, a plan to secure women's place in the workforce, and a plan to give every Canadian child the same head start. It is a plan to build an economy that is more productive, more competitive, and more dynamic. It is a plan to grow the middle class and help people working hard to join it.

Figure 3.2
The Dividends of Investing in Early Learning and Child Care



Establishing a Canada-Wide Early Learning and Child Care System

The federal government will work with provincial, territorial, and Indigenous partners to build a Canada-wide, community-based system of quality child care. This will be a transformative project on a scale with the work of previous generations of Canadians, who built a public school system and public health care. This is a legacy investment for today's children who will not only benefit from, but also inherit this system.

Just as public school provides children with quality education in their neighbourhoods, the government's goal is to ensure that all families have access to high-quality, affordable and flexible early learning and child care no matter where they live. The government will also ensure that families in Canada are no longer burdened by high child care costs—with the goal of bringing fees for regulated child care down to $10 per day on average within the next five years. By the end of 2022, the government is aiming to achieve a 50 per cent reduction in average fees for regulated early learning and child care to make it more affordable for families. These targets would apply everywhere outside of Quebec, where prices are already affordable through its well-established system.

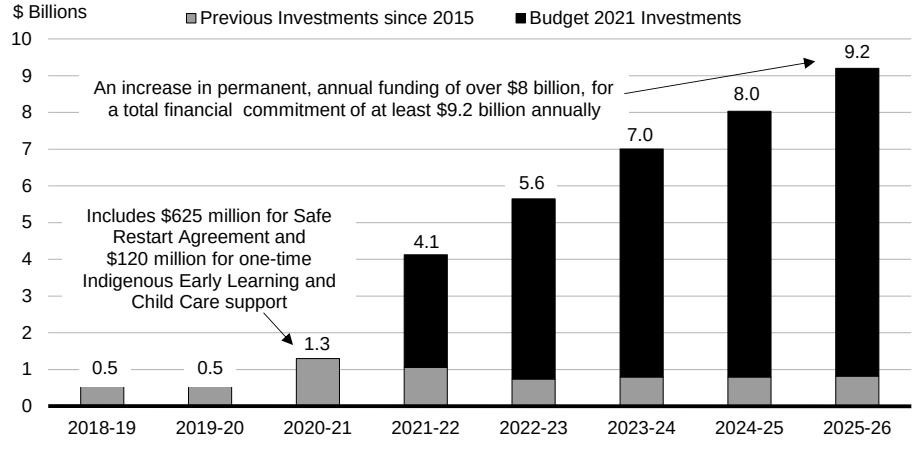
To support this vision, Budget 2021 proposes new investments totaling **up to $30 billion over the next 5 years, and $8.3 billion ongoing** for Early Learning and Child Care and Indigenous Early Learning and Child Care, as outlined below.

The government's plan ensures that gains are secured for generations to come by making this historic commitment a lasting one, while also recognizing that building the quality system we want will take time.

Combined with previous investments announced since 2015, a minimum of $9.2 billion per year ongoing will be invested in child care, including Indigenous Early Learning and Child Care, starting in 2025-26.

Chart 3.3

A Historic, Permanent Federal Financial Commitment to Early Learning and Child Care



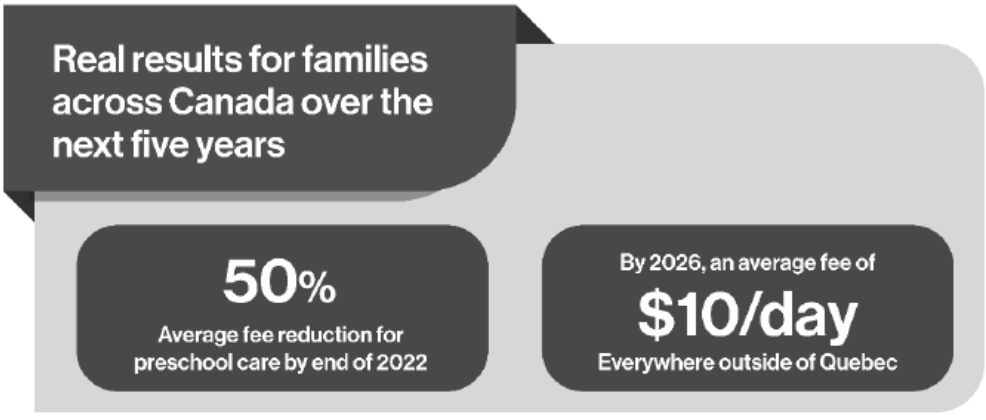
This once-in-a-generation transformation will take time and hard work from all orders of government—and that is why the next five years are focused on meaningful goals for families and setting the right foundations for success.

- Up to $27.2 billion over five years, starting in 2021-22 will bring the federal government to a 50/50 share of child care costs with provincial and territorial governments, as part of initial 5-year agreements. Future objectives and distribution of funding, starting in year six, would be determined based on an understanding of need and progress achieved as part of this initial plan.

Over the next five years, the government will work with provinces and territories to make meaningful progress towards a system that works for families. The aforementioned federal funding would allow for:

- A 50 per cent reduction in average fees for regulated early learning and child care in all provinces outside of Quebec, to be delivered before or by the end of 2022.
- An average of $10 a day by 2025-26 for all regulated child care spaces in Canada.
- Ongoing annual growth in quality affordable child care spaces across the country, building on the approximately 40,000 new spaces already created through previous federal investments.
- Meaningful progress in improving and expanding before- and after-school care in order to provide more flexibility for working parents.

Figure 3.3
Real Progress Towards the Goal of $10 Per Day Average



The next five years of the plan will also focus on building the right foundations for a community-based and truly Canada-wide system of child care. This includes:

- Working with provinces and territories to support primarily not-for-profit sector child care providers to grow quality spaces across the country while ensuring that families in all licensed spaces benefit from more affordable child care.
- A growing, qualified workforce—with provincial and territorial partners, the government will work to ensure that early childhood educators are at the heart of the system, by valuing their work and providing them with the training and development opportunities needed to support their growth and the growth of a quality system of child care. Over 95 per cent of child care workers are women, many of whom are making low wages, with a median wage of $19.20 per hour.
- A strong basis for accountability to Canadians—the government will work with provincial and territorial partners to build a strong baseline of common, publicly available data on which to measure progress, report to Canadians, and help continuously improve the system.

Quebec has been a pioneer of early learning and child care in Canada, with outcomes for children and families that have been studied around the world. However, the Quebec experience has also illustrated that building a system is complex, and that phased and sustained investments are required to ensure that everyone has access to the same quality of care at affordable prices. These are valuable lessons for a pan-Canadian system. To build on the current bilateral agreements:

- Budget 2021 proposes to proceed with an asymmetrical agreement with the province of Quebec that will allow for further improvements to their system, which the people of Quebec are rightly proud of.

In addition, the federal government will authorize the transfer of 2021-22 funding as soon as bilateral agreements are reached with the provinces and territories, enabled by a proposed statutory appropriation.

Supporting Accessible Child Care Spaces

For families that have children with disabilities, it is often challenging to find affordable and accessible child care spaces that meet their needs.

- To make immediate progress for children with disabilities, Budget 2021 proposes to provide $29.2 million over two years, starting in 2021-22, to Employment and Social Development Canada through the Enabling Accessibility Fund to support child care centres as they improve their physical accessibility. This funding, which could benefit over 400 child care centres, would support improvements such as the construction of ramps and accessible doors, washrooms, and play structures.

Addressing the Needs of Indigenous Families and Communities

Early learning and child care programs designed by and with Indigenous families and communities give Indigenous children the best start in life. This is a critical part of reconciliation.

Canada's Indigenous Early Learning and Child Care Framework, co-developed with Indigenous partners in 2018, adopts a distinctions-based approach to strengthening high-quality, culturally appropriate child care for Indigenous children guided by Indigenous priorities.

- Budget 2021 builds on this framework, and on recent investments in the 2020 *Fall Economic Statement*, to continue the progress towards an early learning and child care system that meets the needs of Indigenous families, wherever they live. A proposed investment of $2.5 billion over the next five years in Indigenous Early Learning and Child Care will include:
    - $1.4 billion over five years, starting in 2021-22, and $385 million ongoing, to ensure that more Indigenous families have access to high-quality programming. Guided by Indigenous priorities and distinctions-based envelopes, this investment will build Indigenous governance capacity and allow providers to offer more flexible and full-time hours of care, build, train and retain a skilled workforce, and create up to 3,300 new spaces. This will include new investments in Aboriginal Head Start in Urban and Northern Communities.

- $515 million over five years, starting in 2021-22, and $112 million ongoing, to support before and after-school care for First Nations children on reserve.
- $264 million over four years, starting in 2022-23, and $24 million ongoing, to repair and renovate existing Indigenous early learning and child care centres, ensuring a safe and healthy environment for children and staff.
- $420 million over three years, starting in 2023-24, and $21 million ongoing, to build and maintain new centres in additional communities. The government will work with Indigenous partners to identify new infrastructure priorities.

To ensure these vital programs continue to grow along with the communities they serve, program funding will increase by 3 per cent each year starting in 2027-28.

Bringing Partners Together to Build and Maintain a Canada-Wide Child Care System

This ambitious plan requires strong leadership from the federal government—built on an open and collaborative relationship with partners and stakeholders in order to meet the needs of families. Early learning and child care investments in Budget 2017 brought all provinces and territories into bilateral agreements that have been successfully delivering results driven by quality, accessibility, and affordability. These shared priorities will be the platform for the development of a quality pan-Canadian system.

- Building on recent investments in the 2020 *Fall Economic Statement*, an additional $34.5 million over five years, starting in 2021-22, and $3.5 million ongoing, would be provided to Employment and Social Development Canada to strengthen capacity within the new Federal Secretariat on Early Learning and Child Care.

This will include, in the coming months, the creation of a new National Advisory Council to provide expert advice and a forum for consultation on issues and challenges facing the early learning and child care sector. This council would reflect Canada's geographic, cultural, linguistic, and socio-economic diversity and would include experts from across the sector.

To further support a lasting federal commitment over time, the government is committed to tabling federal early learning and child care legislation in fall 2021—following consultations with stakeholders, provincial, territorial, and Indigenous partners—to enshrine the principles of a Canada-wide child care system in law.

Strengthening Diversity in Corporate Governance

To foster inclusivity in the financial sector and ensure Canada's financial institutions are responding to changing social and economic conditions:

- Budget 2021 proposes a public consultation on measures that would adapt and apply the *Canada Business Corporations Act* diversity requirements to federally regulated financial institutions. This objective is to promote greater gender, racial, ethnic, and Indigenous diversity among senior ranks of the financial sector and ensure more Canadians have access to these opportunities. Details on the consultation will be announced in the near future.

In addition, Budget 2021 proposes that Crown corporations will be required to implement gender and diversity reporting, starting in 2022.

3.2 Opportunities for Canada's Youth

In many ways, the COVID-19 recession has been a sacrifice of younger generations to protect their elders. Young people have been isolated at a time of life normally marked by studying, vibrant and growing social lives, travel, and a variety of crucial work experiences that help them find their path.

Instead, young people have stayed home—and many have lost their jobs.

Young people were among the hardest and fastest hit when the pandemic struck—experiencing more job losses than any other age demographic. They have also experienced the worst decline in mental health of any age group. And even through these challenges, young people stepped up to advocate, volunteer, and serve in their communities, helping them get through the pandemic.

We cannot let them be a lost generation. Young Canadians must be at the centre of our recovery not only to help them rebound today, but to invest in their future success and the future success of our economy.

Since the start of the pandemic, the government has had young people's backs, providing over $7.4 billion to support young Canadians through this difficult time. This included a six-month moratorium on student loan payments at the start of the pandemic, doubling the Canada Student Grants for the 2020-2021 school year, supporting almost 200,000 new youth work opportunities and experiences, and providing income support to over 700,000 students through the Canada Emergency Student Benefit.

Budget 2021 builds on Canada's investments in youth with over $5.7 billion over the next five years to help young Canadians—including from low-income households—pursue and complete their education, to provide additional relief from student loan debt for young graduates, and to create 215,000 new job skills development and work opportunities.

Taken together, the Government of Canada's response to the current crisis represents the largest ever investment in young Canadians—totaling $13.1 billion over six years. This represents one of the largest youth support packages from around the world. Canada's growth and prosperity well into the future depends on new opportunities for young people today.

Providing Relief from Student Debt

Education is the smartest investment anyone can make. To ease new grads into working life and make sure they are not prematurely burdened by loan repayments, Budget 2019 made the six-month grace period after leaving studies interest free. And during the pandemic, the government imposed a six-month moratorium on all student loan repayment, and committed to a one-year suspension of interest accrual on student loans in 2021-22.

To provide even further support to students and recent graduates, Budget 2021 is reforming the Canada Student Loans Program. The new Canada Student Financial Assistance Program will make student debt easier to pay down and provide direct support to students with the greatest need.

Provinces and territories that do not currently participate in the Canada Student Loans Program will continue to receive equivalent compensation from the Government of Canada for their own student financial assistance programs that offer comparable benefits to the Canada Student Financial Assistance Program.

Waiving Interest on Student Loans for an Additional Year

To ensure that the cost of post-secondary education in Canada remains predictable and affordable for everyone during the economic recovery:

- The government proposes to introduce legislation that would extend the waiver of interest accrual on Canada Student Loans and Canada Apprentice Loans until March 31, 2023. This change has an estimated cost of $392.7 million in 2022-23.

This action would mean savings for approximately 1.5 million Canadians repaying student loans, the majority of whom are women.

Enhancing Repayment Assistance

Every year, the Government of Canada provides repayment assistance to approximately 350,000 borrowers with low incomes. Currently, the threshold for this support is earning $25,000 per year or less, for a single borrower. To ensure that no federal student loan borrower ever has to make a payment they cannot afford:

- Budget 2021 proposes to increase the threshold for repayment assistance to $40,000 for borrowers living alone, so that nobody earning $40,000 per year or less will need to make any payments on their student loans.
    - This will support an estimated 121,000 additional Canadians with student loan debt each year.
    - For students from larger households the threshold will be modified to match the Canada Student Grants. For example, for a household with four individuals, the 2020-21 Canada Student Grant cut-off is $63,735, which rises with inflation, while the current repayment assistance threshold is $59,508.
    - Additionally, the cap on monthly student loan payments will be reduced from 20 per cent of household income to 10 per cent.
    - To ensure that the eligibility for repayment assistance keeps pace with the cost of living, the new income cut-offs will be indexed to inflation.
    - Beginning in 2022-23, these changes will cost an estimated $203.5 million over four years, and $64.2 million per year ongoing.

Doubling the Canada Student Grants for Two Additional Years

Over 580,000 students each year rely on federal grants and loans to help them cover the cost of their tuition, school supplies, and living expenses. When the pandemic caused other sources of income for students—such as part-time jobs—to dry up, the Government of Canada helped out by doubling Canada Student Grants for the 2020-2021 school year, providing an additional $2,600, on average, of non-repayable aid to students in need. This effectively covered 90 per cent of the average undergraduate tuition in Canada for low-income students during the pandemic.

Table 3.1

Canada Student Grants

	Maximum Amount in 2014	Maximum Amount in 2019	Maximum Amount in 2021
Full-Time Students	$2,000	$3,000	$6,000
Part-Time Students	$1,200	$1,800	$3,600
Students with Dependants (Full-Time)	$1,600 (per dependant)	$1,600 (per dependant)	$3,200 (per dependant)
Students with Dependants (Part-Time)	$1,920	$1,920	$3,840
Students with Disabilities	$2,000	$2,000	$4,000

To ensure students from low-income households remain supported throughout COVID-19 and continue to have access to this opportunity as the economy recovers:

- The government is announcing its intention to extend the doubling of the Canada Student Grants until the end of July 2023.

The cost of this measure is estimated at $3.1 billion over two years starting in 2021-22.

Provinces and territories that do not currently participate in the Canada Student Loans Program will continue to receive equivalent compensation from the Government of Canada for their own student financial assistance programs that offer comparable benefits to the Canada Student Financial Assistance Program.

Expanding Access to Supports for Students and Borrowers with Disabilities

Students with disabilities face some of the highest costs and most significant barriers to long-term success. Every year, the Canada Student Loans Program supports over 75,000 students and borrowers with permanent disabilities through enhanced grants and repayment assistance. But these supports are not available to students whose disabilities are not lifelong.

- The government is announcing its intention to extend disability supports under the Canada Student Loans Program to recipients whose disabilities are persistent or prolonged, but not necessarily permanent.

This change will benefit an estimated 40,000 recipients with non-permanent disabilities each year through access to up to $22,000 in grants, in-study supports, and specialized repayment assistance on their loans. Beginning in 2022-23, the estimated cost of this measure will be $428.9 million over four years, and $118.6 million per year ongoing.

Supporting Vulnerable Children and Youth During the Recovery

COVID-19 has made life especially difficult for students at risk of dropping out of school. These students rely on local after-school programs for tutoring, counselling, and other social supports that help them stay in school, graduate on-time, and access post-secondary education. As the pandemic drives education online and dries up private donations, these organizations continue to rely on their government to bridge the gap and support their vital missions.

- Budget 2021 proposes to provide $118.4 million over two years starting in 2021-22, for Employment and Social Development Canada to conduct a two-year pilot expansion of federal investments in after-school programming under the Supports for Student Learning Program. These funds would support national and local after-school organizations who work to ensure that vulnerable children and youth can graduate high school and do not become further marginalized because of the pandemic. Of this amount, $20 million will be reallocated from internal resources within the department.

Helping Youth and Students Build Job Skills and Connect with Employers

Young Canadians have seen more job losses due to COVID-19 than any other age demographic. This not only deprives them of income that could be used to pay for schooling, build their savings, or cover basic living expenses, but can also lead to long-term consequences by disrupting important experiences in the crucial early years of their working lives. These impacts are often more severe for youth facing multiple barriers to employment such as Indigenous youth, racialized and Black youth, and newcomers to Canada.

To ensure youth and students can access valuable job skills and experience, Budget 2021 is proposing to invest $721 million in the next two years to help connect them with employers and provide them with quality job opportunities.

Student Work Placement Program

- Budget 2021 proposes to invest $239.8 million in the Student Work Placement Program in 2021-22 to support work-integrated learning opportunities for post-secondary students. This funding would increase the wage subsidy available for employers to 75 per cent, up to $7,500 per student, while also increasing employers' ability to access the program. This is expected to provide 50,000 young people (an increase of 20,000) with valuable experience-building opportunities in 2021-22.

Youth Employment and Skills Strategy

- Budget 2021 proposes to invest $109.3 million in 2022-23 for the Youth Employment and Skills Strategy to better meet the needs of vulnerable youth facing multiple barriers to employment, while also supporting over 7,000 additional job placements for youth. This builds on funding announced in the 2020 *Fall Economic Statement*, which is expected to result in over 30,600 new placements in 2021-22. This will make it easier for young people to get good jobs.

Canada Summer Jobs

- Budget 2021 proposes to invest $371.8 million in new funding for Canada Summer Jobs in 2022-23 to support approximately 75,000 new job placements in the summer of 2022. This is in addition to 2020 *Fall Economic Statement* funding for approximately 94,000 additional job placements in 2021-22. In total, the Canada Summer Jobs program will support around 220,000 summer jobs over the next two years.

3.3 Investing in Skills, Training, and Trades

COVID-19 laid bare the inequalities in our workforce. From single mothers, to newcomers, to racialized Canadians, to young Canadians gaining their first job experience, many who could not work from home were those who faced barriers to work in the first place.

As the economy reopens, those opportunities will come back, but our need to adapt to the changing nature of work—including new technologies, industries, and ways of working—will only increase.

Getting Canadians back to work means giving workers in all sectors—from energy, to manufacturing, to construction, to customer service—the skills they need for good jobs. COVID-19 has changed the way many employers do business, eliminating certain jobs, and growing the need for new skills. Investing in new skills gives Canadians opportunities to find good jobs, in growing fields, and strengthen the middle class.

Every year, the federal government transfers around $3 billion to the provinces and territories so they can support workers and help them develop the in-demand skills for their economies.

Budget 2021 looks to the future by better connecting workers to good jobs in growing sectors, by creating new opportunities and increasing diversity in the trades, and helping Canadians gain the foundational skills needed to succeed in today's economy.

Table 3.2
Almost 500,000 New Training and Work Opportunities for Canadians, starting 2021

Measure	Number of new opportunites (5 year timeframe)
For Youth	
Student Work Placement Program	20,000
Youth Employment and Skills Strategy	7,000
Canada Summer Jobs	75,000
Mitacs (see Chapter 4)	85,000
Canada Digital Adoption Program (see Chapter 4)	28,000
For Core Working Age	
Sectoral Workforce Solutions Program	90,000
Apprenticeship Service	55,000
Skills for Success	90,000
Community Workforce Development Program	25,000
Transitioning Workers to New Jobs	15,500

Helping Employers Train and Recruit Workers

Certain sectors like health, clean tech, and construction have grown and are struggling to find workers with the right skills to fill jobs. The government wants these sectors to keep growing so that Canada can build a healthy and clean economy. That is why it is taking action to help employers train and reskill people and help the workforce grow and meet demand. To help Canadians gain skills for good jobs in growing sectors:

- Budget 2021 proposes to provide $960 million over three years, beginning in 2021-22, to Employment and Social Development Canada for a new Sectoral Workforce Solutions Program. Working primarily with sector associations and employers, funding would help design and deliver training that is relevant to the needs of businesses, especially small and medium-sized businesses, and to their employees. This funding would also help businesses recruit and retain a diverse and inclusive workforce.

This investment will help connect up to 90,000 Canadians with the training they need to access good jobs in sectors where employers are looking for skilled workers. This includes sectors like health, including the need for more accredited personal support workers, clean energy, as well as construction. It will also help diversify sectors by ensuring that 40 per cent of supported workers are from underrepresented groups, including women, persons with disabilities, and Indigenous people.

Creating New Opportunities for Skilled Tradespeople

The skilled trades are vital to our economy, and apprenticeships are the bridge that help skilled workers, especially young people starting their careers, connect with businesses and find well-paying jobs. Since 2014, Canada has seen a decline in new apprentices for well-paying middle class jobs. In 2019, it was estimated Canada needs to attract 167,000 new apprentices over the next five years just to align with existing levels of demand.

Every year, the Government of Canada provides about $90 million through 60,000 grants to support apprentices—but more is needed to ensure that those apprentices can find valuable work experiences and that employers can tap into this pool of skilled workers.

- Budget 2021 proposes to provide $470 million over three years, beginning in 2021-22, to Employment and Social Development Canada to establish a new Apprenticeship Service. The Apprenticeship Service would help 55,000 first-year apprentices in construction and manufacturing Red Seal trades connect with opportunities at small and medium-sized employers.

Employers would be eligible to receive up to $5,000 for all first-year apprenticeship opportunities to pay for upfront costs such as salaries and training.

In addition, to boost diversity in the construction and manufacturing Red Seal trades, this incentive will be doubled to $10,000 for employers who hire those underrepresented, including women, racialized Canadians, and persons with disabilities.

Supporting Skills for Success

The skills needs of businesses are changing as they adopt new technologies and new ways of doing things. Yet, today, 45 per cent of Canadians lack the literacy, numeracy, and digital skills that are increasingly necessary to succeed in jobs in the knowledge economy.

- Budget 2021 proposes to invest $298 million over three years, beginning in 2021-22, through Employment and Social Development Canada, in a new Skills for Success program that would help Canadians at all skills levels improve their foundational and transferable skills.

The program will fund organizations to design and deliver training to enhance foundational skills such as literacy and numeracy, as well as transferable and soft skills. This could include helping employers deliver training to increase communication and teamwork skills of their employees, or community organizations looking to strengthen basic literacy and numeracy of marginalized

groups. Additionally, funding will support the creation of assessments and training resources available online to all Canadians at no cost.

Approximately 90,000 Canadians will be able to improve their literacy and essential skills to better prepare for, get and keep a job, and adapt and succeed at work.

Ensuring Communities Recover Through Skills Training and Workforce Planning

For the recovery to succeed, communities must be at the heart of determining their economic futures by diversifying their economies and improving resilience.

- Budget 2021 proposes to provide $55 million over three years, starting in 2021-22, to Employment and Social Development Canada for a Community Workforce Development Program. The program will support communities to develop local plans that identify high potential growth organizations and connect these employers with training providers to develop and deliver training and work placements to upskill and reskill jobseekers to fill jobs in demand.

Funding would be delivered through calls for proposals under two streams: A national stream focused on priority areas, like de-carbonization and supporting a just transition for workers in transforming sectors like energy, which would dedicate 75 per cent of funding to projects that support underrepresented groups; and a regional stream delivered by Service Canada regional offices, in partnership with regional development agencies, and focused on regional priorities.

This initiative will benefit approximately 25,000 workers, 250 businesses, and 25 communities, by accelerating job creation and the re-employment and deployment of workers to growth areas to meet employers' needs.

Helping Workers Transition to New Jobs

As the economy reopens, many people will return to their previous jobs. But for some, shifts in the economy mean that they need to find new jobs. To address this need, and help Canadians find new jobs as quickly and as easily as possible, workers need to be able to rapidly adapt and upgrade their transferable skills for newer industries.

- Budget 2021 proposes to provide $250 million over three years, starting in 2021-22, to Innovation, Science and Economic Development Canada for an initiative to scale-up proven industry-led, third-party delivered approaches to upskill and redeploy workers to meet the needs of growing industries.

This initiative will help approximately 15,500 Canadians connect with new work opportunities.

Extending Federal Supports for Adults Who Return to School Full-Time

In 2018, the government launched Skills Boost, a three-year pilot program to help working adults afford the cost of returning to school full-time to upgrade their skills.

- The government intends to extend the $1,600 adult learner top-up to the full-time Canada Student Grant for an additional two school years—until July 2023. This will ensure that benefits to adult students are not interrupted.
- Additionally, the government intends to make permanent the flexibility to use current year income instead of the previous year's to determine eligibility for Canada Student Grants, so students with financial need won't have their previous workforce participation count against them.

Together, these measures are expected to cost $365.8 million over the next five years, and $26.7 million per year ongoing.

Teaching Kids to Code

The CanCode program helps young people gain coding and digital skills needed to succeed in a 21st century economy. It provides training support for their teachers, and has a special focus on reaching young people who are traditionally underrepresented in science, technology, engineering and mathematics, such as girls and Indigenous youth.

- Budget 2021 proposes to provide $80 million over three years, starting in 2021-22, to Innovation, Science and Economic Development Canada, to help CanCode reach 3 million more students—with an even greater focus on underrepresented groups—and 120,000 more teachers.

With more opportunities to acquire and develop digital skills, young Canadians—from kindergarten to grade 12—will have a head start in building the skills they need for good jobs in the future.

3.4 Valuing Canada's Workers

The pandemic exposed what we already knew: Too many Canadians work in precarious jobs and have barely enough to make ends meet.

Many of these workers are young people, new Canadians, racialized and Black Canadians, and women.

Recovery must start with improving working wages and addressing income inequality in Canada. Measures like an enhanced Canada Workers Benefit, a new $15 federal minimum wage, and better protections for vulnerable workers will lift more Canadians out of poverty, improve the lives of workers, and protect the resilience of our workforce well into the future.

Establishing a $15 Federal Minimum Wage

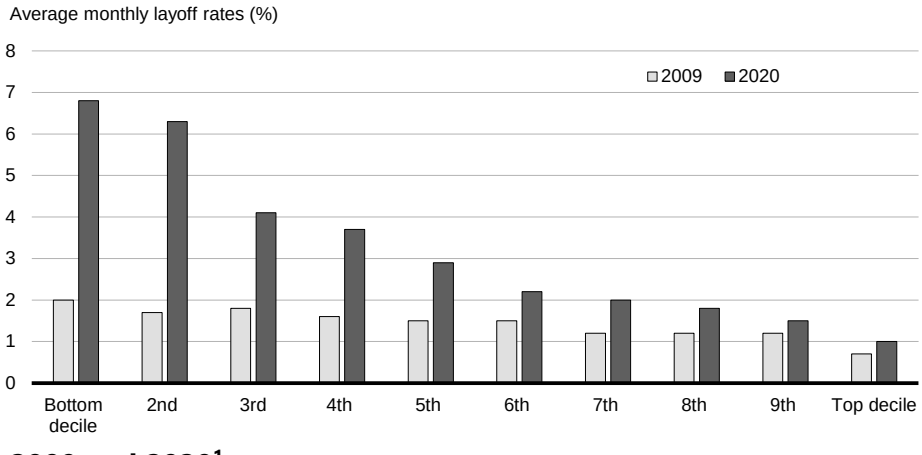
Canada's prosperity and stability depend on every Canadian having a fair chance to join the middle class. Yet some Canadians struggle to do so while supporting families in part-time, temporary, and low-wage jobs—often working several jobs to make ends meet. The COVID-19 pandemic has also increased focus on the essential work done by a large proportion of minimum wage-earning workers. To support low-wage workers in the federally regulated private sector:

- The Government of Canada is announcing its intention to introduce legislation that will establish a federal minimum wage of $15 per hour, rising with inflation, with provisions to ensure that where provincial or territorial minimum wages are higher, that wage will prevail. This will directly benefit over 26,000 workers who currently make less than $15 per hour in the federally regulated private sector.

Supporting Canada's Low-Wage Workers

Chart 3.4

Average Monthly Layoff Rates of Employees, by Wage Decile,



2009 and 2020[1]

[1] January to February, February to March, up to November to December 2020; all pairs of months for 2009.

Source: Statistics Canada, Labour Force Survey.

The worst economic impacts of the pandemic have been suffered by those who could least afford it. Low-wage workers have been up to six times more likely to suffer layoffs than wealthy Canadians. Not only that, estimates suggest that today there have been about 268,000 net job losses among low-wage workers since February of 2020, compared to about 40,000 over the same time period during the Great Recession, adjusting for population growth.

Our economic recovery plan must address the unique challenges of the pandemic recession—and must include all Canadians. Racialized and Black Canadians have much higher representation in low-wage work. The pandemic has shown everyone just how essential many of the lowest-paying jobs in Canada are to our economy and our health—the grocery clerks, cleaners, caregivers, truck loaders, and more.

If we are to have a full and fair recovery, Canada needs all of these workers to rejoin the workforce and to make sure they earn a decent living. The full participation of all Canadians in the labour market generates economic growth, and improves the standard of living and quality of life for everyone.

Enhancing the Canada Workers Benefit

The Canada Workers Benefit was designed to reduce barriers to employment for low-income workers by providing them with a sizable tax refund—up to almost $1,400 for single individuals without children and $2,400 for families—delivered through the tax system.

But currently, the threshold of eligibility leaves many of Canada's low-wage workers out of the program; a person earning minimum wage and working full-time can still be living in poverty, but receive nothing from the Canada Workers Benefit.

In Canada, hard-working people with full-time, low-wage jobs should be able to make ends meet for themselves and their families. To support low-wage workers who have been most negatively affected by the pandemic and make our workforce stronger:

- Budget 2021 proposes to expand the Canada Workers Benefit to support about 1 million additional Canadians in low-wage jobs, helping them return to work and increasing benefits for Canada's most vulnerable.

The government would raise the income level at which the benefit starts being reduced to $22,944 for single individuals without children and to $26,177 for families. This means that for the first time, most full-time workers earning minimum wage will receive significant support from this important benefit.

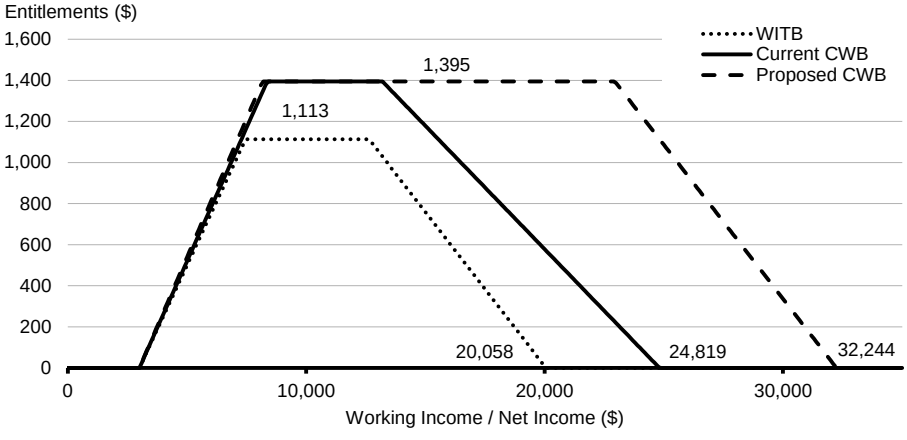
Benefit to Full-Time Workers

A single, full-time, minimum wage worker could receive about $1,000 more in benefits than they would under the current system, and could continue to receive the benefit at up to $32,000 of net income in 2021.

The proposed enhancement will especially benefit single workers without children. These are workers who often have few other federal supports available to them. For example, a typical worker living in Toronto working full time at the minimum wage does not receive any Canada Workers Benefit under the current system. By raising their entitlement to $1,100, the proposed enhancement would lift this worker out of poverty.

Chart 3.5

Entitlements for Single Individuals Without Children Under the Former Working Income Tax Benefit, the Current Canada Workers Benefit, and the Proposed Canada Workers Benefit, 2021



Note: Budget 2018 introduced the Canada Workers Benefit, a strengthened and more accessible benefit that replaced the Working Income Tax Benefit starting in 2019.

The government also recognizes that benefits targeted on the basis of family income can deter secondary earners in couples from going back to work. More often than not, this impacts women. An inclusive recovery is a feminist recovery, and the Canadian economy cannot be competitive when everyone does not have the chance to succeed. To further boost workforce participation by reducing these barriers:

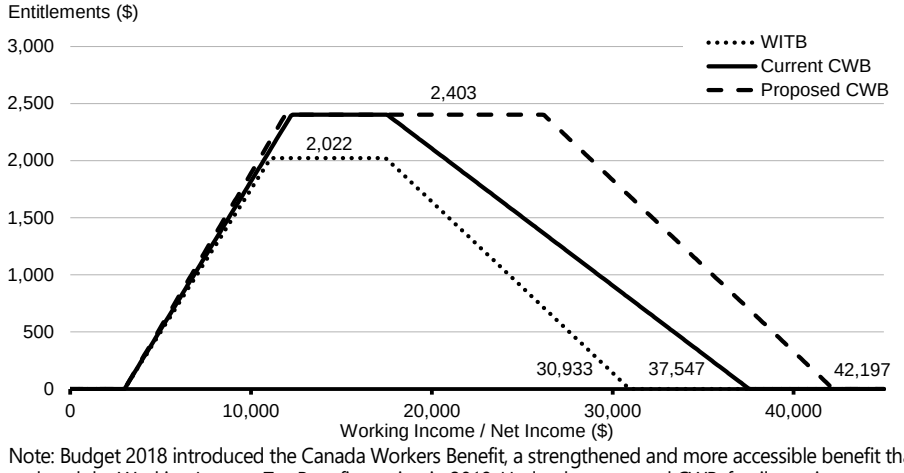
- Budget 2021 proposes to allow secondary earners to exclude up to $14,000 of their working income when income-testing the Canada Workers Benefit.

Example

Maria's partner earns $25,000 per year. Because of the pandemic, Maria was out of work for some time, but she has found a job and will earn $20,000 this year. Without the proposed secondary earner exemption, Maria's family's entitlement to the Canada Workers Benefit (CWB) would be reduced from $2,403 to $0 when Maria goes back to work. With the secondary earner exemption, $14,000 is excluded from Maria's family's net income, which means Maria's family's net income is about $31,000, and her family's CWB entitlement is $1,708.

Chart 3.6

Entitlements for Families Under the Former Working Income Tax Benefit, the Current Canada Workers Benefit, and the Proposed Canada Workers Benefit, 2021



Note: Budget 2018 introduced the Canada Workers Benefit, a strengthened and more accessible benefit that replaced the Working Income Tax Benefit starting in 2019. Under the proposed CWB, family net income excludes up to $14,000 of a secondary earner's working income.

Increasing support through the Canada Workers Benefit will provide incentives for more workers to rejoin the workforce, and ensure that they have more disposable income to spend, stimulating the broader economy. Raising the Canada Workers Benefit raises low-wage workers' quality of life, and raises prosperity for everyone.

These changes will extend support to about 1 million more Canadians, helping them return to work and increasing benefits for Canada's most vulnerable. Combined, these actions would provide $8.9 billion of support to low-income workers over six years, and $1.7 billion per year ongoing.

Almost 100,000 people will be lifted out of poverty by this investment. Because lower-wage work is often done by younger Canadians, it is estimated that about 45 per cent of adults raised out of poverty as a result of this measure will be those under age 35.

This is a key part of the government's plan to make sure Canada's recovery addresses those most impacted by the COVID-19 pandemic and that it is a plan for a recovery that includes everyone. This is good economic policy. It is also the right thing to do. No Canadian working full time should live in poverty.

Better Labour Protection for Gig Workers

As demand for gig work (short-term contracts with firms or individuals to complete specific and often one-off tasks) increases with the rise in new digital platforms, more and more Canadians are relying on jobs that do not come with the same level of job protection as other employees in the economy. The COVID-19 pandemic has exposed the vulnerability of these workers to income shocks when demand for their services suddenly drops. For this reason:

- Budget 2021 reiterates the government's commitment to making legislative changes to improve labour protection for gig workers, including those who work through digital platforms. Following the conclusion of consultations recently launched on this topic by the Minister of Labour, the government will bring forward amendments to the *Canada Labour Code* to make these new, modernized protections a reality.

Enhancing Protections for Contract Workers in the Air Transportation Sector

The pandemic has highlighted the importance of protecting employees, particularly those who provide essential services to Canadians. Many employees in the air transportation sector have continued to work through the pandemic, deep cleaning aircraft, safely handling baggage, and performing the other critical services that have allowed necessary air travel to continue safely.

Many of the services provided by these employees are contracted out by airports and air carriers. When these contracts change hands, workers are at risk of earning less money for the same job.

- To better protect these employees, the government is announcing its intention to introduce legislation that would extend equal remuneration protection to more employees in the air transportation sector. This would ensure that, when a service contract changes hands, affected employees are not paid less, if they are laid off and rehired to do the same work they were doing before.

Simplifying Wage Earner Protection Program Payments

The Wage Earner Protection Program provides financial support to Canadian workers who have lost their job and are owed wages by their insolvent employer. Since 2008, the Program has paid more than $337 million in wages to nearly 129,000 Canadian workers. Currently, all payments through the Program are subject to a 6.82 per cent deduction that represents the deductions at source a worker would normally see on their pay. However, given that there is a cap to overall payments, the amount received in relation to owed wages varies from worker to worker.

- In order to simplify payments, and ensure that Canadian workers are paid more of what they're owed when they need it most, Budget 2021 proposes to eliminate the 6.82 per cent deduction applied to all Wage Earner Protection Program payments. This change is estimated to cost $16.2 million over five years, starting in 2021-22, and $3.3 million ongoing.

The removal of this offset would put an average of $300 more in the pockets of Canadians who have lost their job and are owed wages by their employer.

Support for Personal Support Workers

The caring economy is an economic engine of Canada. As our population ages it will become even more important. Throughout the pandemic, this largely female and disproportionately racialized workforce did essential and heroic work, often at great personal cost.

Personal support workers have had to stand in for family members as our parents and grandparents have been isolated, lonely, and afraid. Personal support workers perform jobs that are mentally and physically exhausting, and do not enjoy the same job protections, compensation, and benefits of their peers in the health care sector. They are the backbone of long-term care for elders and adults with disabilities who are unable to live on their own.

As the work around national standards for long-term care unfolds, Budget 2021 proposes to address a key issue for these workers to whom we owe a debt of gratitude. Care workers deserve more financial security, and better options for retirement savings to give them the certainty that after a life of hard work caring for others, they will be cared for, too.

The 2020 *Fall Economic Statement* announced that, to support personal support workers, homecare workers and essential workers involved in senior care, the government would work with labour and healthcare unions, among others, to seek solutions to improve retention, recruitment, and retirement savings options for low and modest-income workers, particularly those without existing workplace pension coverage.

To follow through on this commitment:

- Budget 2021 proposes to provide funding of $27.6 million over three years for my65+, a Group Tax-Free Savings Account offered by the Service Employees International Union Healthcare.

The funding will support incentives for worker participation. The Service Employees International Union Healthcare will work with other unions and employers across the country to make this portable savings tool available to other workers in the elder care sector. The government also remains open to engaging with other interested unions and employer sponsors who wish to come forward with other targeted, kick-start options to strengthen retirement security for those involved in senior care who do not currently have workplace retirement security coverage.

Employee Ownership Trusts

Employee ownership trusts encourage employee ownership of a business, and facilitate the transition of privately owned businesses to employees. Both the United States and the United Kingdom support and encourage employee ownership though these types of arrangements.

- Budget 2021 announces that the government will engage with stakeholders to examine what barriers exist to the creation of employee ownership trusts in Canada, and how workers and owners of private businesses in Canada could benefit from the use of employee ownership trusts.

Taking Action to Address Predatory Lending

Many lower and modest-income Canadians rely on high-interest short-term loans to make ends meet, such as paying for everyday living expenses, or for unanticipated emergencies. This leaves some Canadians living in a cycle of debt.

- To help fight predatory lending, the Government of Canada will launch a consultation on lowering the criminal rate of interest in the *Criminal Code of Canada* applicable to, among other things, installment loans offered by payday lenders.

Chapter 3

New Opportunities for Canadians

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
3.1. Action Plan for Women in the Economy	**0**	**3,065**	**4,906**	**6,208**	**7,237**	**8,383**	***29,800***
Establishing a Canada-Wide Early Learning and Child Care System	0	3,065	4,906	6,208	7,237	8,383	*29,800*
3.2. Opportunities for Canada's Youth	**0**	**1,553**	**2,890**	**160**	**175**	**182**	***4,959***
Providing Relief from Student Debt	0	0	424	50	59	64	*596*
Less: Savings from Fewer claims of the Student Loan Interest Tax Credit	0	0	-12	-6	-1	-1	*-20*
Doubling the Canada Student Grants for Two Additional Years	0	1,263	1,872	0	0	0	*3,135*
Expanding Access to Supports for Students and Borrowers with Disabilities	0	0	77	116	117	119	*429*
Supporting Vulnerable Children and Youth During the Recovery	0	60	58	0	0	0	*118*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-10*	*-10*	*0*	*0*	*0*	*-20*
Helping Youth and Students Build Job Skills and Connect with Employers	0	240	483	0	0	0	*723*
Less: Funds Previously Provisioned in the Fiscal Framework	*0*	*0*	*-1*	*0*	*0*	*0*	*-1*
Less: Funds Sourced From Existing Departmental Resources	*0*	*0*	*-1*	*0*	*0*	*0*	*-1*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
3.3. Investing in Skills, Training, and Trades	**0**	**535**	**974**	**916**	**26**	**27**	***2,479***
Helping Employers Train and Recruit Workers	0	235	360	365	0	0	*960*
Creating New Opportunities for Skilled Tradespeople	0	36	217	217	0	0	*470*
Supporting Skills for Success	0	65	108	125	0	0	*298*
Ensuring Communities Recover Through Skills Training and Workforce Planning	0	5	15	35	0	0	*55*
Helping Workers Transition to New Jobs	0	25	100	125	0	0	*250*
Extending Federal Supports for Adults Who Return to School Full-Time	0	139	147	26	26	27	*366*
Teaching Kids to Code	0	30	27	23	0	0	*80*
3.4. Valuing Canada's Workers	**460**	**1,804**	**1,682**	**1,681**	**1,668**	**1,678**	***8,974***
Enhancing the Canada Workers Benefit	460	1,795	1,670	1,665	1,665	1,675	*8,930*
Simplifying Wage Earner Protection Program Payments	0	4	4	4	4	4	*19*
Less: Costs to be Recovered	0	-1	-1	-1	-1	-1	*-3*
Support for Personal Support Workers	0	6	9	13	0	0	*28*
Chapter 3 – Sub-total	**460**	**6,957**	**10,452**	**8,965**	**9,107**	**10,270**	***46,211***
Less: Provisions for Anticipated Cabinet Decisions Not Yet Made Included in Previous Budgets or Updates	0	-3,083	-1,500	-1,500	-1,500	-1,500	*-9,083*
Chapter 3 – Net Fiscal Impact	***460***	***3,874***	***8,952***	***7,465***	***7,607***	***8,770***	***37,128***

Note: Numbers may not add due to rounding.

Chapter 4
Helping Canadian Businesses Grow and Succeed

Canadian businesses have been resilient through the pandemic, adapting and reinventing themselves in tough times. The government has provided a suite of measures that have helped, and are still helping, support Canadian businesses and Canadian workers through the crisis. As we look to turn the page from crisis to recovery, the government has a plan to restore business confidence, create jobs, and ensure that growth is being sustained through innovation and greater productivity for the long-term.

To do this requires an approach that takes specific aim at the businesses that have been hardest hit by the pandemic.

This has, in many ways, been a two speed recession. There have been businesses that have managed to adapt to the pandemic and to prosper. But others have been shut down outright by necessary public health restrictions or deeply limited in what they can do—and many of these highly affected businesses have been our small businesses. We need them to get back on their feet. They are the backbone of our economy, our main streets, and our communities.

Restoring permanent and long-term economic growth means that we must help our businesses to come back stronger than ever before. We must make sure we go where the puck is going—that we are investing strategically in emerging technologies, whether clean technologies, net-zero technologies, quantum technologies, or more. This is where many of the jobs of the future lie, and we will bring people from across Canada along. And we must do things better. We must support the growth of start-ups and scale-ups. We must make sure that entrepreneurs from disadvantaged communities are able to access the same financing and growth opportunities as every other entrepreneur and business owner in Canada.

Budget 2021 is a plan to make targeted investments in Canada's businesses so they can hire and train Canada's workers, who will then have more money to spend, spurring our recovery and growing an economy with more opportunities for everyone. It is a plan to help our businesses, especially small businesses, adopt new technologies. And it is a plan to invest in Canadian innovation, for long-term growth.

4.1 Helping Canadians Get Back to Work

COVID-19 has shaken the foundations of the Canadian economy and cost millions of Canadians their jobs. While the majority of job losses across most sectors have been recouped, many Canadians are still struggling to find steady work.

Getting the Canadian economy quickly back to its full potential, and stimulating robust growth, is critical to preventing long-term damage, and making sure that workers and communities are not left behind, as they were in previous recessions. Budget 2021 takes timely action to help businesses and other employers drive growth by hiring more workers and developing their talent to its fullest potential.

Helping Hard-hit Businesses Hire More Workers

For businesses that have been hit hardest by the pandemic, hiring the workers they need to grow is a cost they may worry about taking on. The government wants these businesses to be able to recover and grow by hiring more people so that workers are at the forefront of our recovery:

- Budget 2021 proposes to introduce the new Canada Recovery Hiring Program for eligible employers that continue to experience qualifying declines in revenues relative to before the pandemic. The proposed subsidy would offset a portion of the extra costs employers take on as they reopen, either by increasing wages or hours worked, or hiring more staff. This support would only be available for active employees and will be available from June 6 to November 20, 2021. Eligible employers would claim the higher of the Canada Emergency Wage Subsidy or the new proposed subsidy. The aim is to make it as easy as possible for businesses to hire new workers as the economy reopens.

As the rates for both the wage subsidy and the hiring program will slowly ramp down over time, employers will have a strong incentive to begin hiring as soon as possible and maximize their benefit. Further details can be found in Annex 6.

The Canada Recovery Hiring Program will help Canadian-controlled private corporations, individuals, charities, and non-profits hire the workers they need so that the economy can fully recover, more quickly and without leaving people behind. It is estimated that this program will cost $595 million in 2021-22.

Dorothy and **Stan** run a bookstore whose storefront was shut down sporadically through the winter and spring due to public health restrictions. While their business survived, they had to lay off three of their 10 employees, whom they pay $600 per week. Their baseline payroll from March 14 to April 10 was $16,800 (i.e., 7 employees x $600 x 4 weeks).

As public health restrictions are lifted and the vaccination campaign continues, their business begins to recover. In May, their revenues are still down 50 per cent from their level before the pandemic, but are only down 20 per cent in June, and by July are close to their pre-pandemic level. As a result, they are able to hire back their three laid-off employees starting June 6, and are even able to add an additional employee starting July 4.

As a result of measures proposed in this Budget, Dorothy and Stan's business will benefit from either the extended Canada Emergency Wage Subsidy or the new Canada Recovery Hiring Program:

- For June 6 to July 3, their payroll is $24,000. Their business would be eligible for a wage subsidy rate of 40 per cent (based on a 50-per-cent revenue decline), resulting in a wage subsidy of $9,600. Alternatively, the business would be eligible for a hiring subsidy rate of 50 per cent, which would be applied to the difference between its current payroll and its baseline payroll, resulting in a hiring incentive of $3,600. They are better off claiming the wage subsidy of $9,600 for this period.
- For July 4 to July 31, their payroll is $26,400. Their business would be eligible for a wage subsidy rate of 8.75 per cent (based on a 20-per-cent revenue decline), resulting in a wage subsidy of $2,310. Alternatively, the business would be eligible for a hiring subsidy rate of 50 per cent, which would be applied to the difference between its current payroll and its baseline payroll, resulting in a hiring incentive of $4,800. In this instance, they are better off claiming the hiring incentive of $4,800 for this period.

In total, Dorothy and Stan will be eligible for at least $14,400 in support from these two measures to help their business rebuild as the economy recovers.

Opportunities for Businesses and Young Workers Through Mitacs

Mitacs is a not-for-profit organization that connects young workers with innovative businesses for research and training opportunities. Mitacs focusses on supporting research-based innovation in industry and developing a talent stream of highly educated students and graduates through its internship programs. These students bring cutting-edge scientific and technical knowledge from universities and colleges that will strengthen the innovation capabilities of industry. This combination of innovation and skill development for the next generation of leaders will help drive growth now and ensure long-term competitiveness and prosperity.

- Budget 2021 proposes to provide $708 million over five years, starting in 2021-22, to Mitacs to create at least 85,000 work-integrated learning placements that provide on-the-job learning and provide businesses with support to develop talent and grow.

4.2 Helping Small and Medium-sized Businesses Recover and Grow

Small and medium-sized businesses have been hit hard by the pandemic. Successful, innovative, and competitive small businesses are what drive a strong and growing middle class. Canada needs them to recover and grow. To do this, they need well trained employees, stable and accessible financing, and support to help them keep up with the digitization of our economy.

The government has a plan to help small businesses grow and expand to new markets locally, regionally, and beyond. These investments will encourage small businesses to scale up, hire more workers, and embrace new technologies that make them more productive and competitive.

Helping Small and Medium-sized Businesses Move into the Digital Age

The pandemic has hastened the economy's digital transformation as companies, workers, and consumers conduct more and more business online. From 2002 to 2019, labour productivity in digitally intensive industries grew 3.5 times faster than in non-digitally intensive industries. And over the course of the pandemic, digitally intensive businesses actually grew, even though hours worked were down. Building a digital economy is critical to growing a more prosperous economy.

Canadian businesses need to adopt new technologies and digitize to meet customer needs and stay competitive. Embracing these changes also makes our businesses more efficient and more productive, and therefore more prosperous—and able to create more Canadian good middle class jobs.

Digital Main Street

In June 2020, the federal government in partnership with the Province of Ontario supported the province-wide expansion of Digital Main Street, which helps main street small businesses adopt e-commerce tools and move their business online. The program is built around an online learning platform, structured training programs, and a "Digital Service Squad," which is a team of recent graduates who help small businesses grow and manage their businesses through the adoption of digital tools and technology.

To fuel the recovery, jobs, and growth, the government is launching the Canada Digital Adoption Program, which will create thousands of jobs for young Canadians and help as many as 160,000 small and medium-sized businesses adopt new digital technologies.

This program will provide businesses with two streams of support.

- To help main street businesses expand their customer bases online, they can access support to digitize and take advantage of e-commerce opportunities. Eligible businesses will receive microgrants to help offset the costs of going digital—and support to digital trainers from a network of up to 28,000 well trained young Canadians.
- Some businesses will require more comprehensive support to adopt new technology, and a second stream will be in place for "off-main street" businesses, such as small manufacturing and food processing operations. Support for these businesses will emphasize advisory expertise for technology planning and financing options needed to put these technologies to use.

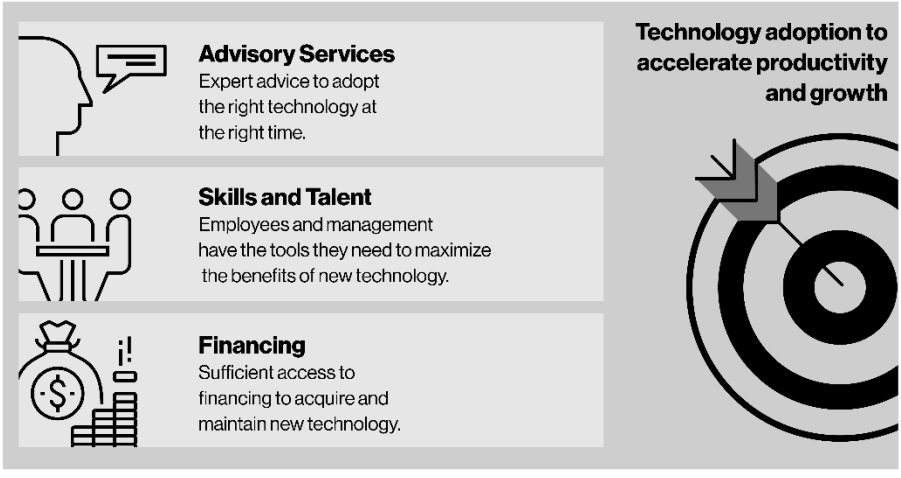
Canada Digital Adoption Program

Tim owns a fine foods shop that has specialty imported and domestic products such as meats, cheeses, pasta, and coffee that has been operating at reduced capacity for the past year because of public health guidance. To get his products to his customers and to expand his customer base, Tim is ready to build an online store, but does not know how best to do so. Through the Canada Digital Adoption Program, Tim is able to connect with a trained, young person to help him understand the tools available to him, has access to support to develop an e-commerce strategy, and is eligible for a grant to help cover the costs associated with implementation.

Margot owns a t-shirt manufacturing company. She has been turning down orders that she cannot fill and wants to grow her business and hire more people but is unsure where to start. Through support from the Canada Digital Adoption Program, Margot has access to a local business advisor. The business advisor and Margot review her business plan and develop an investment plan. Working with her advisor, Margot determines that investing in an inventory management system and packaging automation would allow her to increase the number of t-shirts she can produce and ship each month. To help with the costs associated with this new technology, Margot is connected with the Business Development Bank of Canada to access a zero-interest loan. Through the program, Margot also has access to a talent pool of young Canadians to help ensure a smooth rollout of the new technology, and the digital enhancement of her business.

- Budget 2021 proposes to provide $1.4 billion over four years, starting in 2021-22, to Innovation, Science and Economic Development Canada, to:
  - Work with organizations across Canada to provide access to skills, training, and advisory services for all businesses accessing this program.
  - Provide microgrants to smaller, main street businesses to support costs associated with technology adoption.
  - Create training and work opportunities for as many as 28,000 young people to help small and medium-sized businesses across Canada adopt new technology.
- Budget 2021 proposes to provide $2.6 billion on a cash basis over four years, starting in 2021-22, to the Business Development Bank of Canada to help small and medium-sized businesses finance technology adoption.

Figure 4.1
Technology adoption to accelerate productivity and growth



Helping Businesses Seize New Technological Opportunities

Small and medium-sized businesses sometimes require unique technological or process solutions for their businesses that cannot be achieved through the purchase and installation of available "off-the-shelf" solutions. These businesses can seize new opportunities by applying new research and technologies or developing them into useful new products and services. This real-world innovation and technical development helps businesses grow and become more competitive.

Much of this applied research is happening at Canada's colleges, CEGEPs, and polytechnic institutes—institutions that have a strong presence in Canada's small and rural communities.

To support applied research and development projects led by Canadian businesses in collaboration with colleges, CEGEPs, and polytechnics:

- Budget 2021 proposes to provide $46.9 million over two years, starting in 2021-22, to support additional research partnerships between colleges, CEGEPs, polytechnics, and businesses through the Natural Sciences and Engineering Research Council's College and Community Innovation Program.
- Budget 2021 proposes to invest $5.7 million over two years, starting in 2021-22, to provide more businesses with access to the National Research Council's Industrial Research Assistance Program's Interactive Visits, where firms can access equipment, facilities, and expertise at college-affiliated Technology Access Centres.

The program design will ensure that businesses owned by underrepresented groups that may face barriers to entering Canada's innovation pipeline have greater access to this support.

Supporting Business Investments

For Canada's economic recovery to take root, businesses will need to invest in new technologies and move forward with capital projects. Building on the significant tax incentives introduced in the 2018 *Fall Economic Statement*, additional support is needed to further boost business investments that will create jobs today and in the future.

- Budget 2021 proposes to allow immediate expensing of up to $1.5 million of eligible investments by Canadian-controlled private corporations made on or after Budget Day and before 2024. Eligible investments will cover over 60 per cent of capital investments typically made by Canadian-controlled private corporations.

This incentive targets short- and medium-term capital investments that can accelerate our recovery. This includes investments in a broad range of assets, including, helping to further incentivize businesses to transition to a more productive, knowledge-intensive economy and will include digital assets and intellectual property.

These larger deductions will help businesses—particularly small and medium-sized businesses—by making it more attractive to invest in assets that drive growth. Larger deductions will also free up capital that businesses can use to create more good middle class jobs.

It is estimated that this measure will reduce federal revenues by $2.2 billion over five years starting in 2021-22.

Enhancing the Canada Small Business Financing Program

Small businesses need access to financing in order to invest in people and innovation, and to have the space to operate and grow. But many small businesses are facing financing challenges, especially Canada's innovative, entrepreneurial start-ups that are built on intellectual property and other intangibles that could be the next world-changing ideas.

To make sure small business and independent entrepreneurs can access the capital they need to recover, innovate, and grow in the long-term:

- Budget 2021 proposes to improve the Canada Small Business Financing Program through amendments to the *Canada Small Business Financing Act* and its regulations. These proposed amendments are projected to increase annual financing by $560 million, supporting approximately 2,900 additional small businesses. They include:
    - Expanding loan class eligibility to include lending against intellectual property and start-up assets and expenses.
    - Increasing the maximum loan amount from $350,000 to $500,000 and extending the loan coverage period from 10 to 15 years for equipment and leasehold improvements.
    - Expanding borrower eligibility to include non-profit and charitable social enterprises.
    - Introducing a new line of credit product to help with liquidity and cover short-term working capital needs.

Preparing Canada's Aerospace Sector for Recovery

In 2019, aerospace contributed more than $28 billion to Canada's GDP, directly and indirectly supporting 234,500 jobs. As one of the most research intensive manufacturing industries, aerospace is an important driver of Canada's innovation economy. Highly dependent on purchases from airlines hit hard by the pandemic, the sector is facing reduced demand and a longer path to recovery, relative to other sectors of the economy. To help position Canada's aerospace sector once restrictions on travel are lifted and the industry begins to recover:

- Budget 2021 proposes to provide $250 million over three years, on a cash basis, starting in 2021-22, for the regional development agencies to deliver an Aerospace Regional Recovery Initiative, which would support small and medium-sized firms in improving productivity, strengthening commercialization, and greening their operations and products.

This is in addition to the $1.75 billion in the Strategic Innovation Fund, outlined in section 4.6, providing a combined support of $2 billion to help this innovative sector recover and grow out of the crisis.

4.3 Investing in Canada's Entrepreneurs

Reinvigorating our entrepreneurial spirit is critical to the revitalization of our economy. The women and men who start and grow business, who create jobs and seize new opportunities, face enormous risks. There is enormous potential for their businesses to grow and create jobs in the recovery, but they need access to the right type of support, at the right time. In looking forward to recovery, it is important that it be inclusive, with all Canadians having an equal opportunity to succeed.

These measures are complemented by investments to support Indigenous entrepreneurs, outlined in Chapter 8.

Supporting Entrepreneurs, Including Equity Deserving Entrepreneurs

Entrepreneurs, especially those from equity deserving groups such as racialized Canadians, young people, LGBTQ2 people, and more, face barriers to starting and growing a business. This holds our economy back. To help simplify and streamline the government's support programs, and to help equity deserving entrepreneurs access funding and capital, mentorship, financial planning services, and business training, the government will launch the Small Business and Entrepreneurship Development Program. This will help all Canadians have an equal chance to succeed and contribute to economic recovery and growth:

- Budget 2021 proposes to provide up to $101.4 million over five years, starting in 2021-22, to Innovation, Science and Economic Development Canada for the Small Business and Entrepreneurship Development Program.

Supporting Women Entrepreneurs

Canadian women entrepreneurs are important to Canada's economic success, but women still face unique and systemic barriers to starting and growing a business, and they remain underrepresented in the economy. The pandemic has disproportionately impacted women and the government is committed to supporting Canadian women entrepreneurs.

- To provide affordable financing, increase data, and strengthen capacity within the entrepreneurship ecosystem, Budget 2021 proposes to provide up to $146.9 million over four years, starting in 2021-22, to strengthen the Women Entrepreneurship Strategy. Women entrepreneurs would have greater access to financing, mentorship, and training. Funding would also further support the Women Entrepreneurship Ecosystem Fund and the Women Entrepreneurship Knowledge Hub.

- The government will work with financial institutions to develop a voluntary code to help support the inclusion of women and other underrepresented entrepreneurs as clients in the financial sector.

Since 2018, the government's support to the Women Entrepreneurship Strategy is close to $5 billion, which includes $1.4 billion of lending through the Business Development Bank of Canada and $2 billion in facilitated trade through Export Development Canada. Moving forward, the Business Development Bank of Canada will seek to support 19,000 direct women-owned businesses in 2024, an increase of nearly 7,000.

Supporting Black Entrepreneurs

The pandemic has highlighted and exacerbated systemic barriers faced by Black entrepreneurs and owners of small and medium-sized businesses in Canada. Black business owners make invaluable contributions to communities across the country, and their success will contribute to Canada's economic recovery. In September 2020, the Government of Canada, in partnership with financial institutions, announced an investment of up to $221 million—including up to $93 million from the government—to launch Canada's first ever Black Entrepreneurship Program.

- Budget 2021 proposes to provide up to an additional $51.7 million over four years, starting in 2021-22, to Innovation, Science and Economic Development Canada and the regional development agencies for the Black Entrepreneurship Program.

Leveraging Procurement Opportunities

Since the Government of Canada is one of the largest public buyers of goods and services in the country, procurement policy is a fundamental lever to achieve social and economic objectives. Purchasing domestically sourced or manufactured goods helps to strengthen our supply chains and secure domestic supply of goods. For example, government procurement investments at the start of the pandemic have spurred a made-in-Canada pipeline of personal protective equipment.

COVID-19 has had a pronounced impact on businesses owned by racialized Canadians. As of November 2020, businesses that are majority-owned by racialized Canadians were more likely than other businesses to see lower revenues compared to August 2019. Almost one-quarter of businesses that are majority-owned by racialized Canadians reported a decrease in revenue of 40 per cent or more, compared to one-fifth of all businesses in Canada.

To increase diversity in procurement, economically empower historically disadvantaged businesses, support small businesses and our supply chains, improve fairness in procurement opportunities for Canadian suppliers, create jobs, and contribute to a more inclusive economy:

- Budget 2021 proposes to provide Public Services and Procurement Canada $87.4 million over five years starting in 2021-22, and $18.6 million ongoing. This funding will be used to modernize federal procurement and create opportunities for specific communities by diversifying the federal supplier base. Specifically, Public Services and Procurement Canada would:
  - Implement a program focused on procuring from Black-owned businesses.
  - Continue work to meet Canada's target of 5 per cent of federal contracts being awarded to businesses managed and led by Indigenous peoples.
  - Improve data capture, analytics, and reporting.
  - Incorporate accessibility considerations into federal procurement, ensuring goods and services are accessible by design. Public Services and Procurement Canada will develop new tools, guidance, awareness, and training for federal departments.
- Budget 2021 also proposes to leverage supplier diversity opportunities through domestic procurement, such as running competitions open to businesses run by Canadians from equity deserving groups. This would help build a more inclusive economy and boost the competitiveness of these businesses, and all Canadian businesses.
- In addition, in order to demonstrate to Canada's trading partners the importance of balanced procurement opportunities, the government will pursue reciprocal procurement policies to ensure that goods and services are only procured from countries that grant Canadian businesses a similar level of market access. This will protect Canadian supply chains and ensure that Canada's trading relationships are mutually beneficial economic relationships.

Expanding the Industrial Research Assistance Program

Canada's most innovative small and medium-sized businesses have an outsized impact on job creation and economic growth. But they need access to expertise and capital to grow. For several decades, the National Research Council's Industrial Research Assistance Program has provided expertise and capital and has helped business to scale up.

- Budget 2021 proposes to provide $500 million over five years, starting in 2021-22, and $100 million per year ongoing, to expand the Industrial Research Assistance Program to support up to 2,500 additional innovative small and medium-sized firms.

Investing in Canadian Innovators Through a Renewed Venture Capital Catalyst Initiative

Canadian start-ups and businesses need access to financing to grow and create high-quality jobs. Venture capital financing takes educated risks on great ideas and smart people, giving young companies the opportunity to take their ideas to market, and grow. A healthy venture capital network allows businesses and entrepreneurs to scale up, create well-paying Canadian jobs, invest in innovation, and be globally competitive. The government has made $390 million available through the Venture Capital Action Plan and $450 million through the Venture Capital Catalyst Initiative. This federal investment has helped to provide a total of over $3 billion to grow Canadian companies and support thousands of middle class jobs.

To increase venture capital funding and support the continued growth of Canada's innovative companies:

- Budget 2021 proposes to make available up to $450 million on a cash basis over five years, starting in 2021-22, for a renewed Venture Capital Catalyst Initiative that would increase venture capital available to entrepreneurs.
    - $50 million of this amount would be dedicated to support venture capital investments in life science technologies.
    - $50 million of this amount would support a new Inclusive Growth Stream to increase access to venture capital for underrepresented groups, such as women and racialized communities.

Boosting Canada's Clean Technology Exports

Canadian firms are leading the way in the development of the clean technologies and climate solutions the world is seeking. Reaching beyond the Canadian market and scaling up internationally can help these firms to grow and meet their full potential, and help fight climate change. A pilot phase of the International Business Development Strategy for Clean Technology has proven successful at helping Canadian firms tap into export opportunities and the rapidly growing pools of global climate finance.

- Budget 2021 proposes to provide $21.3 million over five years, starting in 2021-22, and $4.3 million per year ongoing, to Global Affairs Canada for the continuation of the International Business Development Strategy for Clean Technology.

More details on Budget 2021's plan to invest in a green recovery and clean technologies can be found in Chapter 5.

4.4 Making it Easier to do Business in Canada

The government is investing to ensure the Canadian marketplace is efficient and fair. Renewed efforts to eliminate internal trade barriers will help support the economic recovery and lay the groundwork for long-term growth. As the economy becomes increasingly digital, new measures to enhance competition will protect consumers, lower prices, and spur innovation. Together, these measures will ensure Canada becomes an even better place to do business.

Removing Barriers to Internal Trade

For too long, trade barriers within our own country have held back Canadian businesses from reaching the full force of the Canadian market. Removing barriers to trade between provinces and territories will help build a more prosperous economy—creating jobs, fueling business expansion, expanding consumer choice of Canadian goods and services, and helping regional economies grow.

In Budget 2019, the federal government removed all federal restrictions on the interprovincial trade of liquor. The federal government remains steadfast in its efforts to remove internal trade barriers and continues to work closely with provincial, territorial, and industry partners to accelerate action on this front.

- Budget 2021 proposes to allocate $21 million over three years, starting in 2021-22, to:
    - Work with provincial and territorial partners to enhance the capacity of the Internal Trade Secretariat that supports the Canadian Free Trade Agreement in order to accelerate the reduction of trade barriers within Canada.
    - Advance work with willing partners towards creating a repository of open and accessible pan-Canadian internal trade data to identify barriers, including licensing and professional certification requirements, so that we can work together to reduce them.
    - Pursue internal trade objectives through new or renewed discretionary federal transfers to provinces and territories.

Lowering the Cost of Doing Business by Reducing Credit Card Transaction Fees

The pandemic has brought a rapid and significant increase in electronic payments and online transactions. Small and medium-sized businesses, which have been hard hit by COVID-19, incur fees for these transactions also known as interchange fees, which are amongst the highest in the world.

The government will engage with key stakeholders to work towards three objectives:

- Lower the average overall cost of interchange fees for merchants
- Ensure that small businesses benefit from pricing that is similar to large businesses
- Protect existing rewards points of consumers

Following consultations with stakeholders, detailed next steps will be outlined as part of the *2021 Fall Economic Statement*, including legislative amendments to the Payment Card Networks Act that would provide authority to regulate interchange fees, if necessary.

A Fair and Competitive Marketplace

Empowering the Competition Bureau through increased capacity and new digital tools will help ensure a competitive marketplace that Canadians can trust.

- Budget 2021 proposes to provide $96 million over five years, starting in 2021-22, and $27.5 million ongoing, to enhance the Competition Bureau's enforcement capacity and ensure it is equipped with the necessary digital tools for today's economy.

Maintaining Momentum on Regulatory Modernization

As Canada recovers from the pandemic, regulatory modernization will reduce unnecessary burdens on businesses in order to unleash innovation and accelerate economic growth.

Targeted Regulatory Reviews

Since 2018, the government has been conducting targeted regulatory reviews to identify and eliminate bottlenecks to economic growth. The first round of reviews led to the publication of Regulatory Roadmaps on the high-growth sectors of agri-food and aquaculture, health and bio-sciences, and transportation and infrastructure.

The second round of Regulatory Roadmaps on digitization and technology neutral regulations, international standards, and clean technology will be released in the coming weeks.

Later this year, the government will launch a third round of targeted regulatory reviews focused on how regulations can accelerate Canada's recovery from the pandemic.

Regulatory Competitiveness

The Annual Regulatory Modernization Bill helps implement improvements and removes outdated and redundant requirements across multiple regulations. Informed by consultation with Canadians, the government intends to table in Parliament the second Annual Regulatory Modernization Bill.

The External Advisory Committee on Regulatory Competitiveness provides expert advice on a wide range of initiatives, ensuring that regulatory modernization is informed by affected businesses and Canadians, including targeted regulatory reviews and the Annual Regulatory Modernization Bill.

- To maintain momentum on strengthening Canada's regulatory systems, Budget 2021 proposes to provide up to $6.1 million over two years, starting in 2021-22, to renew the External Advisory Committee on Regulatory Competitiveness and to continue targeted regulatory reviews.

4.5 Building Infrastructure to Boost Trade

Canada is a trading nation. The free and efficient flow of goods, services, and people, internationally and between provinces and territories, is critical to our prosperity. In order for Canadian businesses to grow and for the Canadian economy to be a part of the global recovery from the COVID-19 recession, trade with international partners needs to be open, efficient, and fair.

Budget 2021 proposes investments in physical and digital infrastructure and other measures to transform our borders and ensure that trade and travel continue to drive Canada's economy.

Renewing our National Trade Corridors

To support a robust and quick recovery, Canada needs to address capacity constraints, bottlenecks, and inefficiencies in our own transportation infrastructure. This will support businesses across our supply chains and boost the potential for small and medium-sized businesses in all regions, including rural and remote communities.

The National Trade Corridors Fund is well-positioned to spur private-sector investment in Canada's transportation system. To reduce barriers to trade, help our businesses grow, create jobs, and ensure our businesses are competitive in the recovery:

- Budget 2021 proposes to invest $1.9 billion over four years, starting in 2021-22, to recapitalize the National Trade Corridors Fund. This funding could attract approximately $2.7 billion from private and other public sector partners, resulting in total investments of $4.6 billion. This would spur investments in much-needed enhancements to our roads, rail, and shipping routes, build long-term resilience for the Canadian economy, and support internal trade. It would make Canada's transportation system more fluid, supporting economic recovery and increasing prosperity across Canada. Alleviating bottlenecks and congestion will also reduce greenhouse gas emissions in Canada.
    - Of this total funding, 15 per cent would be dedicated to building and improving transportation networks in Canada's North. Investments will bring growth and jobs to northern communities, and help more of our resources and goods get to markets in faster, cleaner, more cost-efficient ways.

Investments Made Through the National Trade Corridors Fund

Since its inception in 2017, the National Trade Corridors Fund has invested in transportation infrastructure across Canada, for example:

- **Western Canada**: Projects in the Lower Mainland of British Columbia, including new overpasses, upgrades to existing rail tracks, and expansion of port terminals, to improve the flow of passenger and freight traffic.
- **Eastern Canada**: Projects at the Port of Montreal, including construction of new roads and the development of an intelligent communications network, to increase the port's capacity and optimize its rail network.
- **Northern Canada**: Improvement of the Mackenzie Valley Highway between Yellowknife and the Arctic Ocean to ensure reliable, year-round road access to isolated communities and support the economic development of the region's mineral-rich resources.

Modernizing Travel and Trade at Our Borders

The safe and timely flow of people and goods across our borders is integral to Canada's economic recovery. In the years ahead, a modern border should facilitate seamless and safe travel and trade, while protecting Canada from public health and security threats.

- Budget 2021 proposes to provide $656.1 million over five years, beginning in 2021-22, and $123.8 million ongoing, to the Canada Border Services Agency (CBSA) to modernize our borders. Funding will transform the border experience for travellers through touchless and automated interactions, enhance CBSA's ability to detect contraband, and help protect the integrity of our border infrastructure. Funding will also support three Canadian preclearance pilots in the United Sates that would enable customs and immigration inspections to be completed before goods and travellers enter Canada.

These initiatives will help preserve the security and integrity of Canada's borders while expediting the flow of legitimate travel and trade.

Strengthening Canada's Trade Remedy System

Maintaining a robust trade remedy system will ensure Canadian businesses can fully participate in the economic recovery and mitigate the impacts of unfairly traded imports.

- Budget 2021 announces the government's intention to launch public consultations on measures to strengthen Canada's trade remedy system and to improve access for workers and small and medium-sized enterprises (SMEs). This may result in proposed amendments to the *Special Import Measures Act* and the *Canadian International Trade Tribunal Act*.

Administration of Trade Controls

The government has been taking steps to bolster its system of trade controls to ensure that Canada effectively manages the cross-border flow of sensitive goods. This includes strengthening Canada's oversight of the movement of prohibited firearms and arms exports. It also includes additional monitoring and controls for imports of certain steel and aluminum products and supply-managed goods to better monitor trade flows.

- Budget 2021 proposes to provide $38.2 million over five years, starting in 2021–22, and $7.9 million per year ongoing, to Global Affairs Canada, as additional resourcing to support Canada's trade controls regime.

Better Supports for Exporters

Export Development Canada (EDC) helps Canadian companies of all sizes compete and succeed in the global marketplace. EDC recognizes its responsibility to uphold Canadian values and human rights when doing business.

- Budget 2021 announces the government's intention to work with Export Development Canada to enhance supports to small and medium-sized exporters and to strengthen human rights considerations in export supports. The government may propose amendments to the *Export Development Act*.

4.6 Investing in World-leading Research and Innovation

A plan for a long-term recovery must look to challenges and opportunities that lie ahead in the years and decades to come. It must be led by a growth strategy that builds on the unique competitive advantages of the Canadian economy, and make sure that Canada is well-positioned to meet the demands of the next century. This work begins with innovation.

To drive growth and create good, well-paying jobs, entrepreneurs and businesses need to be able to translate Canada's world-class leadership in research into innovative products and services for Canadians, and for the world.

These investments will help cement Canada's position as a world leader in research and innovation, building a global brand that will attract talent and capital for years to come.

Supporting Innovation and Industrial Transformation

Since its launch in 2017, the Strategic Innovation Fund has been helping businesses invest, grow, and innovate in Canada. Through its efforts to help businesses make the investments they need to succeed, the fund is well-placed to support growth and the creation of good jobs across the Canadian economy—both now and in the future.

- Budget 2021 proposes to provide the Strategic Innovation Fund with an incremental $7.2 billion over seven years on a cash basis, starting in 2021-22, and $511.4 million ongoing. This funding will be directed as follows:
    - $2.2 billion over seven years, and $511.4 million ongoing to support innovative projects across the economy—including in the life sciences, automotive, aerospace, and agriculture sectors.
    - $5 billion over seven years to increase funding for the Strategic Innovation Fund's Net Zero Accelerator, as detailed in Chapter 5. Through the Net Zero Accelerator the fund would scale up its support for projects that will help decarbonize heavy industry, support clean technologies and help meaningfully accelerate domestic greenhouse gas emissions reductions by 2030.

The funding proposed in Budget 2021 will build on the Strategic Innovation Fund's existing resources, including the $3 billion over five years announced in December 2020 for the Net Zero Accelerator. With this additional support, the Strategic Innovation Fund will target investments in important areas of future growth over the coming years to advance multiple strategic objectives for the Canadian economy:

- $1.75 billion in support over seven years would be targeted toward aerospace in recognition of the longer-lasting impacts to this sector following COVID-19. This is in addition to the $250 million Aerospace Regional Recovery Initiative, outlined in section 4.2, providing a combined support of $2 billion to help this innovative sector recover and grow out of the crisis.
- $1 billion of support over seven years would be targeted toward growing Canada's life sciences and bio-manufacturing sector, restoring capabilities that have been lost and supporting the innovative Canadian firms and jobs in this sector. This is an important component of Canada's plan to build domestic resilience and improve long-term pandemic preparedness proposed in Chapter 1, providing a combined $2.2 billion over seven years.
- $8 billion over seven years for the Net Zero Accelerator to support projects that will help reduce Canada's greenhouse gas emissions by expediting decarbonization projects, scaling-up clean technology, and accelerating Canada's industrial transformation. More details are in Chapter 5.

Strategic Innovation Fund Support	Strategic Objective
• Invest $8 billion through the Net Zero Accelerator • Target $1.75 billion to the aerospace sector • Target $1 billion to the bio-manufacturing and life sciences sector • Leverage all other resources to target strategic investments in innovative and dynamic projects, including in traditional areas of Canadian strength.	• Help achieve net-zero greenhouse gas emissions by 2050 and support economic transformation • Support sector recovery and sustainable growth • Build domestic resilience and improve long-term pandemic preparedness • Promote growth and the creation of good jobs across the Canadian economy

It is important that the Strategic Innovation Fund has the right tools to support businesses across Canada. To this end, the government will explore potential opportunities to add new investment structures to the Strategic Innovation Fund's toolkit.

Renewing the Pan-Canadian Artificial Intelligence Strategy

Artificial intelligence is one of the greatest technological transformations of our age. Canada has communities of research, homegrown talent, and a diverse ecosystem of start-ups and scale-ups. But these Canadian innovators need investment in order to ensure our economy takes advantage of the enormous growth opportunities ahead in this sector. By leveraging our position of strength, we can also ensure that Canadian values are embedded across widely used, global platforms.

- Budget 2021 proposes to provide up to $443.8 million over ten years, starting in 2021-22, in support of the Pan-Canadian Artificial Intelligence Strategy, including:
  - $185 million over five years, starting in 2021-22, to support the commercialization of artificial intelligence innovations and research in Canada.
  - $162.2 million over ten years, starting in 2021-22, to help retain and attract top academic talent across Canada—including in Alberta, British Columbia, Ontario, and Quebec. This programming will be delivered by the Canadian Institute for Advanced Research.
  - $48 million over five years, starting in 2021-22, for the Canadian Institute for Advanced Research to renew and enhance its research, training, and knowledge mobilization programs.
  - $40 million over five years, starting in 2022-23, to provide dedicated computing capacity for researchers at the national artificial intelligence institutes in Edmonton, Toronto, and Montréal.
  - $8.6 million over five years, starting in 2021-22, to advance the development and adoption of standards related to artificial intelligence.

Launching a National Quantum Strategy

Quantum technology is at the very leading edge of science and innovation today, with enormous potential for commercialization. This emerging field will transform how we develop and design everything from life-saving drugs to next generation batteries, and Canadian scientists and entrepreneurs are well-positioned to take advantage of these opportunities. But they need investments to be competitive in this fast growing global market.

- Budget 2021 proposes to provide $360 million over seven years, starting in 2021-22, to launch a National Quantum Strategy. The strategy will amplify Canada's significant strength in quantum research; grow our quantum-ready technologies, companies, and talent; and solidify Canada's global leadership in this area. This funding will also establish a secretariat at the Department of Innovation, Science and Economic Development to coordinate this work.

The government will provide further details on the rollout of the strategy in the coming months.

Revitalizing the Canadian Photonics Fabrication Centre

Canada is a world leader in photonics, the technology of generating and harnessing the power of light. This is the science behind fibre optics, advanced semi-conductors, and other cutting-edge technologies, and there is a strong history of Canadian companies bringing this expertise to the world. The National Research Council's Canadian Photonics Fabrication Centre supplies photonics research, testing, prototyping, and pilot-scale manufacturing services to academics and large, small and medium-sized photonics businesses in Canada. But its aging facility puts this critical research and development at risk.

- Budget 2021 proposes to provide $90 million over five years on a cash basis, starting in 2021-22, to the National Research Council to retool and modernize the Canadian Photonics Fabrication Centre. This would allow the centre to continue helping Canadian researchers and companies grow and support highly skilled jobs.

Launching a Pan-Canadian Genomics Strategy

Genomics research is developing cutting-edge therapeutics and is helping Canada track and fight COVID-19. Canada was an early mover in advancing genomics science and is now a global leader in the field. A national approach to support genomics research can lead to breakthroughs that have real world applications. There is an opportunity to improve Canadians' health and well-being while also creating good jobs and economic growth. Leveraging and commercializing this advantage will give Canadian companies, researchers, and workers a competitive edge in this growing field.

- Budget 2021 proposes to provide $400 million over six years, starting in 2021-22, in support of a Pan-Canadian Genomics Strategy. This funding would provide $136.7 million over five years, starting in 2022-23, for mission-driven programming delivered by Genome Canada to kick-start the new Strategy and complement the government's existing genomics research and innovation programming.

Further investments to grow Canada's strengths in genomics under the Strategy will be announced in the future.

Conducting Clinical Trials

Canadian scientists are among the best in the world at conducting high-quality clinical trials. Clinical trials lead to the development of new scientifically proven treatments and cures, and improved health outcomes for Canadians. They also create good jobs in the health research sector, including the pharmaceutical sector, and support the creation of new companies, drugs, medical devices, and other health products.

- Budget 2021 proposes to provide $250 million over three years, starting in 2021-22, to the Canadian Institutes of Health Research to implement a new Clinical Trials Fund.

Supporting the Innovation Superclusters Initiative

Since it was launched in 2017, the Innovation Superclusters Initiative has helped Canada build successful innovation ecosystems in important areas of the economy. Drawing on the strength and breadth of their networks, the superclusters were able to quickly pivot their operations and played an important role in Canada's COVID-19 response. For example, the Digital Technology Supercluster allocated resources to projects that used digital technologies and artificial intelligence to help facilitate faster, more accurate diagnosis, treatment, and care of COVID-19 patients.

To help ensure those superclusters that made emergency investments to support Canada's COVID-19 response and others can continue supporting innovative Canadian projects:

- Budget 2021 proposes to provide $60 million over two years, starting in 2021-22, to the Innovation Superclusters Initiative.

Promoting Canadian Intellectual Property

As the most highly educated country in the OECD, Canada is full of innovative and entrepreneurial people with great ideas. Those ideas are valuable intellectual property that are the seeds of huge growth opportunities. Building on the National Intellectual Property Strategy announced in Budget 2018, the government proposes to further support Canadian innovators, start-ups, and technology-intensive businesses. Budget 2021 proposes:

- $90 million, over two years, starting in 2022-23, to create ElevateIP, a program to help accelerators and incubators provide start-ups with access to expert intellectual property services.
- $75 million over three years, starting in 2021-22, for the National Research Council's Industrial Research Assistance Program to provide high-growth client firms with access to expert intellectual property services.

These direct investments would be complemented by a Strategic Intellectual Property Program Review that will be launched. It is intended as a broad assessment of intellectual property provisions in Canada's innovation and science programming, from basic research to near-commercial projects. This work will make sure Canada and Canadians fully benefit from innovations and intellectual property.

Capitalizing on Space-based Earth Observation

Earth observation satellites support critical services that Canadians rely on. They provide reliable weather forecasts, support military and transport logistics, help us monitor and fight climate change, and support innovation across sectors, including energy and agriculture. They also create high-quality jobs in Canada and the government will continue to explore opportunities to support Canadian capacity, innovation, and jobs in this sector. To maintain Canada's capacity to collect and use important data from these satellites, Budget 2021 proposes to provide:

- $80.2 million over eleven years, starting in 2021-22, with $14.9 million in remaining amortization and $6.2 million per year ongoing, to Natural Resources Canada and Environment and Climate Change Canada to replace and expand critical but aging ground-based infrastructure to receive satellite data.
- $9.9 million over two years, starting in 2021-22, to the Canadian Space Agency to plan for the next generation of Earth observation satellites.

Science and Technology Collaboration with Israeli Firms

Collaborating with global innovation leaders allows Canadian companies to leverage expertise to create new products and services, support good jobs, and reach new export markets.

- Budget 2021 proposes to provide additional funding of $10 million over five years, starting in 2021-2022, and $2 million per year ongoing, to expand opportunities for Canadian SMEs to engage in research and development partnerships with Israeli SMEs as part of the Canadian International Innovation Program. This will be sourced from existing Global Affairs Canada resources. The government also intends to implement an enhanced delivery model for this program, including possible legislation.

4.7 Supporting a Digital Economy

More and more of our lives are happening online—from socializing, to our jobs, to commerce. Recognizing the fundamental shifts underway in our society, the government introduced a new Digital Charter in 2020 that seeks to better protect the privacy, security, and personal data of Canadians, building trust and confidence in the digital economy.

To make sure that Canadian businesses can keep pace with this digital transformation and that they are part of this growth, Budget 2021 includes measures to ensure businesses and workers in every region of the country have access to fast, reliable internet. It also has measures to make sure that the digital economy is fair and well reported on.

A digital economy that serves and protects Canadians and Canadian businesses is vital for long-term growth.

Accelerating Broadband for Everyone

The COVID-19 pandemic has shifted much of our lives online and transformed how we live, work, learn, and do business. This makes it more important than ever that Canadians, including Canadian small businesses in every corner of this country, have access to fast and reliable high-speed internet. Canadians and Canadian businesses in many rural and remote communities who still do not have access to high-speed internet face a barrier to equal participation in the economy. Building on the $6.2 billion the federal government and federal agencies have made available for universal broadband since 2015:

- Budget 2021 proposes to provide an additional $1 billion over six years, starting in 2021-22, to the Universal Broadband Fund to support a more rapid rollout of broadband projects in collaboration with provinces and territories and other partners. This would mean thousands more Canadians and small businesses will have faster, more reliable internet connections.

In total, including proposed Budget 2021 funding, $2.75 billion will be made available through the Universal Broadband Fund to support Canadians in rural and remote communities. Recently, the Universal Broadband Fund provided funding to ensure Quebec could launch Operation High Speed, connecting nearly 150,000 Quebecers to high-speed internet. These continuing investments will help Canada accelerate work to reach its goal of 98 per cent of the country having high-speed broadband by 2026 and 100 per cent by 2030.

Establishing a New Data Commissioner

Digital and data-driven technologies open up new markets for products and services that allow innovative Canadians to create new business opportunities—and high-value jobs. But as the digital and data economy grows, Canadians must be able to trust that their data are protected and being used responsibly.

- Budget 2021 proposes to provide $17.6 million over five years, starting in 2021-22, and $3.4 million per year ongoing, to create a Data Commissioner. The Data Commissioner would inform government and business approaches to data-driven issues to help protect people's personal data and to encourage innovation in the digital marketplace.
- Budget 2021 also proposes to provide $8.4 million over five years, starting in 2021-22, and $2.3 million ongoing, to the Standards Council of Canada to continue its work to advance industry-wide data governance standards.

Enhancing Business Condition Data

The government introduced the Canadian Survey of Business Conditions in April 2020 to provide timely measurement of business and economic indicators and better understand changing business conditions. To further this work with partners and enhance the availability of real-time business indicator data:

- Budget 2021 proposes to provide up to $5 million over two years, starting in 2021-22, to Statistics Canada to work with partners to enhance the availability of business condition data, better ensuring that the government's support measures are responsive to the needs of Canadian businesses and entrepreneurs.

Chapter 4

Helping Canadian Businesses Grow and Succeed

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
4.1. Helping Canadians Get Back to Work	**0**	**685**	**170**	**160**	**144**	**144**	***1,303***
Helping Hard-hit Businesses Hire More Workers	0	595	0	0	0	0	*595*
Opportunities for Businesses and Young Workers Through Mitacs	0	90	170	160	144	144	*708*
4.2. Helping SMEs Recover and Grow	**0**	**1,088**	**1,572**	**1,477**	**285**	**-237**	***4,184***
Helping Small and Medium-sized Businesses Move into the Digital Age	0	424	424	408	408	0	*1,663*
Helping Businesses Seize New Technological Opportunities	0	26	26	0	0	0	*53*
Supporting Business Investments	0	615	1,055	985	-145	-265	*2,245*
Enhancing the Canada Small Business Financing Program	0	1	12	33	49	58	*153*
Less: Fee Revenues	*0*	*-16*	*-20*	*-24*	*-27*	*-31*	*-117*
Preparing Canada's Aerospace Sector for Recovery	0	38	75	75	0	0	*188*
4.3. Investing In Canada's Entrepreneurs	**0**	**214**	**183**	**203**	**191**	**131**	***921***

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Supporting Entrepreneurs, Including Equity Deserving Entrepreneurs	0	20	20	20	20	20	*101*
Supporting Women Entrepreneurs	0	63	21	36	27	0	*147*
Supporting Black Entrepreneurs	0	12	12	13	14	0	*52*
Leveraging Procurement Opportunities	0	13	18	19	18	18	*87*
Expanding the Industrial Research Assistance Program	0	100	100	100	100	100	*500*
Investing in Canadian Innovators Through a Renewed Venture Capital Catalyst Initiative	0	1	6	11	7	-12	*12*
Boosting Canada's Clean Technology Exports	0	4	4	4	4	4	*21*
4.4. Making it Easier to do Business in Canada	**0**	**12**	**25**	**31**	**28**	**28**	***123***
Removing Barriers to Internal Trade	0	5	8	8	0	0	*21*
A Fair and Competitive Marketplace	0	4	14	23	28	28	*96*
Maintaining Momentum on Regulatory Modernization	0	3	3	0	0	0	*6*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
4.5. Building Infrastructure to Boost Trade	**0**	**478**	**631**	**801**	**586**	**84**	**2,579**
Renewing our National Trade Corridors	0	300	500	600	500	0	*1,900*
Modernizing Travel and Trade at Our Borders	0	174	126	196	81	79	656
Administration of Trade Controls	0	7	8	8	8	8	*38*
Less: Funds Previously Provisioned in the Fiscal Framework	0	-3	-3	-3	-3	-3	*-15*
4.6. Investing in World-leading Research and Innovation	**0**	**923**	**1,515**	**2,155**	**1,006**	**526**	***6,125***
Supporting Innovation and Industrial Transformation	0	705	1,099	1,704	768	295	*4,571*
Renewing the Pan-Canadian Artificial Intelligence Strategy	0	45	72	80	84	88	*368*
Launching a National Quantum Strategy	0	31	49	59	61	54	*254*
Revitalizing the Canadian Photonics Fabrication Centre	0	2	4	5	6	6	*23*
Launching a Pan-Canadian Genomics Strategy	0	50	86	105	81	75	*398*
Conducting Clinical Trials	0	34	97	119	0	0	*250*
Supporting the Innovation	0	36	24	0	0	0	*60*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Superclusters Initiative							
Promoting Canadian Intellectual Property	0	15	75	75	0	0	*165*
Capitalizing on Space-based Earth Observation	0	5	10	6	6	9	*36*
4.7. Supporting a Digital Economy	**0**	**280**	**352**	**135**	**131**	**131**	***1,029***
Accelerating Broadband for Everyone	0	272	344	129	126	126	*998*
Establishing a New Data Commissioner	0	5	5	5	5	5	*26*
Enhancing Business Condition Data	0	2	2	0	0	0	*5*
Additional Investments – Helping Canadian Businesses Grow and Succeed	**-5**	**13**	**17**	**17**	**13**	**13**	***69***
Revitalizing the Canadian Commercial Corporation	0	0	13	13	13	13	*52*
Emergency Funding (Including Reprofile)	-5	13	0	0	0	0	*9*
Funding proposed for the Canadian Commercial Corporation would allow it to administer the Canada-US Defence Production Sharing Agreement and help Canadian companies win US defence contracts, grow, and support jobs here at home. $5 million that was allocated for CCC in 2020-21 is being reallocated to 2021-22.							
Continuing Motor Vehicle Safety Oversight	0	0	4	4	0	0	*8*
Funding proposed for Transport Canada to continue core motor vehicle safety oversight activities, which include monitoring and enforcing compliance with the Motor Vehicle Safety Act and its regulations, and developing new regulations to modernize safety oversight.							
Chapter 4 - Net Fiscal Impact	***-5***	***3,691***	***4,465***	***4,978***	***2,384***	***819***	***16,332***

Note: Numbers may not add due to rounding

Chapter 5
A Healthy Environment for a Healthy Economy

Climate change is real.

Wildfires, floods, droughts, and powerful storms are becoming more frequent, more costly, and more dangerous.

COVID-19 has shown us how Canadians have what it takes to come together, to mobilize, and to take action in the face of a crisis. The climate crisis is just as great a challenge.

Our human impact on the environment will have lasting consequences if we fail to come together to take bold and ambitious climate action. Action at home, action on our commute to work, and action in industry and the financial sector.

Around the world, countries and investors realize that climate action is the key to building strong, resilient economies. Fighting climate change, including reaching net-zero, will be a cornerstone of this government's plan to rebuild the economy, create middle class jobs, and ensure Canadian industry stays competitive on the world stage.

Climate change is the challenge of our times. And it is also one of our greatest opportunities. Canada's well-educated workforce, energy sector know-how, and trade relationships position us to be a leader in the clean economy of the future. The global recovery from the COVID-19 recession will include seismic investments in a green recovery, and Canada's plan for strategic, targeted investments will take advantage of this pivot and create opportunities for Canadians in every region of the country.

Climate action creates new opportunities for engineers, scientists, farmers, construction workers, tradespeople, resource workers, energy workers, researchers, and more.

A sustainable, long-term recovery demands that we look far into the horizon and consider the legacy we will leave behind. By investing in climate action now, we can create good middle class jobs today, and create a cleaner and safer future for our children and grandchildren.

Since 2015, we have invested roughly $60 billion toward climate action and clean growth. In 2020, we announced an additional investment of $15 billion for Canada's strengthened climate plan, along with nearly $15 billion for public transit in February 2021. Canada also has a strong and rising price on carbon, accelerating further action on climate change and transforming our economy.

Building on recent investments, Budget 2021 proposes to provide $17.6 billion towards a green recovery to create jobs, build a clean economy, and fight and protect against climate change.

> *"When well designed and implemented, green stimulus measures can generate income, create jobs, improve well-being for all and build resilience."*
>
> — OECD, 6 October 2020

5.1 Growing Our Net-zero Economy

Across the world, advanced economies are making investments in a green recovery. Governments and businesses are making bold investments in clean growth.

Canadians and Canadian businesses stand poised to seize the new opportunities for growth and jobs arising as the world builds a greener global economy. Making sure Canada is part of this shift is critical to ensuring good jobs for generations of Canadians.

In the global race for clean solutions, Canada will make bold new investments so that businesses and workers can compete and win.

Accelerating Canada's Net-zero Transformation Through Innovation

The Net Zero Accelerator, launched in the government's strengthened climate plan last December, will help build and secure Canada's clean industrial advantage. By investing in decarbonizing large emitters, transforming key sectors— from steel and aluminium to cement—and accelerating the adoption of clean technology across the economy – for example, the auto and aerospace sectors – the Net Zero Accelerator will spur Canada's shift to innovative net-zero technologies and attract the large-scale investments needed to meet our goal of net-zero by 2050. It will also help Canadian firms grow and create the jobs of our low-carbon future.

- Budget 2021 proposes to provide $5 billion over seven years (cash basis), starting in 2021-22, to the Net Zero Accelerator. Building on the support for the Net Zero Accelerator announced in the strengthened climate plan, this funding would allow the government to provide up to $8 billion of support for projects that will help reduce domestic greenhouse gas emissions across the Canadian economy.

The Net Zero Accelerator works to cut pollution, spur clean technology innovations, attract major investments, create good middle class jobs, and foster development of key supply chains to ensure Canadian industries and workers can use their low-carbon advantage to compete and win. This is an important component of the total investment in the Strategic Innovation Fund proposed in Chapter 4.

Propelling Clean Tech Projects

While the Canadian clean technology sector is a global leader in clean tech innovation (11 companies were named to the Cleantech Group's 2021 Global Cleantech 100 list, more than any other country after the United States), it lags in commercial scale-up, export and industry adoption. Canadian companies frequently report facing challenges in scaling up in Canada's small domestic market and accessing sufficient patient growth capital. Transformative clean technology projects, particularly large ones, often require investment at a scale and time horizon outside of the scope of traditional project financing. To support large-scale clean technology projects:

- Budget 2021 proposes to make up to $1 billion available on a cash basis, over five years, starting in 2021-22, to help draw in private sector investment for these projects.

These resources would fuel the growth of innovative Canadian companies, create jobs for highly skilled workers, and bring important environmental and climate solutions to the world.

Growing Zero-emission Technology Manufacturing

As more countries commit to achieving net-zero emissions by 2050, the demand for zero-emission technology will only grow. With a highly educated and motivated workforce, Canada is well positioned to take advantage of this opportunity. Strengthening our manufacturing sector and creating good, well-paying jobs is key to growing a resilient, competitive middle class.

To create jobs and support the growth of clean technology manufacturing in Canada:

- Budget 2021 proposes to reduce—by 50 per cent—the general corporate and small business income tax rates for businesses that manufacture zero-emission technologies. The reductions would go into effect on January 1, 2022, and would be gradually phased out starting January 1, 2029 and eliminated by January 1, 2032. The Department of Finance Canada will regularly review new technologies that might be eligible, in consultation with Environment and Climate Change Canada, Natural Resources Canada, Sustainable Development Technology Canada, and other key stakeholders across government and industry.

These proposed tax rate reductions will enhance Canada's competitiveness in attracting investment in zero-emission technology manufacturing, while also supporting existing businesses in the sector. This will advance Canada's economic recovery and help create well-paying jobs for Canadians. It is estimated that this measure will reduce federal revenues by $45 million over five years, starting in 2021-22.

In addition, the government will undertake an analysis to ensure that Canada keeps pace with the U.S. and other jurisdictions in providing the appropriate tax structures and incentives to encourage clean economy businesses to invest, grow, and deploy solutions here in Canada.

Zero-Emission Technologies in Canada

Examples of zero-emission technology manufacturing in Canada:

- Manufacturing of wind turbines, solar panels, and equipment used in hydroelectric facilities.
- Manufacturing of geothermal energy systems.
- Manufacturing of electric cars, busses, trucks, and other vehicles.
- Manufacturing of batteries and fuel cells for electric vehicles.
- Production of biofuels from waste materials.
- Production of green hydrogen.
- Manufacturing of electric vehicle charging systems.
- Manufacturing of certain energy storage equipment.

Accelerating Investment in Clean Energy Technologies

In 2018, Canada introduced tax incentives to encourage businesses to invest in clean energy generation and energy efficiency equipment. In particular, this included a time-limited measure allowing businesses to immediately write off the full cost of investments in certain clean energy technologies. To support clean tech jobs, help Canadian companies adopt more clean technologies, and fight climate change:

- Budget 2021 proposes to expand the list of eligible equipment to include equipment used in pumped hydroelectric energy storage, renewable fuel production, hydrogen production by electrolysis of water, and hydrogen refueling. Certain existing restrictions related to investments in water-current, wave and tidal energy, active solar heating, and geothermal energy technologies would also be removed.

To ensure this tax incentive remains consistent with the government's environmental objectives:

- Budget 2021 proposes to update the eligibility criteria such that certain fossil-fuelled and low efficiency waste-fuelled electrical generation equipment will no longer be eligible after 2024.

Reforming eligibility for this tax incentive will help reduce pollution and greenhouse gas emissions in Canada. It is estimated that these measures will reduce federal revenues by $142 million over five years starting in 2021-22.

Enhancing Canada's Supply of Critical Minerals

The electrification of vehicles and use of solar panels is expected to surge in the coming decade. Canada has rich reserves of the critical minerals needed for electric vehicle batteries and solar panels, along with other low-carbon technologies needed to reach net-zero. The resources needed for these technologies create good jobs in regions across the country.

Canada and the U.S. recently agreed to strengthen the Canada-U.S. Joint Action Plan on Critical Minerals Collaboration to target a net-zero industrial transformation, batteries for zero-emissions vehicles, and renewable energy storage. Investing in these resources is essential for our energy security and will ensure Canada is a vital producer in the supply chains of the future.

- Budget 2021 proposes to provide $9.6 million over three years, starting in 2021-22, to create a Critical Battery Minerals Centre of Excellence at Natural Resources Canada. The centre would coordinate federal policy and programs on critical minerals, and work with provincial, territorial, and other partners. The centre would also help implement the Canada-U.S. Joint Action Plan.
- Budget 2021 proposes to provide $36.8 million over three years, starting in 2021-22, with $10.9 million in remaining amortization, to Natural Resources Canada, for federal research and development to advance critical battery mineral processing and refining expertise.

Charging and Fueling Zero-emission Vehicles

Since 2015, there has been a rapid increase in the number of Canadians who own zero-emission vehicles (ZEVs). Since 2016, the government has invested $376.4 million and has initiated work to build nearly 6,000 charging and refueling stations with partners all across the country. While charging ports are now available in more and more places—from shopping centres, to office buildings, to curbside parking—the measurement and pricing of the energy being sold is not always clear to drivers. Just as we know that what is coming out of the pump is a litre of gas, drivers of ZEVs need to have the same level of trust and certainty when they charge up an electric vehicle, or fill up their tank with a next-generation clean fuel, such as hydrogen. To provide consistency and transparency to drivers and help Canadians reduce carbon emissions:

- Budget 2021 proposes to provide $56.1 million over five years, starting in 2021-22, with $16.3 million in remaining amortization and $13 million per year ongoing, to Measurement Canada to develop and implement, in coordination with international partners such as the United States, a set of codes and standards for retail ZEV charging and fueling stations. This would include accreditation and inspection frameworks needed to ensure the standards are adhered to at Canada's vast network of charging and refueling stations.

This measure would provide regulatory certainty to providers of charging services and facilitate the development of the charging network. It would also give more Canadians confidence to purchase and drive ZEVs.

Federal Clean Electricity Fund

Investing in electricity generated from renewable sources can help to reduce greenhouse gas emissions and stimulate growth in clean power infrastructure. The Government of Canada has set a goal of ensuring 100 per cent of electricity generation for all federal buildings is from clean sources by 2022, where available. Purchasing renewable electricity will stimulate investments in new clean technology and support job creation and Indigenous participation.

- To support the Government of Canada's commitment to power federal buildings with 100 per cent clean electricity by 2022, Budget 2021 proposes to provide $14.9 million over 4 years, starting in 2022-23, with $77.9 million in future years, to Public Services and Procurement Canada for a Federal Clean Electricity Fund to purchase renewable energy certificates for all federal government buildings.

Reducing Transportation and Landfill Emissions

Taken together, the transportation and waste sectors account for nearly 30 per cent of Canada's greenhouse gas emissions. Light- and heavy-duty vehicles contribute the largest share of transportation emissions, and emissions from gas-powered household equipment are on the rise. In addition, the Canadian landfills release large amounts of methane—a potent greenhouse gas.

To create a healthier environment and support the transition to cleaner transportation and waste management:

- Budget 2021 proposes to provide $104.6 million over five years, starting in 2021–22, with $2.8 million in remaining amortization, to Environment and Climate Change Canada to strengthen greenhouse gas emissions regulations for light- and heavy-duty vehicles and off-road residential equipment, establish national methane regulations for large landfills, and undertake additional actions to reduce and better use waste at these sites.

Investing in the Forest-based Bio-economy

The forest industry plays a vital role in many of Canada's rural communities, and the industry will have an important place in greening our economy. Wood-based innovations are helping drive developments in Canada's low-carbon economy. They can be used in biofuels, bioplastics, building materials, and other products our economy needs, and replace less sustainable products. Developing and marketing these new biomaterials will help protect good jobs in hundreds of Canadian communities. To support the growth of the forest-based bio-economy:

- Budget 2021 proposes to provide $54.8 million over two years, starting in 2021-22, to Natural Resources Canada, to enhance the capacity of the Investments in Forest Industry Transformation program, including working with municipalities and community organizations ready for new forest-based economic opportunities.

First Federal Green Bond

Capital is increasingly in search of green projects that support innovative businesses and good jobs. This is a rapidly growing new market and the presence of AAA borrowers will help create a more mature market for investors who are looking for a green portfolio, but also need to manage their investment risk. To make sure that Canada is competing for these opportunities, now and in the future:

- The government will publish a green bond framework in the coming months in advance of issuing its inaugural federal green bond in 2021-22, with an issuance target of $5 billion, subject to market conditions. This would be the first of many green bond issuances. The framework will provide details on how, through green bonds, investors will have opportunities to finance Canada's work to fight climate change and protect the environment. Possible projects these green bonds could fund include green infrastructure, clean tech innovations, nature conservation, and other efforts to address climate change and protect our environment.

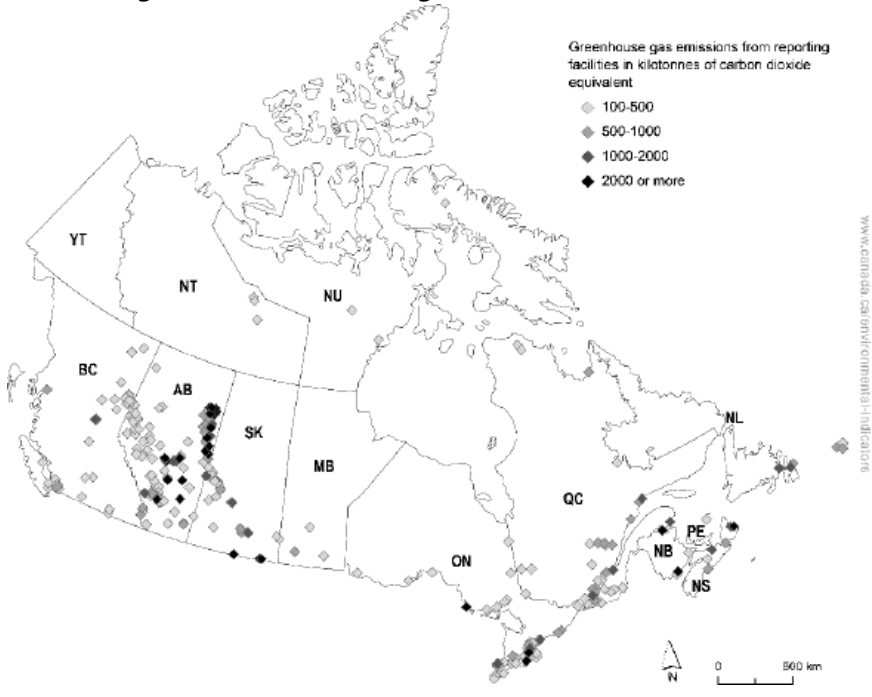
The Department of Finance Canada will co-lead the development of Canada's green bond framework with Environment and Climate Change Canada, in co-development with other departments including Natural Resources Canada; Infrastructure Canada; Innovation, Science and Economic Development Canada; Transport Canada; Agriculture and Agri-Food Canada; Public Safety Canada; as well as related Crown corporations.

5.2 Investing in Our Clean Industry Future

Generations of Canadians have worked hard to build a strong energy sector that supports hundreds of thousands of workers and families across the country, and brings power to the world—a legacy of pride and accomplishment. The development of Canada's energy sector has made significant contributions to clean technologies and materials, across industry, and to our country's prosperity and high quality of life. These technologies and materials have the potential to transform industry, across sectors.

Nearly 30 per cent of greenhouse gas emissions in Canada are generated by a relatively small number of large industrial facilities across Canada. Decarbonizing these facilities is an economic and environmental opportunity that, if realized, will position Canada as a leader in providing cleaner energy, and clean technology solutions, around the world.

Figure 5.1
Greenhouse gas emissions from large facilities in Canada, 2018



Carbon capture, utilization, and storage (CCUS) and low-carbon fuels represent two pathways to reduce these industrial emissions. Investing in these technologies today is a significant step towards achieving Canada's climate targets—and a greener, more resilient future for all Canadians.

Carbon Capture, Utilization, and Storage

Fighting climate change, and reaching net-zero, requires Canadians and Canadian industry to reduce the harmful greenhouse gases in the atmosphere in as many ways as possible. CCUS is an important tool for reducing emissions in high emitting sectors. It uses advanced technologies to capture carbon dioxide emissions from fuel combustion, industrial processes, or directly from the air. The captured carbon can then be stored deep underground, or used to create new and innovative products. CCUS is the only currently available technology with the potential to generate negative emissions.

Canada currently captures 4 megatonnes of carbon every year, but we have the technical and geological capacity to capture and store much more. We have the right building blocks in place, including infrastructure such as the Alberta Carbon Trunk Line, and innovative companies like CarbonCure in Nova Scotia, which developed a technology to inject captured carbon into concrete, making

it stronger and less polluting. Alberta and Saskatchewan have the greatest near-term potential to become global leaders in CCUS by creating new 'hubs' where carbon from high-emitting facilities can be efficiently captured, transported, stored, or used.

Tax Incentive for Carbon Capture, Utilization, and Storage

Canadian innovators and engineers have developed some of the leading global technologies for CCUS technologies that are in demand as more countries take action to fight climate change. The government intends to take significant action to support and accelerate the adoption of these technologies. By providing incentives to adopt CCUS technologies, the proposed measure will be an important element in Canada's plan to achieve net-zero emissions by 2050. This important new element of Canada's tax system is also intended to accelerate the growth of new businesses and jobs related to carbon capture.

- Budget 2021 proposes to introduce an investment tax credit for capital invested in CCUS projects with the goal of reducing emissions by at least 15 megatonnes of CO_2 annually. This measure will come into effect in 2022.

The government will move quickly with a 90-day consultation period with stakeholders on the design of the investment tax credit, after which it will announce more details—including the rate of the incentive. It is not intended that the investment tax credit be available for Enhanced Oil Recovery projects. The government intends to make the credit available for direct air capture projects. The government will be seeking input from all industrial subsectors (e.g. oil sands, refining, cement, fertilizer, power generation, direct air capture, etc.), recognizing that various subsectors face different challenges in adopting CCUS. The tax credit will also support hydrogen production. During the consultation, the government will consider how equivalent tax support could be provided to producers of green hydrogen. The consultation will include key provincial governments, encouraging them to create complementary measures for CCUS projects in their jurisdictions.

Following consultations, the government intends to introduce legislation at the earliest opportunity to implement the investment tax credit.

The government will also analyze how the tax system can be used to further support the commercialization and deployment of breakthrough technologies that may be critical to creating our net-zero future.

Advancing Carbon Capture, Utilization, and Storage Technologies

Canada is a leader in CCUS, with domestic projects that have already captured and stored millions of tonnes of CO_2. Building on this Canadian advantage is integral to achieving our net-zero goals. But investment is needed to support research and development that will help to advance the technology, lower its costs, and make sure Canada stays ahead of the curve in the global market for CCUS.

- Budget 2021 proposes to provide $319 million over seven years, starting in 2021-22, with $1.5 million in remaining amortization, to Natural Resources Canada to support research, development, and demonstrations that would improve the commercial viability of carbon capture, utilization, and storage technologies.

Taken together, these proposed measures related to CCUS will help Canada achieve net-zero emissions by 2050, and position Canada as a leader in supplying cleaner energy and innovative new technologies around the world.

Cleaner Fuels for a Cleaner Environment

Canadians and Canadian businesses use fuel every day—to get from place to place, to produce goods, and to transport those goods to market. Innovators are finding ways to make the fuels we use cleaner and Canada's Clean Fuel Standard is expected to reduce our greenhouse gas emissions by more than 20 megatonnes in 2030 and help put us on the path to net-zero emissions by 2050.

- To implement and administer the Clean Fuel Standard, Budget 2021 proposes to provide $67.2 million over seven years, starting in 2021-22, with $0.05 million in remaining amortization, to Environment and Climate Change Canada. This standard creates new economic opportunities for Canada's biofuel producers, including farmers and foresters, who are part of the diverse supply chain for low-carbon fuels. Making this investment now will secure Canada's future competitiveness in the global transition to a low-carbon economy.

Supporting the Production and Use of Clean Fuels

Clean fuels, including hydrogen and biofuels, can help reduce pollution from everyday activities, from heating our homes to commuting. The production of these fuels offers new opportunities for Canada's energy sector and ensures their hard work and ingenuity are a part of Canada's economic recovery.

As originally announced on December 11, 2020, Budget 2021 proposes to provide $1.5 billion over five years, starting in 2021-22, with $0.9 million in remaining amortization, to Natural Resources Canada to establish a Clean Fuels Fund to support the production and distribution of low-carbon and zero-emission fuels, including hydrogen and biomass, across Canada, and around the world, as first announced in the government's strengthened climate plan. The fund would position Canada as a global hydrogen leader and deliver on the *Hydrogen Strategy for Canada*.

- Budget 2021 also proposes to provide $67.4 million over seven years, starting in 2021-22, with $5.6 million in remaining amortization and $10.7 million ongoing, for Measurement Canada to ensure that commercial transactions of low-carbon fuels are measured accurately just as they are for conventional fuels.

These investments will help make sure Canada's energy sector is a key player in the work to build a clean energy future.

Low-Carbon Fuel Procurement Program

Low-carbon fuels will be necessary as Canada works to achieve net-zero emissions by 2050. The Government of Canada is taking a leadership role to put itself on a 2050 net-zero pathway by committing to buy low-carbon fuels for use in the federal domestic air and marine fleets. By making this commitment now, the government will encourage industry to produce these fuels, creating jobs for Canadians and investing in the clean tech economy.

- To support the long-term development of low-emission marine and aviation fuels, Budget 2021 proposes to provide $227.9 million over eight years, starting in 2023-24, to the Treasury Board Secretariat to implement a Low-Carbon Fuel Procurement Program within the Greening Government Fund.

- The government will also continue to use and expand federal procurement to support the Greening Government Strategy so that public dollars prioritize the use of lower carbon materials, fuels, and processes.

Supporting a Centre for Innovation and Clean Energy in British Columbia

British Columbians have long been leaders in clean energy innovation and building a more sustainable future. In 2018, the Government of British Columbia released CleanBC, a plan to achieve the province's target of reducing greenhouse gas emissions by 40 per cent by 2030, based on 2007 levels. As part of the CleanBC plan, British Columbia recently announced that it will help establish a new Centre for Innovation and Clean Energy to coordinate research, development and demonstration of clean technologies, including carbon capture, utilization, and storage, and clean fuels.

- The government will, in partnership with the Government of British Columbia, provide up to $35 million to help establish the Centre for Innovation and Clean Energy to advance the scale-up and commercialization of clean technologies in B.C. and across Canada.

Investing in Clean Energy in Northern and Indigenous Communities

Canada's North is warming at three times the global rate. Indigenous peoples are experiencing its impact on their way of life, which is closely tied to the land and waters. Many communities in the North rely on diesel or other emissions-intensive sources of energy, which not only contribute to climate change but also pollute the air. To help these communities transition to clean energy and make the air cleaner and healthier:

- Budget 2021 proposes to invest $40.4 million over three years, starting in 2021-22, to support feasibility and planning of hydroelectricity and grid interconnection projects in the North. This funding could advance projects, such as the Atlin Hydro Expansion Project in Yukon and the Kivalliq Hydro-Fibre Link Project in Nunavut. Projects will provide clean power to northern communities and help reduce emissions from mining projects.
- Budget 2021 also proposes to invest $36 million over three years, starting in 2021-22, through the Strategic Partnerships Initiative, to build capacity for local, economically-sustainable clean energy projects in First Nations, Inuit, and Métis communities and support economic development opportunities.

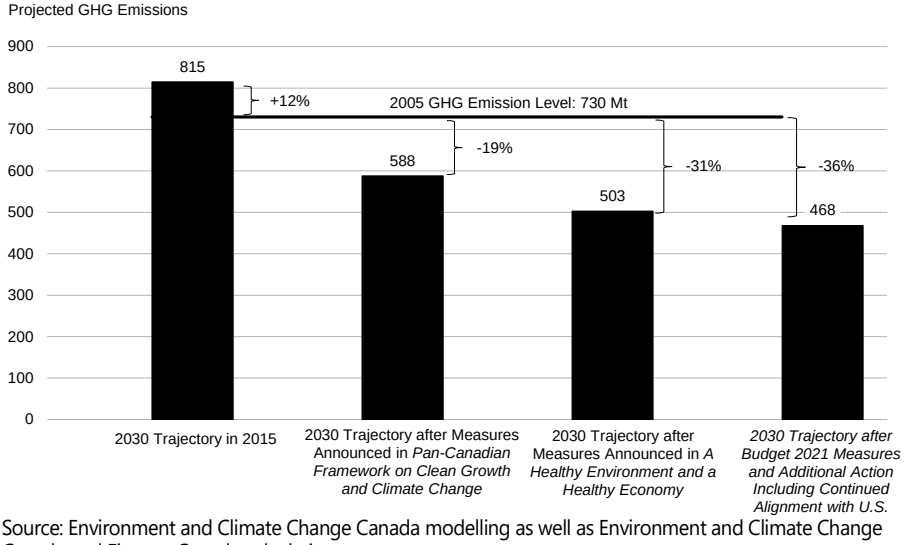
The Strategic Partnerships Initiative is a unique federal program that supports Indigenous communities at the early stages of complex large economic opportunities. To date, the federal government has invested more than $136 million in the Strategic Partnerships Initiative, supporting over 50 large-scale initiatives and fostering the creation of more than 200 successful partnerships in various sectors of the economy such as clean energy, tourism, and fisheries. These efforts have benefitted over 400 Indigenous communities and organizations across the country.

Additional work is happening across the country to further our commitments to clean energy, including the Atlantic Loop.

5.3 Advancing Canada's Climate Plan

In December 2020, the government released its strengthened climate plan, *A Healthy Environment and a Healthy Economy*. Building on the Pan-Canadian Framework on Clean Growth and Climate Change, the plan laid out $15 billion in new investments to ensure Canada will exceed its 2030 greenhouse gas reduction target.

Chart 5.1
Projected Canadian GHG Emissions in 2030



Source: Environment and Climate Change Canada modelling as well as Environment and Climate Change Canada and Finance Canada calculations. ¬

In February, the government announced nearly $15 billion for public transit projects, which will support new subway extensions and help electrify transit fleets with zero-emission vehicles.

Canada has a clear climate plan—including one of the most stringent carbon pollution pricing approaches in the world—and we must do more. Set to announce a new, more ambitious 2030 climate target in the coming days, through Budget 2021 the government proposes $17.6 billion in additional investments towards a green recovery to create well-paying middle class jobs, build a clean economy, and fight and protect against climate change.

The investments made in Budget 2021, along with other action including strengthened alignment with the United States to further cut pollution from transportation and methane emissions, mean that Canada is now positioned to reduce emissions by about 36 per cent below 2005 levels by 2030. The government will continue to work with domestic and international partners and stakeholders to take climate action, building Canadian prosperity on our journey to net-zero emissions by 2050.

Steering Canada's Strengthened Climate Plan

Since 2015, the government has set an ambitious climate agenda. In 2020, it strengthened its climate plan and introduced the *Canadian Net-Zero Emissions Accountability Act* to legislate Canada's goal of net-zero emissions by 2050. To support the government's work to fight climate change and chart a course for a prosperous clean growth future:

- Budget 2021 proposes to provide $94.4 million over five years, starting in 2021-22, to Environment and Climate Change Canada to increase domestic and international capacity and action to address climate change, enhance clean tech policy capacity, including in support of the Clean Growth Hub, and to fund reporting requirements under the *Canadian Net-Zero Emissions Accountability Act*.

Returning the Proceeds from the Price on Pollution

It is no longer free to pollute in Canada. That has been the case since 2019 and it was recently reaffirmed by the Supreme Court of Canada.

Provincial and territorial governments have the option to introduce their own pollution pricing system, if that system meets the federal standard. For jurisdictions that choose not to, a federal backstop system applies—as is currently the case in Alberta, Saskatchewan, Manitoba, and Ontario.

All direct proceeds are returned to Canadians and their communities, with approximately 90 per cent going directly to people through their Climate Action Incentive payment so more money goes back into the pockets of families, while they help reduce pollution and protect our environment. In fact, the majority of families receive more money back through the Climate Action Incentive than they pay into the federal system.

- Budget 2021 proposes to change the delivery of Climate Action Incentive payments from a refundable credit claimed annually on personal income tax returns to quarterly payments made through the benefit system starting in 2022. This will deliver Canadians' Climate Action Incentive payments on a more regular basis. Further details will be announced later in 2021.

The other approximately 10 per cent has been returned back to communities, such as through small businesses, schools, and Indigenous communities in those provinces. The government will continue to return all federal proceeds from the price on pollution back to Canadian families and their communities to help them make cleaner choices and protect the environment for future generations.

Support for Farmers

Recognizing that many farmers use natural gas and propane in their operations:

- Budget 2021 announces the government's intention to return a portion of the proceeds from the price on pollution directly to farmers in backstop jurisdictions (currently Alberta, Saskatchewan, Manitoba, and Ontario), beginning in 2021-22. It is estimated farmers would receive $100 million in the first year. Returns in future years will be based on proceeds from the price on pollution collected in the prior fiscal year, and are expected to increase as the price on pollution rises. Further details will be announced later in 2021 by the Minister of Finance.
- Budget 2021 also proposes to ensure the recently expanded $165.5 million Agricultural Clean Technology program will prioritize $50 million for the purchase of more efficient grain dryers for farmers across Canada.

These initiatives will help farmers transition to lower-carbon, more fuel-efficient ways of farming.

Agricultural Climate Solutions

Farmers are major players in Canada's fight against climate change. The agricultural sector has the potential to scale up climate solutions, many of which are already underway across the country. Building on Canada's climate action programs for farmers—including the $185 million Agricultural Climate Solutions program, and the $165 million Agricultural Clean Technology Program—Budget 2021 proposes to:

- Provide an additional $200 million over two years, starting in 2021-22, to launch immediate, on-farm climate action under the Agricultural Climate Solutions program. This will target projects accelerating emission reductions by improving nitrogen management, increasing adoption of cover cropping, and normalizing rotational grazing.

- Allocate $60 million over the next two years, from the Nature Smart Climate Solutions Fund to target the protection of existing wetlands and trees on farms, including through a reverse auction pilot program.
- Allocate $10 million over the next two years, from the Agricultural Clean Technology Program toward powering farms with clean energy and moving off diesel.

Integrating Climate into Federal Decisions

The government is an important player in Canada's work to reach to net-zero emissions by 2050. Government decisions must consider climate mitigation and adaptation in a rigorous, consistent, and measurable manner.

- Budget 2021 proposes to provide $36.2 million over five years, starting in 2021-22, to Environment and Climate Change Canada to develop and apply a climate lens that ensures climate considerations are integrated throughout federal government decision-making. This includes resources to increase economic and emissions modelling capacity.

Strengthening Public Climate-related Disclosures

In order to ensure a stable and predictable transition to a low-carbon economy, markets, insurers, policy makers, and the public require standardized information about the climate-related risks and opportunities organizations face.

The Task Force on Climate-related Financial Disclosures has helped governments, central banks, public companies, financial institutions, and other organizations with consistent and comparable voluntary international disclosure standards. To give more clarity to the markets as technology advances, regulations evolve, and consumer behaviours change in the face of climate change:

- The government will engage with provinces and territories, with the objective of making climate disclosures, consistent with the Task Force on Climate-related Financial Disclosures, part of regular disclosure practices for a broad spectrum of the Canadian economy.
- Canada's Crown corporations will demonstrate climate leadership by adopting the Task Force on Climate-related Financial Disclosures standards, or according to, more rigorous, acceptable standards as applicable to the public sector at time of disclosure, as an element of their corporate reporting.
    - Canada's large Crown corporations (entities with over $1 billion in assets) will report on their climate-related financial risks for their financial years, starting in calendar year 2022 at the latest.

- Crown corporations with less than $1 billion in assets will be expected to start reporting on their climate-related financial risks for their financial years beginning in calendar year 2024 at the latest, or provide justification as to why climate risks do not have material impact on their operations.

In addition, recognizing the importance of nature, the Government of Canada is joining the Task Force on Nature-related Financial Disclosures. The Task Force is developing a framework for corporations and financial institutions to assess, manage, and report on dependencies and impacts on nature.

Furthermore, in order to make sure that Crown corporations are transparent about the issues that matter to Canadians, Budget 2021 is announcing that Crown corporations will be required to implement gender and diversity reporting, starting in 2022.

Border Carbon Adjustments

Border carbon adjustments make sure that regulations on a price on carbon pollution apply fairly between trading partners. If a different price on pollution is levied at source, the difference is accordingly applied on imports and exports between countries. This levels the playing field, ensures competitiveness, and protects our shared environment. An important part of advancing this work is ensuring a common understanding of border carbon adjustments and hearing views from interested Canadians, as well as working with Canada's international partners.

- The government intends to launch a consultation process on border carbon adjustments in the coming weeks. This consultation process will begin in the summer with targeted discussions, including with provinces and territories, importers, and exporters—especially those who deal in emissions-intensive goods. The broader public will be engaged this fall. Throughout this process, the government intends to continue its international engagement with like-minded partners.

5.4 Building Green Homes and Communities

The energy used to heat and cool buildings accounts for 13 per cent of Canada's emissions. Helping make our homes and other buildings in our communities more energy efficient not only lowers our emissions, it lowers our energy bills, too.

It is important to enhance Canada's supply and production of the materials we need to build and power highly efficient and low-emitting homes and communities.

Investments in upgrading our buildings will also create good, local jobs, including for tradespeople and skilled workers.

Building greener communities can support a clean economy and create new economic opportunities and good middle class jobs across the country.

Lower Home Energy Bills Through Interest-free Loans for Retrofits

Climate action starts at home, and deep home energy retrofits can have a big effect on emissions reduction. Whether people replace drafty windows, improve insulation to keep homes warm in winter and cool in summer, or install heat pumps, deep retrofits will help Canadians make their homes more energy efficient and can also help to better protect their homes from climate risks.

Examples of deep retrofits to make our homes greener

- Replacing oil furnaces or low-efficiency systems with a high efficiency furnace, air source heat pump, or geothermal heat pump.
- Better wall or basement insulation and/or wall or roof panels.
- Installing a high-efficiency water heater or on-site renewable energy like solar panels.
- Replacing drafty windows and doors.

These retrofits also make our homes more comfortable, reduce our energy bills, and create good middle class jobs, especially for skilled workers and tradespeople. Furthermore, it can also help spur clean growth by developing an industry for energy efficient retrofits, including the development of a Canadian supply chain for high-efficiency home renovation products.

The 2020 *Fall Economic Statement* put forward a program to provide Canadians with one million free energy audits and up to 700,000 grants, valued at up to $5,000, to complete energy efficient home improvements. To help homeowners and build on these measures:

- Budget 2021 proposes to provide $4.4 billion on a cash basis ($778.7 million on an accrual basis over five years, starting in 2021-22, with $414.1 million in future years) to the Canada Mortgage and Housing Corporation (CMHC) to help homeowners complete deep home retrofits through interest-free loans worth up to $40,000. Loans would be available to homeowners and landlords who undertake retrofits identified through an authorized EnerGuide energy assessment. In combination with available grants announced in the Fall Economic Statement, this would help eligible participants make deeper, more costly retrofits that have the biggest impact in reducing a home's environmental footprint and energy bills. This program will also include a

dedicated stream of funding to support low-income homeowners and rental properties serving low-income renters including cooperatives and not-for-profit owned housing.

The program would be available by summer 2021. It would be easily accessible through straightforward online tools, and is expected to help build Canadian supply chains for energy efficient products. It is estimated that more than 200,000 households would take advantage of this opportunity.

5.5 Adapting to Climate Change for a More Resilient Future

Climate-related disasters, such as flooding, wildfires, sea-level rise, coastal erosion, and permafrost degradation, are becoming more frequent and severe. These disasters have significant negative impacts on public safety, human health, and the economy. They can also result in costly damage to our communities.

Budget 2021 proposes a number of measures to better understand and prepare for climate-related disasters and to mitigate their impact. These measures would help make our communities safer and more resilient to a changing climate.

Strengthening Climate Resiliency

Climate change's impacts—flooding, coastal erosion, permafrost thaw, and more—put Canada's infrastructure at significant risk. This poses a threat to Canadians' health, wealth, and safety. Climate-related disasters can result in billions of dollars in disruptions, damages, and recovery costs. To ensure Canada's resilience in the face of climate change:

- Budget 2021 proposes to provide $1.4 billion over 12 years, starting in 2021-22, to Infrastructure Canada to top up the Disaster Mitigation and Adaptation Fund, to support projects such as wildfire mitigation activities, rehabilitation of storm water systems, and restoration of wetlands and shorelines.
    - Of this, $670 million would be dedicated to new, small-scale projects between $1 million and $20 million in eligible costs. In addition, 10 per cent of the total funding envelope would be dedicated to Indigenous recipients to benefit each distinctions-based group. Together, this would support projects that help small, rural, remote, northern, and Indigenous communities adapt to climate change impacts.

- In addition, Budget 2021 proposes to invest $11.7 million over five years, starting in 2021-22, through Infrastructure Canada to renew the Standards to Support Resilience in Infrastructure Program, so that the Standards Council of Canada can continue updating standards and guidance in priority areas such as flood mapping and building in the North. This would help communities to plan and build roads, buildings, and other infrastructure that is more durable and resilient to a changing climate.

Keeping Canadians Safer from Floods

Communities across Canada now face once-in-a century floods every few years due to climate change. These devastating deluges are damaging homes, businesses, and infrastructure. In fact, floods are Canada's most costly natural disaster, causing over $1 billion in direct damage annually. To make our communities safer and more resilient:

- Budget 2021 proposes to provide $63.8 million over three years, starting in 2021-22, to Natural Resources Canada, Environment and Climate Change Canada, and Public Safety Canada to work with provinces and territories to complete flood maps for higher-risk areas.

Improving Wildfire Resilience and Preparedness

Climate change is causing wildfires to become more frequent and more severe across Canada, threatening our health, economies, and wildlife. To improve our resilience to wildfires, make our communities safer, and adapt to climate change:

- Budget 2021 proposes to provide $100.6 million over five years, starting in 2021-22, with $4.7 million in remaining amortization, to the Parks Canada Agency to enhance wildfire preparedness in Canada's National Parks.
- Budget 2021 proposes to provide $28.7 million over five years, starting in 2021-22, with $0.6 million in remaining amortization, to Natural Resources Canada to support increased mapping of areas in Northern Canada at risk of wildfires. This funding would also enhance the capacity of the Canadian Interagency Forest Fire Centre, which is jointly funded in partnership with provinces and territories.

Supporting Provincial and Territorial Disaster Response and Recovery

As climate change causes increased and catastrophic flooding, droughts, wildfires, and other natural disasters, public finances at the provincial and territorial level are steadily more strained. In the event of a large scale natural disaster, the federal Disaster Financial Assistance Arrangements provide provinces and territories with the financial assistance they need to deliver the response and recovery services. To ensure provinces and territories have the capacity to keep people safe from the threats climate change poses:

- Budget 2021 proposes to provide $1.9 billion over five years, on a cash basis, starting in 2021–22, to Public Safety Canada to support provincial and territorial disaster response and recovery efforts.

Addressing Climate Change in Yukon

Climate change threatens the safety and resilience of northern infrastructure, ecosystems, and traditional ways of life. To help Yukon adapt to the impacts of climate change:

- Budget 2021 proposes to provide $25 million, in 2021-22, to the Government of Yukon to support its climate change priorities, in collaboration with Crown-Indigenous Relations and Northern Affairs Canada and Environment and Climate Change Canada.

Preserving the *HMS Erebus* and *HMS Terror*

The wrecks of *HMS Erebus* and *HMS Terror*, from the legendary and ill-fated Franklin Expedition of 1845, were discovered near Gjoa Haven, Nunavut, in 2014 and 2016, respectively. Inuit co-manage the wrecks with Parks Canada. They are some of the best-preserved wooden wrecks in the world. They contain clues that can help us unravel one of the world's greatest maritime mysteries. But reduced ice cover and increased sea swells caused by climate change are accelerating the deterioration of the *HMS Erebus*. To conserve and protect these historical treasures:

- Budget 2021 proposes to provide $15 million over three years, starting in 2021-22, to accelerate archeological and conservation work of these artifacts of international importance.

5.6 Protecting Nature

Canada is home to a quarter of the Earth's wetlands and boreal forests, 20 per cent of its fresh water, the longest coastline in the world, and a fifth of the world's remaining wilderness. We steward precious habitats for birds, fish, and animals. But many of the natural spaces and species we love are under threat from human activity and climate change.

Action is needed to conserve nature, address biodiversity loss, and protect our species at risk. Protected nature is also a critical part of Canada's plan to fight climate change. Healthy forests and oceans can absorb and store carbon. We must also take action to address plastic pollution in our water.

Budget 2021 will make sure Canada reaches its goal of conserving 25 per cent of our lands and oceans by 2025, and create good jobs in the green economy along the way.

Historic Investments in Canada's Natural Legacy

From farming, to fishing, to forestry, to tourism, millions of jobs rely on our nature. Investment in conservation is also an economic opportunity.

The Economic Challenges of the Global Biodiversity Crisis

Globally, nature is declining at unprecedented rates in human history—and the rate of species extinctions is accelerating. A 2019 report by the United Nations found that up to one million species are threatened with extinction globally. Furthermore, it found that 75 per cent of land-based environments, and 66 per cent of marine environments, have been altered by human actions.

There is a growing consensus that economies need to be aware of their dependence and impact on nature. The World Economic Forum ranks biodiversity loss as one of the top five risks to the global economy, one that could have "irreversible consequences for the environment, humankind, and economic activity, and a permanent destruction of natural capital, as a result of species extinction and/or reduction."

Sources: UN Report: Nature's Dangerous Decline 'Unprecedented'; Species Extinction Rates 'Accelerating' (2019); World Economic Forum Global Report (2020); Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services Global Assessment Report on Biodiversity and Ecosystem Services (2019).

To address the biodiversity crisis, fight climate change, and protect and create jobs:

- Budget 2021 proposes to provide $2.3 billion over five years, starting in 2021-22, with $100.5 million in remaining amortization, to Environment and Climate Change Canada, Parks Canada, and the Department of Fisheries and Oceans to:
  - Conserve up to 1 million square kilometers more land and inland waters to achieve Canada's 25 per cent protected area by 2025 target, including through national wildlife areas, and Indigenous Protected and Conserved Areas.
  - Create thousands of jobs in nature conservation and management.
  - Accelerate new provincial and territorial protected areas.
  - Support Indigenous Guardians.
  - Take action to prevent priority species at imminent risk of disappearing, including through partnerships with Indigenous peoples.

Taken together with funding provided for the Nature Legacy Initiative announced in Budget 2018, this represents the largest investment in nature conservation in Canada's history.

Natural Infrastructure Fund

When people think of infrastructure, they often think of built infrastructure—bridges, roads, or buildings. But natural infrastructure is also a critical part of making our communities livable. Local parks, green spaces, and waterfronts are our natural infrastructure. Natural infrastructure is the natural spaces and wildlife crossings that support conservation and biodiversity, and provides the wetlands and marshes that help prevent flash floods.

- Budget 2021 proposes to provide $200 million over three years, starting in 2021-22, to Infrastructure Canada to establish a Natural Infrastructure Fund to support natural and hybrid infrastructure projects. This would help to improve well-being, mitigate the impacts of climate change, and prevent costly natural events.

Natural Infrastructure Strategies in Canada

According to a report by the Greenbelt Foundation, investing in natural areas and reducing reliance on built infrastructure can help municipalities save money and mitigate the impacts of climate change. Cities across Canada are taking advantage of this opportunity and are investing in natural infrastructure, see examples below:

- The **City of Toronto's Ravine Strategy** aims to protect, manage, and enhance the ecological services and recreational opportunities provided by an urban ravine network spanning more than 300 kilometres. The strategy focuses on ravine areas with high levels of existing use and where the surrounding neighbourhoods have limited access to public or private greenspace.
- The **City of Vancouver's Rain City Strategy** uses natural solutions, such as absorbent landscaping, tree trenches, and green roofs, to prevent urban flooding and improve water quality. The strategy also aims to manage rainwater runoff from 40 per cent of impervious areas by 2050, and capture and clean 90 per cent of the city's average annual rainfall.
- The **City of Winnipeg's Parks Strategy** aims to connect people with nature, value ecological systems, promote active and outdoor living, and enhance accessibility for persons with disabilities to parks and natural spaces.
- The **City of Saskatoon's Green Strategy** aims to provide a sustainable habitat for people and nature by building up urban forests, improving ecosystem health, enhancing resiliency to natural disasters, connecting people with nature, promoting active and outdoor living, and enhancing accessibility for persons with disabilities to parks and natural spaces.
- The **City of Halifax's Green Network Plan** promotes the sustainable use of ecologically important green space, and enhances the use of land suited for outdoor recreation.
- The **City of Montreal's Vision 2030 Strategic Plan** prioritizes nature in the city, putting biodiversity, green spaces, and the management and development of natural riverside and aquatic heritage at the heart of decision-making. The plan aims to ensure that everyone has access to local parks, and includes planting trees and plants in neighbourhoods and along the riverbanks in order to protect biodiversity.

Sources: Greenbelt Foundation Occasional Papers (2019), "Investing in the Future: The Economic Case for Natural Infrastructure in Ontario" (PDF); City of Toronto (2017), Toronto Ravine Strategy (PDF); City of Vancouver (2019), "Rain City Strategy: A green rainwater infrastructure and rainwater management initiative" (PDF); City of Winnipeg (2021), Winnipeg Parks Strategy (draft) (PDF); City of Saskatoon (2021), Green Strategy; City of Halifax (2018), Green Network Plan (PDF); City of Montréal (2020), Montréal 2030: Citywide Strategic Plan (PDF).

Conserving Canada's Oceans

Canada's coastline is the longest of any country in the world and the government is committed to protecting 25 per cent of its marine and coastal areas by 2025, working towards 30 per cent by 2030. In addition to being home for whales, fish, and other marine life, oceans play a critical role in capturing carbon in the atmosphere.

Canada's marine and coastal areas also support numerous jobs, livelihoods, and communities. The blue economy in Canada contributed $36.1 billion in gross domestic product in 2018 and accounts for close to 300,000 jobs.

To help meet our conservation targets, protect against loss of marine habitat, and address the challenges of biodiversity loss and climate change:

- Budget 2021 proposes to provide $976.8 million over five years, starting in 2021–22, with $80.0 million in remaining amortization, to help Canada reach its 25 per cent by 2025 target to protect the health of our oceans, commercial fishing stocks, and Canadians' quality of life, especially in coastal communities.

Reducing Ocean Plastics that Threaten Marine Life

"Ghost gear" is commercial fishing gear that has been abandoned, lost, or discarded and is estimated to be up to 70 per cent of the plastic waste, by weight, in our oceans. It is one of the deadliest forms of marine litter around the world, pollutes our waters and coasts, endangers global fishing stocks, and poses navigation hazards. Since 2019, Canada has demonstrated international leadership in efforts to clean up ghost gear. To continue work to reduce plastic waste in our oceans:

- Budget 2021 proposes a $10 million increase, in 2021-22, to the Sustainable Fisheries Solutions and Retrieval Support Program, the "Ghost Gear Fund" at Fisheries and Oceans Canada, to assist projects that retrieve ghost gear, dispose of fishing related plastic waste, test new fishing technology, and support international efforts to decrease ghost gear. The program also contributes to job creation.

Preserving Wild Pacific Salmon

Since the early 1990s, Pacific salmon stocks have declined by up to 93 per cent. Wild Pacific salmon are facing threats from climate change, contaminants, and changes in land and water use. The protection and recovery of wild Pacific salmon stocks is a priority for the federal government. Action is needed to protect and recover this iconic species—for thousands of workers in rural and coastal communities, and hundreds of First Nations communities in British Columbia and Yukon that fish salmon for food, social, and ceremonial reasons. Building on previous investments of $246.3 million to enable salmon passage in the Fraser River following the Big Bar landslide:

- Budget 2021 proposes to provide $647.1 million over five years, starting in 2021-22, with $98.9 million in remaining amortization to Fisheries and Oceans Canada to:
  - Stabilize and conserve wild Pacific salmon populations, including through investment in research, new hatchery facilities, and habitat restoration.
  - Create a Pacific Salmon Secretariat and Restoration Centre of Expertise.
  - Improve management of commercial and recreational fisheries.
  - Double the British Columbia Salmon Restoration and Innovation Fund with an additional $100 million.
  - Further engage with First Nations and fish harvesters.

Sustainable Aquaculture Management

An updated approach to aquaculture is essential to ensure operations are sustainable, and that marine ecosystems and wild fish populations—in particular wild salmon and other species facing risk to recovery—are protected.

To help position Canada as a leader in innovative and sustainable aquaculture while protecting and rebuilding wild fish stocks, and building on the $55.5 million recently provided to the Sustainable Aquaculture Program:

- Budget 2021 proposes to provide $20 million over two years to Fisheries and Oceans Canada to expand engagement with the Province of British Columbia, Indigenous communities, industry, scientists, and other stakeholders. This consultation would inform the development of a responsible plan to transition from open net-pen salmon farming in coastal British Columbia waters by 2025.

- In addition, Budget 2021 also proposes to invest $3 million over two years to pilot area based management approaches to planning, management, and monitoring of aquaculture activities in priority areas on the B.C. coast—leading the way in developing aquaculture practices that are economically, environmentally, and socially sustainable.

Developing the Canada Water Agency

The Prairie Farm Rehabilitation Administration was created in 1935 when farmers were facing a period of long, severe drought. For nearly 75 years it assisted Western Canadian farmers, supporting water conservation and irrigation projects. Its closure in 2009 created a gap as Canada lost an important tool to manage its waters. Since then, water management has become a broader issue connected to climate change, conservation, and the health of Canadians. To fill this gap and begin work towards the launch of a new Canada Water Agency that would keep our water safe, clean, and well managed:

- Budget 2021 proposes to provide $17.4 million over two years, starting in 2021-22, to Environment and Climate Change Canada to support work with the provinces, territories, Indigenous peoples, and key stakeholders on the scope of the agency's mandate, including identifying opportunities to build and support more resilient water and irrigation infrastructure. The agency would be headquartered outside the National Capital Region.

Better Understanding Our Environment

The government is committed to building a robust foundation of data to better understand the impacts of climate change and protect our diverse ecosystems. To increase our knowledge of Canada's environment, ecosystems, and species, and their relationship to local communities, the government plans to undertake Canada's first-ever Census of the Environment.

- Budget 2021 proposes to provide $25.6 million over five years, starting in 2021-22, and $5.8 million per year ongoing to Statistics Canada, and $1.9 million over five years, starting in 2021-22, and $0.3 million per year ongoing to Environment and Climate Change Canada to create a Census of the Environment to help monitor environmental trends and better inform decision-making.

Support for the Polar Continental Shelf Program

For over 50 years, the Polar Continental Shelf Program has enabled research across Canada's Arctic. Scientific interest in this important ecosystem has increased in recent years, as has the cost of basic supplies and logistical infrastructure.

- Budget 2021 proposes to provide $25.4 million over three years, starting in 2021-22, with $5.7 million in remaining amortization, to Natural Resources Canada to support pan-Arctic scientific research through the Polar Continental Shelf Program. These activities would also enhance employment and training opportunities for Indigenous people and northerners.

Continuing Canada's Chemicals Management Regime

The Chemicals Management Plan was created in 2006 to assess chemicals used in Canada and take action on those found to be harmful. To renew the Chemicals Management Plan and continue to protect Canadians and the environment from exposure to chemicals that can be harmful:

- Budget 2021 proposes to provide $476.7 million over five years, starting in 2021-22, with $0.9 million in remaining amortization, to Environment and Climate Change Canada, Health Canada, and the Public Health Agency of Canada.

Chapter 5

A Healthy Environment for a Healthy Economy

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
5.1. Growing our Net-zero Economy	**0**	**80**	**171**	**147**	**136**	**146**	***678***
Propelling Clean Tech Projects	0	19	58	58	58	58	*250*
Growing Zero-emission Technology Manufacturing	0	1	10	10	10	15	*46*
Accelerating Investment in Clean Energy Technologies	0	14	22	30	34	42	*142*
Enhancing Canada's Supply of Critical Minerals	0	11	19	17	0	0	*46*
Charging and Fueling Zero-emission Vehicles	0	4	12	14	13	13	*56*
Federal Clean Electricity Fund	0	0	1	5	5	5	*15*
Reducing Transportation and Landfill Emissions	0	19	22	21	22	21	*105*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-7*	*-7*	*-7*	*-7*	*-7*	*-37*
Investing in the Forest-based Bio-economy	0	20	35	0	0	0	*55*
5.2. Investing in our Clean Energy Future	**0**	**133**	**452**	**470**	**463**	**425**	***1,943***
Advancing Carbon Capture, Utilization, and Storage Technologies	0	20	50	50	50	50	*220*
Tax Incentive for Carbon Capture, Utilization, and Storage	*Final costing pending consultation*						
Cleaner Fuels for a Cleaner Environment	0	10	10	10	10	10	*48*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-4*	*-4*	*-4*	*-3*	*-3*	*-20*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Supporting the Production and Use of Clean Fuels[1]	0	82	372	378	376	338	*1,546*
Low-Carbon Fuel Procurement Program	0	0	0	11	31	31	*73*
Supporting the CleanBC Centre for Innovation and Clean Energy	0	1	6	9	11	9	*35*
Less: Funds Sourced From Existing Departmental Resources	0	-1	-6	-9	-11	-9	*-35*
Investing in Clean Energy in Northern and Indigenous Communities	0	25	25	25	0	0	*76*
5.3. Advancing Canada's Climate Plan	**0**	**115**	**119**	**20**	**20**	**20**	***295***
Steering Canada's Strengthened Climate Plan	0	19	19	19	19	19	*94*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-7*	*-7*	*-7*	*-7*	*-7*	*-34*
Agricultural Climate Solutions	0	100	100	0	0	0	*200*
Integrating Climate into Federal Decisions	0	5	7	8	8	8	*36*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-2*	*0*	*0*	*0*	*0*	*-2*
5.4. Building Green Homes and Communities	**0**	**90**	**131**	**221**	**163**	**174**	***779***
Lowering Home Energy Bills through Interest-free Loans for Retrofits	0	90	131	221	163	174	*779*
5.5. Adapting to Climate Change for a More Resilient Future	**0**	**62**	**77**	**145**	**186**	**303**	***774***
Strengthening Climate Resiliency	0	5	33	100	169	287	*593*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Keeping Canadians Safer from Floods	0	16	24	24	0	0	*64*
Improving Wildfire Resilience and Preparedness	0	22	26	27	27	27	*129*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-11*	*-11*	*-11*	*-11*	*-11*	*-53*
Supporting Provincial and Territorial Disaster Response and Recovery	0	0	0	0	0	0	*0*
Addressing Climate Change in Yukon	0	25	0	0	0	0	*25*
HMS Erebus and HMS Terror	0	5	5	5	0	0	*15*
5.6. Protecting Nature	**0**	**605**	**868**	**985**	**869**	**807**	***4,133***
Historic Investments in Canada's Natural Legacy	0	457	542	544	480	473	*2,497*
Less: Funds Sourced From Existing Departmental Resources	0	-153	-224	-3	-3	-3	*-386*
Conserving Canada's Oceans	0	158	290	196	243	199	*1,086*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-32*	*-30*	*-16*	*-16*	*-16*	*-109*
Reducing Ocean Plastics that Threaten Marine Life	0	10	0	0	0	0	*10*
Preserving Wild Pacific Salmon	0	35	158	149	158	147	*647*
Sustainable Aquaculture Management	0	12	12	0	0	0	*23*
Developing the Canada Water Agency	0	9	8	0	0	0	*17*
Better Understanding Our Environment	0	4	5	6	6	6	*27*
Support for the Polar Continental Shelf Program	0	7	9	9	0	0	*25*
Continuing Canada's Chemicals Management Regime	0	159	159	159	0	0	*477*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-61*	*-61*	*-61*	*0*	*0*	*-182*
Additional Investments – A Healthy Environment for a Healthy Economy	**0**	**90**	**47**	**9**	**1**	**1**	***149***
Replacing Lost Revenue at Parks Canada due to COVID-19	0	72	0	0	0	0	*72*
Funding proposed for the Parks Canada Agency to continue to replace future lost visitor revenues due to closures and restrictions at national parks, national marine conservation areas, and national historic sites as a result of COVID-19 restrictions.							
Continuing to Protect Canada's Oceans	0	2	0	0	0	0	*2*
Funding proposed for Fisheries and Oceans Canada to support the Canadian Coast Guard Auxiliary Chapter in the Arctic and the Indigenous Community Boat Volunteer Pilot Program, which helps Indigenous coastal communities in the Arctic purchase boats and water safety equipment. These programs improve the safety of oceans and waterways by ensuring communities can effectively respond to marine emergencies.							
Lake of the Woods	0	2	0	0	0	0	*2*
Funding proposed for Environment and Climate Change Canada to maintain research and monitoring activities and to develop phosphorus pollution reduction targets in Lake of the Woods, located between Ontario and Manitoba. This will allow the federal government to continue its efforts to address toxic algae in the Lake.							
Renewing the Clean Growth Hub and Clean Technology Data Strategy	0	8	8	8	0	0	*24*
Funding proposed for Innovation, Science and Economic Development and Natural Resources Canada to renew Canada's single source window to streamline client services and improve federal program coordination and reporting on clean technology results across government. Funding proposed to also enable continued generation and dissemination of data necessary to understanding how the Canadian clean technology sector is being affected by the cumulative impact of clean growth initiatives and global circumstances.							
Interim Capital Asset Program Capacity Funding for Parks Canada	0	0	35	0	0	0	*35*
Funding proposed for the Parks Canada Agency to maintain its internal capacity to manage its capital assets.							
Learning to Camp	0	3	3	3	3	3	*13*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-1*	*-1*	*-1*	*-1*	*-1*	*-7*
Funding proposed for the Parks Canada Agency to continue an expanded Learn to Camp program to provide Canadians with the skills and experience needed to fully enjoy the great Canadian outdoors.							

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Continuing Ballast Water Management	0	2	2	0	0	0	*5*
Funding proposed for Transport Canada to continue the Canadian Ballast Water Program, which is responsible for administering and enforcing ballast water regulations. The program helps protect Canada's marine environments from potentially invasive aquatic species. Funding will also support the introduction of new ballast water regulations.							
Continuing Tanker Safety Inspections	0	3	0	0	0	0	*3*
Funding proposed for Transport Canada to continue the Tanker Safety Inspection Program, which inspects every foreign tanker vessel on its first arrival at a Canadian port and annually thereafter. The program helps protect Canadian marine environments against hazardous material spills or leaks.							
Chapter 5 - Net Fiscal Impact	***0***	***1,175***	***1,865***	***1,997***	***1,837***	***1,877***	***8,750***

Note: Numbers may not add due to rounding

[1] Announced in December 2020.

Chapter 6
Strengthening the Cities and Communities We Call Home

Strong and resilient cities, towns, and communities are the backbone of a strong economy and a growing middle class.

Cities, towns, and communities have been hard-hit by COVID-19. High infection rates have put many under public health restrictions for over a year.

As Canadians begin the work of building back better together, the government has a plan to develop more prosperous, inclusive, healthy, and vibrant communities across Canada. This includes investing in economic development in every corner of the country, supporting sectors like tourism, arts, and culture that have been disproportionately affected by lockdowns and travel restrictions, and working with provincial, territorial, and municipal governments to address longstanding challenges that predate the pandemic, such as affordable housing and aging infrastructure.

6.1 A Place to Call Home

High housing costs, especially in urban centres, continue to place middle class and low-income Canadians under huge financial pressure. For some, high housing costs have become a barrier to pursuing promising opportunities in a new community. Housing unaffordability can even lead to homelessness. As of 2018, more than 1.6 million Canadian households live in core housing need.

Combined with some constraints on housing inventory caused by COVID-19, the low interest rate environment has contributed to a recent surge in housing prices in a number of communities. It is more urgent than ever that the government take action to make housing more affordable.

The government is taking action on several fronts to alleviate this pressure, including proposing a tax on underused housing to support investments in housing affordability (Chapter 10), investments in public transit that will help local governments unlock more housing supply (section 6.4), and historic investments in early learning and child care to make life more affordable for young families (Chapter 3). It is also investing to build greener homes and boost Canadian supply chains (Chapter 5).

In addition, earlier this month, the Superintendent of Financial Institutions restarted consultations on the minimum qualifying rate for uninsured mortgages. This would help to ensure that borrowers are able to make their mortgage payments. Maintaining the health and stability of Canada's housing

market is essential to protecting middle class families and to Canada's broader economic recovery. Stable housing is critical for communities and for a strong middle class.

That's why the government has a plan to invest $2.5 billion, and reallocate $1.3 billion in existing funding to speed up the construction, repair, or support of 35,000 affordable housing units. This will help families, young people, low-income Canadians, people experiencing homelessness, and women and children fleeing violence find a safe and affordable place to call home. And the government will ensure these projects meet the energy efficiency requirements set out under the National Housing Strategy, which will reduce their carbon footprints and reduce families' energy bills.

More Affordable Housing

The COVID-19 recession has widened gaps in Canadians' access to housing. These gaps, if not addressed, could deepen cleavages in our communities and exacerbate social inequalities. By contrast, investments in affordable housing can act fast to create jobs and prosperity.

Furthermore, investments to make housing more affordable for the most vulnerable, coupled with measures to limit foreign speculation in the housing market, will help ensure that our economic recovery is an inclusive one that helps more people join the middle class. Access to affordable homes will give more Canadians opportunities to find better jobs and create better futures.

After years of inaction, the government restored support for the construction of affordable housing in 2017, recognizing that these are vital investments.

To help Canadians find affordable housing, spur job creation and local economic recovery, alleviate cost pressure in the housing market overall, and grow the middle class:

- Budget 2021 proposes to provide an additional $2.5 billion over seven years, starting in 2021-22, to the Canada Mortgage and Housing Corporation, including:
    - An additional $1.5 billion for the Rapid Housing Initiative in 2021-22 to address the urgent housing needs of vulnerable Canadians by providing them with adequate affordable housing in short order. At least 25 per cent of this funding would go towards women-focused housing projects, and units would be constructed within 12 months of when funding is provided to program applicants. Overall, this new funding will add a minimum of 4,500 new affordable units to Canada's housing supply, building on the 4,700 units already funded in the 2020 *Fall Economic Statement* through its $1 billion investment.

- $600 million over seven years, starting in 2021-22, to renew and expand the Affordable Housing Innovation Fund, which encourages new funding models and innovative building techniques in the affordable housing sector. To date, this program has committed funding to support the creation of over 17,600 units, including more than 16,300 affordable housing units and units for persons with accessibility challenges. This new funding will support the creation of up to 12,700 more units, bringing the total to over 30,000 units.
- $315.4 million over seven years, starting in 2021-22, through the Canada Housing Benefit, to increase direct financial assistance for low-income women and children fleeing violence to help with their rent payments.
- $118.2 million over seven years, starting in 2021-22, through the Federal Community Housing Initiative, to support community housing providers that deliver long-term housing to many of our most vulnerable.

In addition to these new investments, Budget 2021 proposes to advance and reallocate $1.3 billion, on a cash basis, of previously announced funding, including:

- $750 million in funding under the National Housing Co-Investment Fund, which is proposed to be advanced to 2021-22 and 2022-23. This will accelerate the creation of 3,400 new units, and the repair of 13,700 units.
- $250 million in funding under the National Housing Co-Investment Fund, which will be allocated to support the construction, repair, and operating costs of an estimated 560 units of transitional housing and shelter spaces for women and children fleeing violence. This targeted funding is being reallocated—including advancing $200 million to 2021-22 and 2022-23—to make sure the government delivers on its commitments, and reinforces the government's efforts to address gender-based violence, including the measures outlined in the forthcoming National Action Plan to End Gender-Based Violence (more details in Chapter 9).
- $300 million in funding in 2021-22 and 2022-23 from the Rental Construction Financing Initiative, which will be allocated to support the conversion of vacant commercial property into housing. As the demand for retail and office space has changed due to COVID, some landlords, particularly in major urban cores, are facing higher vacancies. This is an opportunity for property owners and communities to explore converting excess space into rental housing, enhancing the livability and affordability of urban communities. This funding will explore this new approach to development and target the conversion of excess commercial property space into 800 units of market-based rental housing.

Table 6.1

Units Supported Under Select National Housing Strategy Programs

Select National Housing Strategy Funding Programs	Supported since 2017	Supported through Budget 2021
Rapid Housing Initiative	4,700	4,500
Affordable Housing Innovation Fund	17,600	12,700
National Housing Co-Investment Fund, excluding shelters	12,400 new 65,900 repaired	3,400 new 13,700 repaired
National Housing Co-Investment Fund, shelters	800 new 150 repaired	560
Rental Construction Financing Initiative	24,900	800
Total (new or repaired)	**126,450**	**35,660**

Note: Units supported through Budget 2021 under the National Housing Co-Investment Fund and Rental Construction Financing Initiative are not incremental; they represent a reallocation of existing funding, as described above.

The government also recognizes that access to safe and sustainable housing can be particularly challenging in the North.

- Budget 2021 proposes to provide $25 million, in 2021-22, to the Government of the Northwest Territories to address housing priorities. Funding will support the construction of 30 new public housing units across the Territory.
- Budget 2021 proposes to provide $25 million, in 2021-22, to the Government of Nunavut to support the Territory's short-term housing and infrastructure needs including priority redevelopment and refurbishment projects resulting in approximately 100 new housing units.

National Housing Strategy

In 2017, the federal government announced Canada's first ever National Housing Strategy: a ten-year plan to help improve the affordability, availability, and quality of housing for Canadians.

The strategy prioritizes support for the most vulnerable people in society, including young adults, seniors, Indigenous peoples, those dealing with mental health and addiction issues, and women and children fleeing violence.

At least 25 per cent of National Housing Strategy investments are committed to support projects that specifically target the unique needs of women and their children. The government remains committed to eliminating chronic homelessness.

The Government of Canada is currently on track to deliver over $70 billion by 2027-28 to help more Canadians find a place to call home. This covers a wide range of investments, including:

- Over $15 billion in joint funding with provinces and territories directed towards community housing, households in need through the Canada Housing Benefit, and support for provincial and territorial housing priorities related to repair, construction, and affordability.
- Over $10 billion in support of community and social housing.
- Nearly $3 billion for Reaching Home: Canada's Homelessness Strategy.
- Over $1 billion to improve home ownership options, including through the First-Time Home Buyer Incentive.
- Over $40 billion to support new construction and repair of affordable housing. As of December 2020, over $11.5 billion of this funding had been committed, which will support the creation of over 58,900 new units and the repair of over 68,000 units.

Of the overall $70 billion in National Housing Strategy funding, over $25 billion has been committed as of December 2020.

Ending Homelessness

COVID-19 has exacerbated many of the hardships faced by Canadians experiencing homelessness and housing insecurity. Many have had to choose between the harsh cold of the streets or the risk of an outbreak in shelters.

Since 2019, the government has launched more than 1,200 projects to support Canadians experiencing homelessness. Through the pandemic the government has more than doubled funding for Reaching Home: Canada's Homelessness Strategy. But more work needs to be done if we are to make sure no one in Canada is without a place to call home. Given the progress that has been made, and its commitment to do more, the government is now focused on entirely eliminating chronic homelessness in Canada.

- Budget 2021 proposes to provide an additional $567 million over two years, beginning in 2022-23, to Employment and Social Development Canada for Reaching Home. This would maintain the 2021-22 funding levels announced in the *Fall Economic Statement* in response to the pressures of COVID-19.

Every year, thousands of veterans access emergency shelters. After their service, every veteran deserves a home.

- Budget 2021 proposes to provide $45 million over two years, beginning in 2022-23, for Employment and Social Development Canada to pilot a program aimed at reducing veteran homelessness through the provision of rent supplements and wrap-around services for homeless veterans such as counselling, addiction treatment, and help finding a job.

Figure 6.1
Federal National Housing Strategy Initiatives and Investments Committed Before Budget 2021



6.2 Restoring Tourism, Arts, Culture, and Sport

From the Calgary Stampede, to the Stratford Festival, to the Toronto Caribbean Carnival, to Halifax Pride, to Montréal Just for Laughs—the festivals, local cultural celebrations, concerts, exhibits, and live shows that draw us together, tell our stories, and reinforce our cultural diversity have been severely affected by the pandemic.

Restrictions on gatherings likewise mean that we have not been able to play many of the sports we love, watch the talent of our competitive athletes at live events, or take part in the amateur tournaments that many Canadians and their families work so hard towards.

Cultural experiences and sport are central to our well-being and although Canadians have forgone them out of safety, the many workers and organizations in the sector have faced significant difficulties.

The tourism industry has been especially hard hit by the pandemic recession and for some regions of the country, especially Atlantic Canada, the impacts have been significant. Reductions in flights have compounded the impacts.

As part of its plan to support the air sector, the government is committed to supporting the return of regional routes across the country in a way that continues to prioritize the health, safety, and security of all Canadians.

As the public health situation improves, the government expects to see the return of those routes back to the Atlantic provinces, who have worked hard to protect Atlantic Canadians. When the resumption of travel is safe, tourism in New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador will be particularly important to those economies.

Federal emergency support programs have provided support to businesses and workers across the tourism, arts, and culture sectors. To date, businesses and non-profit organizations in these sectors have received an estimated $15.4 billion in support to pay workers through the Canada Emergency Wage Subsidy, support for rent and mortgages through the Canada Emergency Commercial Rent Assistance, the Canada Emergency Rent Subsidy, and Lockdown Support, as well as support for small businesses through the Canada Emergency Business Account.

The government's plan will support our economic recovery, restoring and creating jobs in these sectors, drawing visitors to towns and cities across the country, and unleashing spending that stimulates local economies.

Revitalizing Tourism

The impact of COVID-19 on workers and businesses in tourism, arts, and culture has been severe.

With the rollout of vaccines underway, businesses in the tourism, arts, and culture sectors are getting ready to welcome Canadians back to experience the great places and activities this country has to offer—when it is safe to do so. Canadians are also eager to return to the local festivals and places they know and love.

To assist the sectors' recovery, the government proposes to make available a further package of supports, totalling $1 billion over three years, starting in 2021-22.

Major Festivals

Canada's major festivals not only showcase the best of Canadian culture and talent—they also create thousands of jobs for vendors, technicians, production crews, and more. To support Canada's world-class arts and cultural festivals that have drawn millions of visitors from all over the world to Canada:

- Budget 2021 proposes to invest $200 million through the regional development agencies to support major festivals. This would ensure they can continue to celebrate our artistic excellence and unique character.

Community Festivals and Events

To support Canada's many local festivals, celebrations, and amateur sport events that draw visitors to our communities:

- Budget 2021 proposes to invest $200 million through Canadian Heritage to support local festivals, community cultural events, outdoor theatre performances, heritage celebrations, local museums, amateur sport events, and more.

Helping Visitors Discover Canada

To ensure that Canada is a destination of choice when domestic and international travel is once again safe:

- Budget 2021 proposes to provide $100 million to Destination Canada for marketing campaigns to help Canadians and other visitors discover and explore the country.

Support for Local Tourism Businesses

Recognizing the impact COVID-19 has had on tourism businesses and that even as economies open, business and international travel will take time to recover:

- Budget 2021 proposes to establish a $500 million Tourism Relief Fund, administered by the regional development agencies. The Fund will support investments by local tourism businesses in adapting their products and services to public health measures and other investments that will help them recover from the pandemic and position themselves for future growth.

These measures would be complemented by other Budget 2021 announcements, such as measures to support safe air travel (see section 1.6 in Chapter 1), and the expansion of the Canada Small Business Financing Program (see section 4.2 in Chapter 4).

Supporting Canada's Active Recovery

Canadians of all ages have sacrificed time on the field, at the park, and on the ice to keep each other safe. Young Canadians, in particular, have missed out on the chance to learn new skills and make memories with their teammates. Sports and physical activity play a critical role in our mental health and in the social and economic revitalization of our communities. To get Canadians moving again when it is safe to do so:

- Budget 2021 proposes to provide $80 million over two years, starting in 2021-22, to Canadian Heritage to remove barriers to participation in sports programming and to help community organizations kick-start local organized sports that are accessible to all.

Supporting Canada's Arts, Culture, Heritage, and Sport Organizations and Workers

Across Canada, the organizations that host artistic, heritage, and sport events and exhibits have been among the hardest hit during the pandemic, and many Canadian artists and cultural workers have struggled to find work.

Before the pandemic began, an estimated 410,000 Canadians worked in the arts, entertainment, and recreation industries in February 2020, but that number fell drastically throughout the following year (Chart 6.1).

Chart 6.1
Employment Change (%), February 2021 Compared to February 2020



Source: Statistics Canada, Labour Force Survey.

With reduced revenues, many heritage, arts, and sport organizations run the risk of not surviving through to the other side of the pandemic without additional support. In the *Fall Economic Statement*, the government committed to provide over $180 million in 2021-22 to support artists and live events. This funding builds on the Emergency Support Fund for Cultural, Heritage and Sport Organizations announced in May 2020, approximately $225 million of which was used to support over 6,000 cultural organizations, arts and heritage institutions, music producers, sport organizations, and artists across Canada in 2020-21.

Supporting the Recovery of Arts, Culture, Heritage and Sport Sectors

To promote recovery from the pandemic for heritage, arts, and sport sectors that contribute so much to the cultural life of Canada:

- Budget 2021 proposes to provide $300 million over two years, starting in 2021-22, to Canadian Heritage to establish a Recovery Fund for Heritage, Arts, Culture, Heritage and Sport Sectors.

Supporting Performing Arts and Community Events

To support the performing arts festivals and community-based cultural events, celebrations, and commemorations that make our communities stronger:

- Budget 2021 proposes to provide $49.6 million over three years, starting in 2021-22, to Canadian Heritage for the Building Communities Through Arts and Heritage Program ($14 million over two years, starting in 2022-23), the Canada Arts Presentation Fund ($16 million over two years, starting in 2022-23), and the Celebration and Commemoration Program ($19.6 million over three years, starting in 2021-22).

Supporting Musicians and Music Venues

To help Canadian musicians, concert venues, producers, and distributors:

- Budget 2021 proposes to provide $70 million over three years, starting in 2021-22, to Canadian Heritage for the Canada Music Fund. This includes up to $50 million in 2021-22 to help the live music sector, including music venues, weather the pandemic.

Making Cultural Spaces Safe During COVID-19

To help arts and heritage institutions upgrade their facilities to meet public health guidelines:

- Budget 2021 proposes to provide $15 million in 2021-22 to Canadian Heritage for the Canada Cultural Spaces Fund.

Supporting the National Arts Centre

The National Arts Centre (NAC) is Canada's home for the performing arts. It is the largest bilingual performing arts centre in Canada and nurtures the next generation of artists and audiences. Due to COVID-19, cancelled performances and events have had a major impact on the NAC, resulting in significant revenue loss. The NAC plays a vital role in the career of many performing artists, singer-songwriters, dancers, playwrights, choreographers, actors, and directors from across the country.

- Budget 2021 proposes to provide $17.2 million in 2021-22 to the National Arts Centre to address financial pressures caused by COVID-19 and to ensure the NAC will continue to support artists and celebrate Canadian culture.
- Budget 2021 also proposes to provide $6 million over two years, starting in 2021-22, to the National Arts Centre to support collaborations with equity deserving groups to help relaunch the performing arts sector.

Supporting Canadian TV and Film Productions through COVID-19

In September 2020, to support Canadian television and film productions interrupted by the pandemic, the government announced a $50 million Short-Term Compensation Fund.

In February 2021, the government extended the fund into 2021-22 and doubled the funding to up to $100 million so that, during the peak spring and summer production period this year, filmmakers and producers have access to this critical backstop that reduces the financial risk productions face amidst ongoing COVID-19 shutdowns.

The fund is administered by Telefilm Canada and will support the resilience of this important $9.3-billion industry and help maintain well over 150,000 jobs for the industry's artists and workers.

Investing in Telefilm Canada

The shift to digital media is changing the landscape for Canadian film and television production and increasing global competition for online streaming content. To make sure Canadian film tells the story of all of Canada's diverse peoples and reaches audiences all over the world:

- Budget 2021 proposes to provide $105 million over three years, starting in 2021-22, for Telefilm Canada to modernize its current suite of programs to provide better access to a diverse range of creators and producers, support green practices, and respond to increasing digitization in the audiovisual industry.

Encouraging Diverse Voices in Canadian TV and Film

To provide opportunities for equity deserving creators to build skills and experience, and to support greater diversity in top-tier productions:

- Budget 2021 proposes to provide $60 million over three years, starting in 2021-22, to the Canada Media Fund to increase support for productions led by people from equity deserving groups working in the Canadian audiovisual industry.

Support for the Canadian Broadcasting Corporation / Radio-Canada

Like many media organizations, during the pandemic the CBC/Radio-Canada has experienced declining advertising revenues that threaten its capacity to continue delivering public television and radio programs. To support Canada's public broadcaster, the CBC/Radio-Canada, and ensure it can continue to report local and national news in both official languages:

- Budget 2021 proposes to provide $21 million in 2021-22 as immediate operational support to the CBC/Radio-Canada. This funding will ensure its stability during the pandemic and enable it to continue providing news and entertainment programming that keeps Canadians informed.

Support for the Canadian Book Industry

Canada has given the world some of the best stories, told by some of the best authors. Novels about an orphan on PEI, Mennonite towns in Manitoba, young Black immigrants in the Arctic, or life on a reserve in Northern B.C. draw the world into uniquely Canadian landscapes and export our diverse perspectives. Biographies, histories, and non-fiction that critique Canadian society make sure that a faithful record of the Canadian experience is kept.

Canadian book publishers and booksellers make sure Canadian stories get told and shared with the world. With the rise of e-commerce giants, investment is needed to help Canadian books find their way into the hands of readers.

- Budget 2021 proposes to provide a total of $39.3 million over two years, starting in 2021-22, to Canadian Heritage to support the Canadian book industry. This includes $32.1 million over two years, starting in 2021-22, to help bookstores increase online sales and $7.2 million in 2021-22 to promote Canada's book industry at the Frankfurt Book Fair, the world's largest trade fair for books.

Protecting Canada's Historic Places

From coast to coast to coast, Canada is home to a rich portfolio of historic places across the country. Canadians expect their governments to protect Canada's historic places so that they can be enjoyed and preserved for future generations. But currently, there is no legal obligation to protect the heritage value of many of the over 300 federally-owned historic places in Canada.

- Budget 2021 proposes to provide $28.7 million over five years, starting in 2021-22, and $5.8 million ongoing, for the Parks Canada Agency to implement new legislation that, if enacted, would provide for a transparent designation framework as well as the sustainable protection of the over 300 federally-owned historic places.

Memorial to the Victims of Communism

Commemorative monuments are built to reflect the values, identity, history, and character of Canada. The Memorial to the Victims of Communism will recognize Canada as a place of refuge for people fleeing injustice and persecution and honour the millions who have suffered under communist regimes. The memorial is currently under construction in Canada's National Capital Region and needs additional funding in order to be completed.

- Budget 2021 proposes to provide $4 million in 2021-22 to Canadian Heritage to support the completion of the Memorial to the Victims of Communism.

6.3 Building Stronger Communities

Canada's charities, non-profits, social enterprises, and other organizations provide vital services to our communities, including to the most vulnerable members of Canadian society. They work constantly to address hunger, improve socioeconomic outcomes for diverse Canadians, and keep communities connected and informed.

These organizations have provided essential services during the COVID-19 pandemic but they have also faced hardship. The Government of Canada is committed to providing them with temporary support. As we navigate our recovery, we must also bolster Canada's thriving social sector so that we can build healthy, resilient, and inclusive communities across the country.

Helping Charities, Non-profits, and Social Purpose Organizations Grow

Communities across Canada face complex social, economic, and environmental challenges—many of which have been deepened by the COVID-19 crisis. Thousands of charities, non-profits, co-operatives, and other social purpose organizations are committed to addressing these challenges directly at the community level. During the pandemic, many have seen demand for their services surge while watching their revenues plummet.

The sector employs over 611,000 people, many of whom are women, Black and racialized Canadians, young people, newcomers, and others who have been disproportionately affected by the pandemic. These organizations have

invaluable on-the-ground knowledge of their communities' needs and provide much-needed community and social support. They are key partners in our work to reopen and rebuild our communities.

Social finance is about mobilizing private capital to bring about public good. To support the growth of social finance in Canada, strengthen our social sector, ensure our most vulnerable can access much-needed services, and help our communities recover more quickly:

- The government is proposing to launch planned disbursements of the $755 million Social Finance Fund and deploy up to $220 million over its first two years. It is estimated that the Social Finance Fund could attract up to $1.5 billion in private sector capital to support the development of the social finance market, create thousands of new jobs, and drive positive social change.

To ensure charities, non-profits, and social purpose organizations have the skills and capacity needed to access social finance opportunities:

- Budget 2021 proposes to renew the Investment Readiness Program for $50 million over two years, starting in 2021-22. This program supports charities, non-profits, and social purpose organizations in capacity-building activities such as business plan development, expanding products and services, skills development, and hiring.

Supporting Community Service Organizations

A majority of the workers in the charity and non-profit sector are women. This sector has been significantly affected by the pandemic, causing further impacts on the she-cession. The effects have been especially significant for small and rural charities, whose ability to raise funds has been severely impacted even as the pressures for their services have grown.

Recent research from Imagine Canada suggests that as of late 2020, the average charity has reported a revenue decline of 16 per cent. Since the pandemic began, community service non-profit and charitable organizations have struggled to provide the fitness, children's programs, seniors programs, and community building projects that Canadians rely on. These organizations have not been able to easily adapt and transition to remote work and online programming, which has made it hard for workers and left a gap in our communities, at a time when demand is higher.

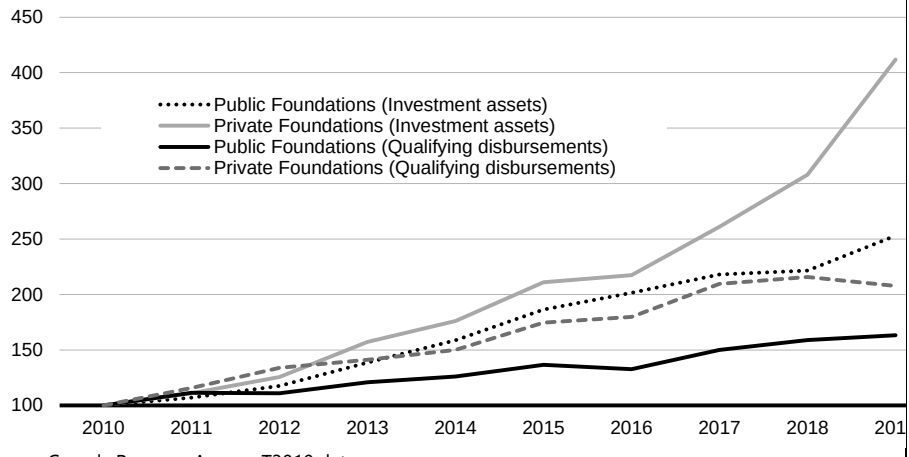
- Budget 2021 proposes to provide $400 million in 2021-22 to Employment and Social Development Canada to create a temporary Community Services Recovery Fund to help charities and non-profits adapt and modernize so they can better support the economic recovery in our communities.

Boosting Charitable Spending in Our Communities

Every year, charities are required to spend a minimum amount on their charitable programs or on gifts to qualified donees. This is known as the "disbursement quota" and it ensures that charitable donations are being invested into our communities.

While most charities meet or exceed their disbursement quotas, a gap of at least $1 billion in charitable expenditures in our communities exists today. Furthermore, growth in the investment assets of foundations has increased significantly in recent years. In 2019, charitable foundations held over $85 billion in long-term investments. But grant-making and other charitable activities have not kept pace.

Chart 6.2
Growth in Investment Assets and Qualifying Disbursements
Index, 2010 = 100



Source: Canada Revenue Agency T3010 data.

- Budget 2021 proposes launching public consultations with charities over the coming months on potentially increasing the disbursement quota and updating the tools at the Canada Revenue Agency's disposal, beginning in 2022. This could potentially increase support for the charitable sector and those that rely on its services by between $1 billion and $2 billion annually.

Consulting on a New Canadian Social Bond

Social bonds are an opportunity to connect socially conscious investors with Government of Canada bonds that support social objectives such as reducing homelessness and improving access to high-quality early learning and child care.

- Budget 2021 proposes to explore the potential for social bonds to complement the government's existing debt program. The government intends to include this topic as part of the Debt Management Strategy consultations this fall.

Improving Food Security

At the height of lockdowns last spring, one in seven Canadians experienced food insecurity. Food Banks Canada reported a significant increase in use of food banks, especially among first-time users. The federal government responded quickly, investing nearly $250 million to support local hunger relief initiatives.

Although things have improved, food bank lineups are still long, community food organizations are working long hours, and more than a third of those who rely on food banks are children. In Canada, no one should need to go hungry. To provide continued support to emergency hunger relief organizations:

- Budget 2021 proposes to provide $140 million in 2021-22 to top up the Emergency Food Security Fund and Local Food Infrastructure Fund, which would prevent hunger, strengthen food security in our communities, and provide nutritious food to more Canadians.

6.4 Jobs and Growth Through Infrastructure Investments

Public transit, bridges, roads, broadband networks, electricity grids, recreational centres, bike paths, and more are central to the daily life of every Canadian. Infrastructure is what keeps people moving and what keeps our economy growing.

The government has accomplished a great deal in building and renewing Canada's major infrastructure since 2016. But more needs to be done to build up our communities and ensure our economy has the 21st century infrastructure we need to be competitive.

Budget 2021 lays out the government's plan to revitalize Canada's infrastructure, to invest in community priorities, and to build projects that contribute to a clean environment and create good middle class jobs.

Permanent Public Transit Fund

Reliable and accessible public transit gives people faster, cheaper, and cleaner ways of getting around. Investing in it today will create good middle class jobs, reduce air pollution, help local economies grow, and improve Canadians' quality of life.

On February 10, 2021, the government announced $14.9 billion over eight years, starting in 2021-22, for public transit projects across Canada. This included new permanent funding of $3 billion per year for communities across Canada, beginning in 2026-27.

This funding will support new subway lines, light-rail transit and streetcars, electric buses, active transportation infrastructure, and improved rural transit, which will create affordable commuting options in communities and reduce Canada's emissions. It will also provide local governments with the predictable transit funding they need to plan ahead so Canada can keep building more sustainable and livable communities.

Public transit drives productivity, reducing congestion that frees up time for commuters and improves the flow of goods and services through our communities.

Figure 6.2
Public Transit Provides Cross-Cutting Benefits for Communities



[1] Toronto Region Board of Trade

Canada Community-Building Fund

Core infrastructure like roads, bridges, community centres, and water and wastewater plants are the backbone of communities. There is a risk that projects could face delays or even cancellations as local governments across Canada confront the realities of revenue declines due to COVID-19.

To help communities keep infrastructure projects on track, the government tabled legislation on March 25, 2021, that proposes a one-time investment of $2.2 billion to address infrastructure priorities in municipalities and First Nations communities. This funding would be delivered through the federal Gas Tax Fund and would double the federal government's regular funding for municipalities and First Nations communities in 2020-21. The legislation also proposes to rename the Gas Tax Fund as the Canada Community-Building Fund.

This support would create good local jobs, support municipalities, and build the infrastructure our communities need to thrive and recover.

National Infrastructure Assessment

Twenty-first century energy systems, public buildings, broadband networks, roadways, public transit, and natural spaces all contribute to our long-term economic productivity and prosperity. But smart, resilient public infrastructure projects also require careful planning. To support Canada's long-term infrastructure planning:

- Budget 2021 proposes to provide $22.6 million over four years, starting in 2021-22, to Infrastructure Canada to conduct Canada's first ever National Infrastructure Assessment. The assessment would help identify needs and priorities for Canada's built environment.

This measure would improve infrastructure planning and help all orders of government make informed decisions about infrastructure projects that ensure we have stronger, cleaner, more resilient communities.

Next Step Towards High Frequency Rail in the Toronto-Quebec City Corridor

High frequency rail has the potential to transform passenger rail service in the Toronto-Quebec City corridor, offering faster, more reliable service, and helping to encourage the shift to rail from more polluting modes of transportation.

In 2019, the Government of Canada established a Joint Project Office to explore VIA Rail Canada's high frequency rail project. This effort is critical to making this project a reality for Canadians.

- To continue this work, Budget 2021 proposes to provide $4.4 million in 2021-22 to Transport Canada and VIA Rail Canada to support their work with the Joint Project Office in order to advance due diligence and to de-risk the project.
- In addition, Budget 2021 proposes to provide $491.2 million over six years, starting in 2021-22, to VIA Rail Canada for infrastructure investments that would support the overall success of the high frequency rail project. These investments will help reduce bottlenecks, improve fluidity and connectivity, and allow VIA to take an important step towards high frequency rail in the corridor.

Assisting Homeowners Affected by Pyrrhotite

Some homes in certain regions of Quebec have had serious and costly structural problems as a result of the presence of the mineral pyrrhotite in their foundations. In response, the Government of Quebec has provided significant financial support to affected homeowners to replace foundations and undertake other necessary repairs.

To help more homeowners dealing with the consequences of pyrrhotite, the Government of Canada provided $30 million over three years in Budget 2016. Quebec recently announced an additional $25.7 million in its 2021 budget. The Government of Canada recognizes that an additional federal contribution might be needed. The Government of Canada will engage with Quebec to determine the appropriate amount. Details will be provided in the Fall Economic Statement.

Bonaventure Expressway

For nearly 20 years, the City of Montréal has envisioned converting the Bonaventure Expressway into an urban boulevard and restoring public access to the St. Lawrence River. A portion of the expressway is owned by the city and the other by Jacques Cartier and Champlain Bridges Incorporated, a federal Crown corporation. Montréal has already upgraded its portion of the Bonaventure Expressway to increase local green space for pedestrians and cyclists.

- Through Budget 2021, the government is announcing its intention to work with the City of Montréal to redevelop the Bonaventure Expressway, including exploring the merits of divesting the federal portion of the Bonaventure Expressway.

Local ownership could provide more flexibility for the city to complete the redevelopment and revitalization of the area.

Canada's National Capital Region

The National Capital Region (NCR) is home to some of the most significant cultural and heritage assets in Canada. To ensure that federal assets and related programs in the NCR continue to be safe and accessible for all Canadians:

- Budget 2021 proposes to provide $35 million over five years, starting in 2021-22, to the National Capital Commission to support the acquisition and upkeep of federal assets, green infrastructure, and spaces in the National Capital Region.

Interprovincial bridge crossings serve as important connections in the nation's capital. Building on the work of the long-term integrated interprovincial crossing plan led by the National Capital Commission, a dedicated project office responsible for addressing the need for an additional NCR crossing will be established at Public Services and Procurement Canada, jointly with the National Capital Commission.

Further recognizing the importance of interprovincial transit, and building on the National Capital Commission's recent feasibility study:

- Budget 2021 proposes to create an interprovincial transit project office within the National Capital Commission. The project office will work to study and plan for potential interprovincial tramway connections between Ottawa and Gatineau, in addition to consulting and collaborating with municipal, provincial, and transportation partners.

6.5 Local and Regional Development

To support recovery and long-term growth, the government is committed to supporting economic development in communities of every size, helping small and medium-sized businesses access financing, and investing in the local infrastructure that helps communities grow.

Supporting Jobs and Growth in All Communities

As Canada builds back better, no community will be left behind. From the outset of the pandemic, regional development agencies have been on the ground across Canada, helping businesses weather the effects of the pandemic. Through the $2 billion Regional Relief and Recovery Fund, they have been providing liquidity to businesses, helping bridge them to the recovery, and preserving more than 125,000 jobs. To ensure businesses in every corner of Canada have the support they need to get through the pandemic and that they are brought along in our economic recovery:

- Budget 2021 proposes to provide $700 million over three years, starting in 2021-22, for the regional development agencies to support business financing. This would position local economies for long-term growth by transitioning to a green economy, fostering an inclusive recovery, enhancing competitiveness, and creating jobs in every corner of the country.
- Furthermore, the federal government will work to make FedNor a standalone regional development agency and strengthen the economic development of Northern Ontario.

On the Ground: Partnering on Regional Priorities—East Montreal

East Montreal has a long history of industrial activity, and work is underway to revitalize the area for the economy of tomorrow. The area has the potential to be an anchor for innovative research and new and growing businesses.

The government remains supportive of new approaches to foster innovation, help businesses grow, and create new jobs, and will explore how it can potentially partner to best support development opportunities for Canadians in all regions, including in East Montreal.

Creating a New Regional Development Agency for British Columbia

In recognition of the unique economic realities in British Columbia and across Western Canada, the government committed, in the 2020 *Fall Economic Statement*, to create a new regional economic development agency for British Columbia with new dedicated funding. This will help businesses and communities in British Columbia continue to grow and create good jobs across the province. It will also ensure Alberta, Saskatchewan, and Manitoba have a dedicated regional development agency that keeps the same level of funding to serve their distinct regional needs, with resources to dedicate to local populations and businesses.

To increase the impact of regional development agencies in Western Canada:

- Budget 2021 proposes to create a new agency for British Columbia and to provide $553.1 million over five years, starting in 2021-22, and $110.6 million ongoing, to support the new agency and ensure businesses in B.C. can grow and create good jobs for British Columbians. Existing core program funding from Western Economic Diversification will remain to support the Prairies, making additional support available for businesses in Alberta, Saskatchewan, and Manitoba.

Canada Community Revitalization Fund

Main streets, farmers' markets, and other gathering places underpin local economies. In many communities, the most vibrant spaces in our communities have laid dormant as Canadians took precautions to stay safe. Recognizing that economic recovery is tightly linked to the vitality of our local communities:

- Budget 2021 proposes to provide $500 million over two years, starting in 2021-22, to the regional development agencies for community infrastructure. These projects will stimulate local economies, create jobs, and improve the quality of life for Canadians from coast to coast to coast.

Investing in Small Craft Harbours

From coast to coast to coast, Fisheries and Oceans Canada owns, operates, and maintains a national system of harbours to provide commercial fish harvesters and other small craft harbour users with safe and accessible facilities. Ninety per cent of Canadian seafood goes through small craft harbours and Canada’s fish harvesters depend on these facilities to support their livelihoods.

Many harbours are in need of repair or replacement, and this work can support good middle class jobs in rural and coastal communities.

- Budget 2021 proposes to provide $300 million, on a cash basis, over the next two years, to Fisheries and Oceans Canada to repair, renew, and replace small craft harbours. This would support Canadians in the fishing, aquaculture, tourism, environmental, recreational, marine engineering, and construction industries, and strengthen the resilience of rural and coastal communities.

6.6 Rural and Northern Communities

Canada's vibrant rural and northern communities face unique challenges to their economic growth and resilience. To support these rural communities, Budget 2021 proposes to expand support for farmers and agricultural producers. Additional support is proposed for the North, which faces unique challenges related to food security, climate change, and access to post-secondary education. It also proposes making investments to continue to increase broadband connectivity, as detailed in Chapter 4. These efforts would strengthen economic foundations and support opportunities for Canadians in rural and northern communities from coast to coast to coast.

Extending the Northern Residents Deduction

The remote nature of many northern communities makes travel, even essential travel for school or medical care, unaffordable for many. The Northern Residents Deduction only provides tax relief to those who already receive travel benefits through work. To reduce travel costs for northerners:

- Budget 2021 proposes to expand access to the travel component of the Northern Residents Deduction.
    - Northerners without employer-provided travel benefits would be allowed to claim up to $1,200 in eligible travel expenses. This measure would take effect starting with the 2021 tax year.
    - The Minister of Northern Affairs will work with the Minister of Innovation, Science and Industry, who is the Minister responsible for the Competition Bureau, to ensure that these savings are for the benefit of citizens in the North rather than transportation providers.

It is estimated that this measure will reduce federal revenues by $125 million over five years starting in 2021-22.

Supporting Post-secondary Education in the North

People in Canada's North face longstanding inequities in education, which puts northern residents at a disadvantage, especially Indigenous peoples. Closing gaps in education improves health and well-being, and spurs economic growth and innovation. Building on investments in Budget 2019 for Yukon College, and to further increase access to quality post-secondary education in Canada's North:

- Budget 2021 proposes to provide $8 million over two years, starting in 2021-22, to the Government of the Northwest Territories to support the transformation of Aurora College to a polytechnic university. This would help create new opportunities in the Northwest Territories and prepare northerners for good jobs.

Ensuring Food Security in the North

In Canada's North, food prices can be significantly higher than what the rest of the country pays. Additional factors such as isolation and socioeconomic challenges make northerners particularly vulnerable to food insecurity—vulnerabilities that have been exacerbated by the COVID-19 pandemic.

- Budget 2021 proposes to provide $163.4 million over three years, starting in 2021-22, to expand the Nutrition North Canada program and enable the Minister of Northern Affairs to work directly with Indigenous partners, including in Inuit Nunangat, to address food insecurity.

Support for Jobs in the Canadian Wine Sector

The growth of the Canadian wine sector over the last 15 years has been a success story of Canada's agri-food sector. It has also provided growth opportunities for grape growers and tourism businesses.

- Budget 2021 proposes to provide $101 million over two years, starting in 2022-23, to Agriculture and Agri-Food Canada, to implement a program for the wine sector that will support wineries in adapting to ongoing and emerging challenges, in line with Canada's trade obligations. The government will continue to be there for Canada's domestic wine industry and the jobs it supports.

Supporting Food Processors Following Ratification of New Trade Agreements

Canada now has trade agreements with two-thirds of the world's economy. And Canada is the only G7 country to have trade agreements with every other G7 country. This means that Canadian businesses are well-positioned to take full advantage of the global recovery.

Since 2016, $2.7 billion has been made available to compensate eligible dairy, poultry, and egg farmers as a result of CETA and CPTPP. A further $100 million has been provided for dairy processors to adapt to CETA. To date, all import rights created in recent trade agreements have been provisionally allocated to the industry free of charge.

- To help processors of all supply-managed agricultural products adapt to CETA and CPTPP, Budget 2021 proposes a further $292.5 million over seven years, starting in 2021-22, for a Processor Investment Fund to support private investment in processing plants.

These investments are in addition to the accelerated compensation announced in the *Fall Economic Statement* for producers of supply-managed products. The Government of Canada is committed to full and fair compensation with respect to the new NAFTA and it will work with representatives of the supply-managed sectors in determining that compensation.

6.7 Strengthening Canada's Immigration System

Diversity is our strength, including as a source of our economic strength. Net immigration contributed to half of Canada's average GDP growth from 2016 to 2019, and nearly three quarters of its growth in 2019.

As our workforce ages, immigration ensures the Canadian economy continues to grow, that we attract more top talent and investment capital, and that we continue to create good jobs. Welcoming immigrants is an important part of Canada's recovery.

A well-functioning immigration plan also enriches our communities, reunites families, and provides protection to asylum seekers and refugees.

Budget 2021 puts forward proposals that would ensure Canada stays competitive with its international partners and is prepared to take advantage of the resumption and growth in global travel, post-pandemic. The federal government also recognizes that Quebec shares responsibility for immigration and that certain initiatives will not apply to applicants seeking to reside in Quebec.

Delivering a Modern Immigration Platform

The digital infrastructure that supports Canada's immigration system must be responsive and sustainable to ensure public confidence and support growing visitor, immigration, and refugee levels. A secure, stable, and flexible enterprise-wide digital platform that protects people's information will improve application processing and help Canada remain a destination of choice.

- Budget 2021 proposes to invest $428.9 million over five years, with $398.5 million in remaining amortization, starting in 2021-22, to develop and deliver an enterprise-wide digital platform that would gradually replace the legacy Global Case Management System. This will enable improved application processing and support for applicants, beginning in 2023.

Enhancing the Temporary Foreign Worker Program

For over 50 years, temporary foreign workers have been coming to Canada to help meet the needs of businesses. Recently, the pandemic has highlighted the critical role that these workers—the vast majority of whom are racialized and precariously employed—play in Canada's economy, particularly at the farms that feed Canada and the world.

To build on recent actions taken in 2020 to support temporary foreign workers affected by COVID-19, the Government of Canada will continue to protect our most vulnerable and isolated workers, ensuring their health, safety, and quality of life are protected while working in Canada. To this end, Budget 2021 proposes to provide:

- $49.5 million over three years, starting in 2021-22, to Employment and Social Development Canada, to support community-based organizations in the provision of migrant worker-centric programs and services, such as on-arrival orientation services and assistance in emergency and at-risk situations, through the new Migrant Worker Support Program.
- $54.9 million over three years, starting in 2021-22, to Employment and Social Development Canada and Immigration, Refugees and Citizenship Canada, to increase inspections of employers and ensure temporary foreign workers have appropriate working conditions and wages.
- $6.3 million over three years, starting in 2021-22, to Immigration, Refugees and Citizenship Canada, to support faster processing and improved service delivery of open work permits for vulnerable workers, which helps migrant workers in situations of abuse find a new job. The government has zero tolerance for any abuse of workers.

Supporting Racialized Newcomer Women

Many newcomer women face multiple barriers to employment, including language, lack of Canadian experience, and in some cases gender- and race-based discrimination. In Budget 2018, the Government of Canada launched a three-year pilot to support employment-related services for racialized newcomer women, such as networking opportunities, employment counselling, and paid work placements.

- Budget 2021 proposes to provide $15 million over two years, starting in 2021-22, to Immigration, Refugees and Citizenship Canada to extend the Racialized Newcomer Women Pilot initiative, which will continue to improve their employment outcomes and career advancement.

Accelerated Pathways to Permanent Residence

Canada's immigration system is critical to supporting the economic recovery. That is why the Government of Canada recently announced the introduction of time-limited pathways to permanent residence for foreign nationals already in Canada. This includes recent international graduates and workers in essential occupations, such as health care or other critical sectors. These pathways would not only help retain the talent of those already in Canada, but would also recognize the significant contribution to Canada—and personal sacrifice—these workers have made during the pandemic. In Quebec, which shares responsibility for immigration, this initiative will not apply.

Streamlining Express Entry

Canada's Express Entry system has been in place since 2015. It has a track record of bringing in highly skilled immigrants who succeed in Canada's economy and society. These newcomers fill needs in our economy that are critical for our growth and create shared prosperity for all. Streamlining Canada's Express Entry system will allow the government to ensure our immigration system responds to Canada's growing economic and labour force needs and help Canada reach its 2021-2023 Immigration Levels Plan.

- The Government of Canada intends to propose amendments to the *Immigration and Refugee Protection Act* to provide the Minister of Immigration, Refugees and Citizenship Canada with authority to use Ministerial Instructions to help select those candidates who best meet Canada's labour market needs from among the growing pool of candidates who wish to become permanent residents through the Express Entry System.

Chapter 6

Strengthening the Cities and Communities We Call Home

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
6.1. A Place to Call Home	**0**	**1,770**	**730**	**454**	**51**	**51**	***3,056***
More Affordable Housing	0	1,770	421	151	51	51	*2,444*
Ending Homelessness	0	0	309	303	0	0	*612*
6.2. Restoring Tourism, Arts, Culture, and Sport	**0**	**898**	**863**	**123**	**6**	**6**	***1,896***
Revitalizing Tourism	0	425	560	15	0	0	*1,000*
Supporting Canada's Active Recovery	0	40	40	0	0	0	*80*
Supporting Canada's Arts, Heritage, and Cultural Workers and Institutions	0	241	186	32	0	0	458
Supporting Canadian TV and Film Productions Through COVID-19[1]	0	100	0	0	0	0	*100*
Investing in Telefilm Canada	0	20	35	50	0	0	*105*
Encouraging Diverse Voices in Canadian TV and Film	0	20	20	20	0	0	*60*
Support for the Canadian Broadcasting Corporation / Radio-Canada	0	21	0	0	0	0	*21*
Support for the Canadian Book Industry	0	23	16	0	0	0	*39*
Protecting Canada's Historic Places	0	8	11	10	10	10	*50*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-4*	*-4*	*-4*	*-4*	*-4*	*-22*
Memorial to the Victims of Communism	0	4	0	0	0	0	*4*
6.3. Building Stronger Communities	**-17**	**665**	**124**	**49**	**50**	**51**	***921***
Helping Charities, Non-profits, and Social Purpose Organizations Grow[2]	*0*	*142*	*141*	*66*	*67*	*68*	*483*
Less: Funds Previously Provisioned in the Fiscal Framework	*-8*	*-17*	*-17*	*-17*	*-17*	*-17*	*-93*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
Less: Funds Sourced From Existing Departmental Resources	-9	0	0	0	0	0	*-9*
Supporting Community Service Organizations	0	400	0	0	0	0	*400*
Improving Food Security	0	140	0	0	0	0	*140*
6.4. Jobs and Growth through Infrastructure Investments	**2,200**	**350**	**653**	**1,087**	**1,615**	**2,690**	***8,595***
Permanent Public Transit Fund[1]	0	328	572	954	1,492	2,596	*5,941*
Canada Community-Building Fund[3]	2,200	0	0	0	0	0	*2,200*
National Infrastructure Assessment	0	4	6	6	6	0	*23*
Next Step Towards High Frequency Rail in the Toronto-Quebec City Corridor	0	12	68	120	110	86	*396*
Canada's National Capital Region	0	7	7	7	7	7	*35*
6.5. Local and Regional Development	**0**	**514**	**497**	**122**	**68**	**68**	***1,270***
Supporting Jobs and Growth in All Communities	0	162	144	54	0	0	*361*
Creating a New Regional Development Agency for British Columbia	0	64	64	64	64	64	*320*
Canada Community Revitalization Fund	0	250	250	0	0	0	*500*
Investing in Small Craft Harbours	0	37	39	4	4	4	*89*
6.6. Rural and Northern Communities	**0**	**85**	**142**	**212**	**89**	**87**	***615***
Extending the Northern Residents Deduction	0	26	26	26	26	26	*128*
Supporting Post-secondary Education in the North	0	5	3	0	0	0	*8*
Ensuring Food Security in the North	0	53	55	56	0	0	*163*
Support for Jobs in the Canadian Wine Sector	0	0	35	66	0	0	*101*
Supporting Food Processors Following Ratification of New Trade Agreements	0	1	24	64	64	64	*217*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
Less: Funds Previously Provisioned in the Fiscal Framework	*0*	*0*	*0*	*0*	*0*	*-2*	*-2*
6.7. Strengthening Canada's Immigration System	**0**	**86**	**142**	**131**	**97**	**98**	***555***
Delivering a Modern Immigration Platform	0	53	90	90	97	98	*429*
Enhancing the Temporary Foreign Worker Program	0	29	42	41	0	0	*111*
Supporting Racialized Newcomer Women	0	4	11	0	0	0	*15*
Additional Investments – Strengthening the Cities and Communities We Call Home	**0**	**222**	**115**	**79**	**29**	**15**	***459***
Enhancing Immigration Service and Support	0	25	25	25	0	0	*74*
Funding proposed for Immigration, Refugees and Citizenship Canada to maintain enhanced capacity and service standards within the Client Support Center – ensuring timely support by phone and email for inquiries related to the suite of services offered by the department, particularly permanent resident applications.							
Support for National Museums and the National Battlefields Commission	0	47	6	4	4	4	*66*
Funding proposed for Canada's six national museums and the National Battlefields Commission to address financial pressures caused by COVID-19 and program integrity issues. Funding is also proposed for the RCMP Heritage Centre as it begins the process of transitioning to a new national museum, and to support the completion of the National Museum of Science and Technology's Ingenium Centre. Finally, funding is proposed for the Canadian Museum of History to support the purchase of the collection of Canada's Sports Hall of Fame.							
Enhancing Digital Access to our Heritage	0	5	8	10	0	0	*23*
Funding proposed for Canadian Heritage's Museums Assistance Program to support the digitization of information and collections by non-national museums and heritage institutions, which will allow these institutions to create original content such as educational materials, apps or other virtual activities to enhance the visitor experience.							
Funding for the National Film Board	0	5	0	0	0	0	*5*
Funding proposed for the National Film Board to address immediate funding pressures, and ensure that it can continue its production and distribution activities and maintain its capital investments.							
Maintaining Temporary Resident Processing Capacity	0	29	0	0	0	0	*29*
Funding proposed for Immigration, Refugees, and Citizenship Canada and the Canada Border Services Agency to maintain enhanced capacity to serve visitors applying for temporary resident visas and permits.							

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
Granville Island Emergency Relief Fund Extension	0	22	0	0	0	0	*22*
Funding proposed for the Canada Mortgage and Housing Corporation to extend emergency relief for Granville Island to sustain its operations in 2021-2022. This would allow Granville Island to support its tenants, many of whom are small businesses and non-profit arts and cultural venues, who continue to face significant economic duress from COVID-19.							
Continuing the Remote Passenger Rail Program	0	14	14	15	0	0	*43*
Funding proposed for Transport Canada to continue the Remote Passenger Rail Program, which supports the provision of passenger rail service to certain remote communities with no alternative means of surface transportation.							
Continuing Support for Critical Food Inspection	0	20	0	0	0	0	*20*
Funding proposed for the Canadian Food Inspection Agency to retain inspectors hired in response to COVID-19 related inspection backlogs while pandemic related risks in food processing facilities persist.							
Maintaining Daily Shift Inspections	0	16	16	0	0	0	*33*
Funding proposed for the Canadian Food Inspection Agency to maintain daily shift inspections of meat processing plants to allow Canadian meat processors to continue to export meat to the United States and build consumer confidence in the Canadian meat sector.							
Ensuring Food Safety	0	16	16	0	0	0	*31*
Funding proposed for the Canadian Food Inspection Agency to retain staff that enable the Agency to improve food safety by improving risk and intelligence oversight, conducting offshore preventive activities and improving stakeholder compliance.							
Extending Emergency Towing Leases	0	11	28	28	28	15	*109*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-6*	*0*	*0*	*0*	*0*	*-6*
Funding proposed for the Canadian Coast Guard to extend emergency towing lease arrangements to provide continued capacity on the West Coast while comprehensive risk assessment work is underway and a National Emergency Towing Strategy is developed.							
Supporting Clean Technology Adoption in Fisheries and Aquaculture	0	5	5	0	0	0	*10*
Funding proposed for Fisheries and Oceans Canada to renew the Fisheries and Aquaculture Clean Technology Adoption Program to assist fish harvesters and aquaculture enterprises to adopt innovative clean technologies.							
Chapter 6 - Net Fiscal Impact	***2,183***	***4,577***	***3,269***	***2,260***	***2,008***	***3,070***	***17,367***

Note: Numbers may not add due to rounding.

[1] Announced in February 2021.

[2] The Social Finance Fund will continue to operate on a repayable basis, but the funding instrument will be conditionally (rather than unconditionally) repayable contributions. Under accounting rules, conditionally repayable contributions are recognized as they are disbursed, such that the full cash cost is recognized upfront. For the Social Finance Fund, this represents an incremental impact of $559.6 million.

[3] Announced in March 2021.

Part III

A Resilient and Inclusive Recovery

Chapter 7
A More Equal Canada

COVID-19 highlighted and exacerbated the inequities within our society.

Systemic racism and discrimination are a painful reality for too many people, especially for marginalized groups, including Indigenous, Black, and racialized people, those living with disabilities, and members of the LGBTQ2 communities.

Those who live with disabilities still face many barriers to health care, jobs, and services. And many Canadians require additional support for challenging health issues beyond COVID-19—from substance use, to fair access to sexual and reproductive health, to navigating the complexities of end-of-life care.

When we recover from the COVID-19 pandemic, we must continue bridging the gaps that hold Canada back from reaching its potential. We are at our best when we come together to help one another, as we saw Canadians do countless times during the pandemic.

Budget 2021 outlines the government's plan to build a healthier, more inclusive, and more equal Canada.

7.1 Fighting Systemic Racism and Empowering Communities

Systemic racism can have devastating consequences for the well-being of Canadians. Violence, harassment, discrimination, exclusion from opportunities, and myriad expressions of unconscious bias deny Canadians their freedoms and fair treatment. A more equitable and inclusive society demands all Canadians come together to address racism in all its forms and make permanent and transformative changes.

In the 2020 *Fall Economic Statement*, the federal government announced a series of policies and programs to fight against systemic racism and empower racialized communities. These were early steps.

Budget 2021 takes the next steps towards long-term, foundational change. Canada can and will do more to support racialized communities, improve understanding of racial inequities and barriers, build a more diverse and inclusive federal public service, and work with partners to build a more equal and just future.

Strengthening the Canadian Race Relations Foundation and Helping Communities Respond to an Increase in Racism

The COVID-19 pandemic has had an unequal impact on Canadians, with the increase in reports of harassment and attacks against Asian Canadians being an especially disturbing trend.

The work to address systemic racism is ongoing and must be done alongside engaged and knowledgeable partners. Their invaluable on-the-ground knowledge, experiences, learned best practices, and networks are crucial in the work to create foundational change. And their efforts can effectively bring Canadians together in the common purpose of building a fairer, safer, and more equal Canada where all are free from discrimination.

The Canadian Race Relations Foundation is a Crown corporation created in 1996, as part of the Japanese Canadian Redress Agreement. The foundation has a quarter century of history working to eliminate racism, reaffirm the principles of justice and equality for all in Canada, and uphold the principles of the *Canadian Charter of Rights and Freedoms*. Over the past year, the foundation has focused on supporting specific racialized communities impacted by dramatically rising cases of racism. In Vancouver, for example, there has been a 700 per cent increase in reported cases of anti-Asian racism since the pandemic began.

- Budget 2021 proposes to provide $11 million over two years, starting in 2021-22, to expand the impact of the Canadian Race Relations Foundation. This investment would allow the Canadian Race Relations Foundation to scale up efforts to empower racialized Canadians and help community groups combat racism in all its forms. This investment will also enable the foundation to facilitate initiatives like the establishment of a national coalition to support Asian Canadian communities, and create a fund to support all racialized communities directly impacted by increasing acts of racism during the pandemic.

All Canadians should feel safe and be free of discrimination. Sadly, certain people are at risk of racially motivated violence, threatening their personal safety and the security of their communities.

- Budget 2021 proposes to provide $2 million in 2021-22 to Public Safety Canada to enhance its Communities at Risk: Security Infrastructure Program. This program helps protect communities at risk of hate-motivated crimes, by providing not-for-profit organizations such as places of worship, schools, and community cultural centres with funding to enhance their security infrastructure.

Supporting Black Canadian Communities

Events over the last year have shone a light on the complex and unique lived realities of Black Canadians. Data show that Canada's Black population remains one of the most disadvantaged, with a higher prevalence of low-income households, lower employment rates compared to the Canadian average, as well as a much higher likelihood of discriminatory treatment at work.

COVID-19 has only exacerbated these inequities linked to anti-Black racism, and many Black Canadian communities, and the organizations that support them, are increasingly vulnerable to economic hardship.

To continue to support the work of community organizations that empower, advocate for, and lift up Black Canadians:

- Budget 2021 proposes to provide $200 million in 2021-22 to Employment and Social Development Canada to establish a new Black-led Philanthropic Endowment Fund. This fund would be led by Black Canadians and would create a sustainable source of funding, including for Black youth and social purpose organizations, and help combat anti-Black racism and improve social and economic outcomes in Black communities.
- Budget 2021 proposes to provide $100 million in 2021-22 to the Supporting Black Canadian Communities Initiative at Employment and Social Development Canada.

The Supporting Black Canadian Communities Initiative

The Supporting Black Canadian Communities Initiative is administered by Employment and Social Development Canada. The program supports capacity-building of Black-led non-profit organizations so they can better serve Black Canadian communities.

Organizations that recently received funding include:

- Black Wellness Cooperative of Nova Scotia (Bedford, NS): This organization provides expertise, knowledge, and training to promote health, wellness, and fitness among the African Nova Scotian and Mi'kmaq communities.
- Association Francophone de Brooks (Brooks, AB): 90 per cent of the francophone community of Brooks is of African origin. This organization offers activities for young people, community celebrations, and social activities for families in the francophone community of Brooks.
- Youth Stars Foundation (Montréal, QC): This organization supports vulnerable youth populations, including Black youth, by offering a variety of programs and workshops that use the arts, sports, dance, and music to foster life skills, promote self-esteem, and strengthen interpersonal skills.

Mobilizing the reach and expertise of community-based organizations is an important tool for empowering Black communities and confronting systemic economic barriers. It also ensures that federal investments best serve the needs of their communities. New research published by the Network for the Advancement of Black Communities and Carleton University found that Black-led and Black-serving charities receive significantly less grant funding than other charities in Canada.

Better Data for Better Outcomes

For every Canadian to reach their full potential, we need to properly understand the circumstances in which people live and the barriers they face. We cannot improve what we cannot measure.

At present, Canada lacks the detailed statistical data that governments, public institutions, academics, and advocates need in order to take fully informed policy actions and effectively address racial and social inequities. From a detailed understanding of demographic trends to economic and employment data, Statistics Canada has a vital role to play in providing the evidence-based foundation upon which good, effective policies can be built—policies that bring the impacts on marginalized groups into the heart of decision-making.

Journalists and researchers have long worked to tell the stories of where and why disparities in our society exist—whether among racialized groups or the power gap that exists between men and women that leads women's careers to stall. Better disaggregated data will mean that investigative efforts or research projects like this will have more and better data to analyze.

- Budget 2021 proposes to provide $172 million over five years, starting in 2021-22, with $36.3 million ongoing, to Statistics Canada to implement a Disaggregated Data Action Plan that will fill data and knowledge gaps. This funding will support more representative data collection, enhance statistics on diverse populations, and support the government's, and society's, efforts to address systemic racism, gender gaps—including the power gaps between men and women—and bring fairness and inclusion considerations into decision making.

Building on other investments in Budget 2021, this provides a combined $250 million over five years to Statistics Canada, ensuring Canada has the data it needs to make evidence-based decisions across priorities including disaggregated data, health, quality of life, the environment, justice, and business and the economy.

To modernize Canada's justice system, support evidence-based policies, and ensure accountability within the criminal justice system, the government needs to update and fill gaps in its collection and use of data.

- Budget 2021 proposes to provide $6.7 million over five years, starting in 2021-22, and $1.4 million ongoing, to Justice Canada and Statistics Canada to improve the collection and use of disaggregated data. This is part of ongoing efforts to address the overrepresentation of Indigenous peoples and racialized groups in the justice system.

Comprehensive academic research enhances our understanding of the causes of discrimination, the impact of oppression on Canadians and our communities, and strategies to support greater justice, equity, and accountability.

- Budget 2021 proposes to provide $12 million over three years, starting in 2021-22, to the Social Sciences and Humanities Research Council to fund academic research into systemic barriers facing diverse groups. This research will help inform actions to address social disparities related to race, gender, and other forms of diversity.

Making the Public Service More Diverse

Canadians should have confidence that their public sector workforce is representative of the communities it serves. In the 2020 Speech from the Throne, the government committed to implementing an action plan to increase diversity in hiring and appointments within the public service.

- Budget 2021 proposes amendments to the *Public Service Employment Act* to affirm the importance of a diverse and inclusive workforce and avoid biases and barriers in hiring.

7.2 An Economic Recovery that Includes Everyone

As Canada recovers from the COVID-19 pandemic, the Government of Canada is committed to building a more inclusive society that leaves no one behind. This includes providing programs and services that better respond to the unique needs of vulnerable people and improve quality of life for all Canadians.

Increasing Old Age Security for Canadians 75 and Over

During the pandemic, many seniors have faced economic challenges as they took on extra costs to stay safe. Additionally, many seniors are living longer and relying on monthly benefits to afford retirement. After a lifetime of hard work, they deserve a secure and dignified retirement. That is why the government is committed to increasing Old Age Security (OAS) benefits for seniors age 75 and older.

The government plans to implement this commitment in two steps.

- Budget 2021 proposes to meet the immediate needs of this group of seniors by providing a one-time payment of $500 in August 2021 to OAS pensioners who will be 75 or over as of June 2022.
- Budget 2021 then proposes to introduce legislation to increase regular OAS payments for pensioners 75 and over by 10 per cent on an ongoing basis as of July 2022. This would increase the benefits for approximately 3.3 million seniors, providing additional benefits of $766 to full pensioners in the first year, and indexed to inflation going forward. This would give seniors more financial security later in life, particularly at the time when they face increased care expenses and greater risk of running out of savings.

In total, these two measures represent $12 billion over five years in additional financial support, beginning in 2021-22, and at least $3 billion per year ongoing, to be delivered by Employment and Social Development Canada.

Statutory funding authority would be sought to make the one-time payment. Changes to the *Old Age Security Act* would be made to implement the benefit increase as of July 2022, and to exempt the one-time payment from the definition of income for the Guaranteed Income Supplement.

After working hard throughout his career as a barber, **Matthieu** retired about a decade ago and will turn 75 in June 2022. He is in good health and looking forward to many more healthy years in his retirement.

But because of that, Matthieu is also starting to worry that his retirement savings could run out at some point, which he has been drawing on to complement his monthly OAS and Canada Pension Plan payments. With the proposed measure, Matthieu will have an extra $500 to spend this year. The permanent increase to his OAS benefits as of July 2022 will then give him an estimated $766 more in benefits over the following twelve months. This amount will rise over the years, as Old Age Security benefits are increased in line with the Consumer Price Index every quarter. Matthieu will have a greater sense of financial security in his later years as the measure would help ensure that he has support and can reduce reliance on his savings.

Towards a New Disability Benefit

Since 2015, the government has taken steps towards building an inclusive and resilient economy that supports people with disabilities. In addition to enacting groundbreaking legislation to create a barrier-free Canada, the government has also taken concrete steps to help people with disabilities receive enhanced programming and access to benefits, savings plans, and education funding.

The pandemic has exposed many of the long-standing challenges persons with disabilities face, including an increased risk of poverty. The Government of Canada has a number of programs and services in place that provide support to Canadians with disabilities but these are often complex and can be difficult to navigate for users. To ensure all persons with disabilities have the support they need to overcome persistent barriers to full economic and social participation, the government is committed to bringing forward a new disability benefit.

- Budget 2021 proposes to provide $11.9 million over three years, starting in 2021-22, to Employment and Social Development Canada to undertake consultations to reform the eligibility process for federal disability programs and benefits. This will help maximize the reach of these programs and improve the lives of Canadians living with disabilities. This work would feed directly into the design of a new disability benefit.

In preparation for legislation, the government will undertake extensive consultations with stakeholders on the design of the new benefit and engage with provinces and territories, which play a central role in providing support to many Canadians with disabilities. Employment and Social Development Canada will also establish a steering committee to oversee the development of this work, alongside the Canada Revenue Agency, the Department of Finance Canada and Veterans Affairs Canada.

Improving Access to the Disability Tax Credit

In 2017, the Government of Canada reinstated the Canada Revenue Agency's Disability Advisory Committee to ensure tax measures for persons with disabilities are administered in a fair, transparent, and accessible way. Since the release of the committee's first annual report in 2019, the government has introduced many important changes, including improvements to its communications and outreach activities for the Disability Tax Credit and changes to Registered Disability Savings Plans to better protect beneficiaries. As the government considers new recommendations from the committee, released in a second report on April 9, 2021, the government is proposing to take further steps to act on the guidance of the committee by improving the eligibility criteria for mental functions and life-sustaining therapy. To help more families and people living with disabilities access the Disability Tax Credit, and other related support measures like the Registered Disability Savings Plan and the Child Disability Benefit:

- Budget 2021 proposes to update the list of mental functions of everyday life that is used for assessment for the Disability Tax Credit. Using terms that are more clinically relevant would make it easier to be assessed, reduce delays, and improve access to benefits.

- Budget 2021 also proposes to recognize more activities in determining time spent on life-sustaining therapy and to reduce the minimum required frequency of therapy to qualify for the Disability Tax Credit. To ensure these changes enable applicants to have a fair and proper assessment of their eligibility for the Disability Tax Credit, the government will undertake a review of these changes in 2023.

It is estimated that, as a result of these measures, an additional 45,000 people will qualify for the Disability Tax Credit, and related benefit programs linked to its eligibility, each year. This represents $376 million in additional support over five years, starting in 2021-22.

Making Our Communities and Workplaces More Accessible

Every day, hundreds of thousands of Canadians with disabilities face accessibility challenges. Organizations want to become more accessible but costs can be prohibitive, especially for smaller organizations. The Enabling Accessibility Fund provides funding for renovation, construction, and retrofit projects—from building ramps, to support for the hearing impaired, to automatic door openers—that make communities and workplaces more accessible for persons with disabilities. To reduce barriers to employment, activities, and programs for persons with disabilities:

- Budget 2021 proposes to provide additional funding of $100 million over two years, starting in 2021-22, to Employment and Social Development Canada to triple funding for the Enabling Accessibility Fund and support small and mid-sized projects with not-for-profit organizations, women's shelters, child care centres, small municipalities, Indigenous organizations, territorial governments, small businesses, and businesses of all sizes. This would help offset the costs of renovations, retrofits, and accessible technologies in workplaces.

Supporting Greater Equality for LGBTQ2 Communities

Although we have made much progress as a society, LGBTQ2 people in Canada continue to face discrimination, harassment, and prejudice. Canada is committed to protecting LGBTQ2 rights and promoting social, economic, and political equality with respect to sex, sexual orientation, and gender identity or expression. To ensure that Canada's recovery fosters a fairer and more equal society for LGBTQ2 people, where they can participate as full members of Canadian society:

- Budget 2021 proposes to provide $15 million over three years, starting in 2021-22, to Women and Gender Equality Canada for a new LGBTQ2 Projects Fund dedicated to supporting community-informed initiatives to overcome key issues facing LGBTQ2 communities, such as accessing mental health services and employment support.

- Budget 2021 also proposes to provide $7.1 million over three years, starting in 2021-22, to Canadian Heritage to continue to support the work of the LGBTQ2 Secretariat—which coordinates work across government—and enable the continued development of an LGBTQ2 Action Plan.

Supporting Our Veterans

Veterans are three to four times as likely to suffer from depressive or anxiety disorders, and over 15 times more likely to experience post-traumatic stress disorder (PTSD), than the general population. Veterans are entitled to financial support for mental health care through the Treatment Benefit Program but they can wait up to two years to receive mental health care while waiting for their disability benefit application to be confirmed. To ensure veterans receive timely access to high-quality mental health care:

- Budget 2021 proposes to provide $140 million over five years starting in 2021-22, and $6 million ongoing, to Veterans Affairs Canada for a program that would cover the mental health care costs of veterans with PTSD, depressive, or anxiety disorders while their disability benefit application is being processed.

Many veterans have faced unique challenges during the pandemic. To improve the quality of life for veterans and their families during this challenging period:

- Budget 2021 proposes to provide an additional $15 million over three years, starting in 2021-22, to Veterans Affairs Canada to expand and enhance the Veteran and Family Well-Being Fund for projects that will support veterans during the post COVID-19 recovery, including addressing homelessness, employment, retraining, and health challenges.

Recognizing the Contributions of Atomic Workers

In the mid-twentieth century, Chalk River Laboratories was one of the leading global sites for cutting edge atomic science. But, in 1952 and 1958, there were accidents that required Department of National Defence and Atomic Energy of Canada Limited personnel to contain and clean contaminated sites. In 2008, the government recognized former Department of National Defence personnel who participated in the clean-ups through the establishment of the Atomic Veterans Recognition Program. To provide similar recognition to those Atomic Energy of Canada Limited employees who worked to clean-up these dangerous incidents and protect Canadians:

- Budget 2021 proposes to provide $22.3 million over two years, starting in 2021-22, to Natural Resources Canada to establish an Atomic Workers Recognition Program.

7.3 Supporting the Health of Canadians

The government recognizes that, even in a pandemic, Canadians face an array of other complex health concerns. For over half a century, our strong and reliable public health care system has been an anchor of Canada's social and economic security. Investments must be made to ensure health care responds and evolves alongside the people it treats.

Addressing the Opioid Crisis and Problematic Substance Use

Since before the pandemic began, Canada has been facing a worsening opioid epidemic that has devastated lives and communities across Canada, especially in Ontario and Western Canada, with severe impacts in British Columbia and Alberta. The COVID-19 pandemic has compounded the ongoing opioid overdose crisis in Canada. Isolation, stress, toxic supply, and reduced access to services have contributed to the epidemic. Canada suffered a 74 per cent increase in opioid-related deaths over the course of the first six months of the pandemic. The government is taking further action to help people dealing with problematic substance use and tackle this ongoing crisis.

- Budget 2021 proposes to provide an additional $116 million over two years, starting in 2021-22, building on $66 million invested in the 2020 *Fall Economic Statement*, for the Substance Use and Addictions Program to support a range of innovative approaches to harm reduction, treatment, and prevention at the community level.

The government continues to work closely with provinces and territories to ensure our collective response is comprehensive, collaborative, compassionate, and evidence-based. In response to the crisis, the government has made a variety of investments, including a $150 million Emergency Treatment Fund to provinces and territories for 2018-2021, over $100 million in 2019-20 for targeted measures to expand access to harm reduction services and increase access to safer drug supplies, and a fall investment of $66 million over two years, starting in 2020-21, to support community organizations responding to the crisis.

Moving Forward on National Universal Pharmacare

A healthy economy is only possible when its people are healthy. Canadians have access to some of the best doctors, nurses, hospitals, and treatments in the world, and all through our publicly funded health care systems. But some Canadians have difficulty affording the medications they need.

The case for national universal pharmacare is well-established. The government is committed to work with provinces, territories and stakeholders to build on the foundational elements that are already in progress, like the national strategy on high-cost drugs for rare diseases, toward the goal of a universal national program.

To maintain momentum, the government will proceed with its announced plan to provide ongoing funding of $500 million for the program for high-cost drugs for rare diseases. The government will also directly engage with willing partners on national universal pharmacare, alongside other important health priorities, that can be advanced at the provincial and territorial level.

Supporting Access to Sexual and Reproductive Health Care Information and Services

All Canadians should have access to a full suite of sexual and reproductive health resources and services, no matter where they live. Currently, women, youth, LGBTQ2 people, racialized Canadians, and Indigenous populations face the highest sexual and reproductive health risks and the greatest barriers to accessing support, information, and services. Too often, they do not receive the same quality of care, particularly if they are from marginalized communities. Furthermore, examples like Clinic 554—New Brunswick's only private abortion clinic—show us that lack of funding puts access to sexual and reproductive health care at risk. Everyone deserves equal treatment in our health care system.

The Government is committed to collaboration with provinces and territories to strengthen our health care system, ensuring equitable and appropriate access to a full suite of reproductive and sexual health services, in any upcoming Canada Health Transfer funding discussions.

To improve access to sexual and reproductive health care support, information, and services—including protecting access to abortion care:

- Budget 2021 proposes to provide $45 million over three years, starting in 2021-22, to Health Canada to fund community-based organizations that help make sexual and reproductive health care information and services more accessible for vulnerable populations. These organizations support activities such as producing inclusive training materials for sexual and reproductive health care providers, carrying out public awareness activities, and providing travel and logistical support to individuals who have to go long distances to access abortion care**.**

In addition, there are currently no existing resources that collect comprehensive data on a wide range of sexual and reproductive health indicators in Canada, limiting our ability to target supports. To address this:

- Budget 2021 proposes to provide $7.6 million over five years, starting in 2021-22, for Statistics Canada to develop and implement a national survey on sexual and reproductive health that captures data on race, household income, and sexual orientation–information often not captured in existing surveys. Better information will help ensure governments understand the challenges and improve the support they provide.

Establishing a National Institute for Women's Health Research

Sex- and gender-related disparities continue to persist in Canada's health system. Women are more likely to die of preventable illnesses and bear a higher burden of chronic illnesses. To improve health outcomes and eliminate the gaps in the quality of care women receive, we need to strengthen research.

- Budget 2021 proposes to provide $20 million over five years, starting in 2021-22, to the Canadian Institutes of Health Research to support a new National Institute for Women's Health Research. The new institute will advance a coordinated research program that addresses under-researched and high-priority areas of women's health and ensure new evidence improves women's care and health outcomes. It will also ensure an intersectional approach to research and care to tackle persistent gaps for all women, including for racialized women, Black and Indigenous women, women with disabilities, and members of LGBTQ2 communities.

National Autism Strategy

Children and adults with autism spectrum disorder, as well as their families, encounter significant economic and social challenges throughout their lives. Many also confront disparities when it comes to diagnoses and treatments. To improve the health and well-being of Canadians with autism spectrum disorder and their caregivers:

- Budget 2021 proposes to provide $15.4 million over two years, starting in 2021-22, to the Public Health Agency of Canada to work with partners to support the creation of a national autism strategy.

Strategic Research on Pediatric Cancer

Cancer is a leading cause of disease-related death in Canadian children. Pediatric cancers are faster growing and found in different organs than in adults. More targeted research is needed to help save lives and improve the services these brave children and their families receive.

- Budget 2021 proposes to provide $30 million over two years, starting in 2021-22, to the Canadian Institutes of Health Research to fund pediatric cancer research that can lead to better outcomes and healthier lives for these young patients. The funding will support promising research projects with the greatest potential for fighting pediatric cancers.

Establishing a National Framework for Diabetes

This year marks the 100th anniversary of the discovery of insulin, a Nobel Prize-winning accomplishment by Canadian researchers that has helped to save millions of lives. 3.2 million Canadians live with diabetes, a disease which can lead to a variety of complications, such as heart disease and stroke, blindness, and amputation. Type 2 diabetes makes up 90 per cent of all cases of diabetes in Canada and, like other chronic diseases, is largely preventable. Adults with diabetes are also at greater risk of more severe COVID-19 symptoms, including respiratory distress and pneumonia.

- Budget 2021 proposes to provide $25 million over five years, starting in 2021-22, to Health Canada for additional investments for research on diabetes (including in juvenile diabetes), surveillance, and prevention, and to work towards the development of a national framework for diabetes. This framework will be developed in consultation with provinces and territories, Indigenous groups, and stakeholders, and will help to support improved access to prevention and treatment, and better health outcomes for Canadians.

- Budget 2021 proposes to provide $10 million over five years, starting in 2021-22, to the Public Health Agency of Canada for a new Diabetes Challenge Prize. This initiative will help surface novel approaches to diabetes prevention and promote the development and testing of new interventions to reduce the risks associated with Type 2 diabetes.

Taxation of Vaping Products

Young Canadians' use of vaping products, such as e-cigarettes, is on the rise. One Health Canada survey indicates that, since 2018, use has doubled among Canadian high school students. Vaping with nicotine poses risks, especially to young people: nicotine is highly addictive, can affect memory and concentration, and is known to alter brain development in teens. In addition to raising revenues, vaping taxation could become an effective means to help curtail harmful consumption of these products.

- Budget 2021 announces the government's intention to introduce a new taxation framework for the imposition of excise duties on vaping products in 2022.

The Government of Canada will also work with any provinces and territories that may be interested in a federally coordinated approach to taxing these products.

Taxation of Tobacco

Tobacco use continues to be the leading preventable cause of premature death in Canada. Tobacco taxation is an effective way to reduce tobacco consumption and help reach the government's goal of less than 5 per cent of the population using tobacco by 2035.

- Budget 2021 proposes to increase the tobacco excise duty by $4 per carton of 200 cigarettes, along with corresponding increases to the excise duty rates for other tobacco products. This measure would take effect the day after Budget Day.

It is estimated that this measure will increase federal revenues by $2.1 billion over five years starting in 2021-22.

Support for Canadian Blood Services

Many Canadians rely on plasma to treat life-threatening conditions. During the COVID-19 crisis, global demand, prices, and shortages have increased. To secure a domestic supply of plasma:

- Budget 2021 proposes to provide $20 million over three years, beginning in 2021-22, to Health Canada to construct eight plasma collection sites across the country. These sites would be operated by Canadian Blood Services. The government will continue to work with partners like Canadian Blood Services and Héma-Québec to ensure a secure plasma supply across Canada.

Better Palliative Care

To provide Canadians, including those who live in long-term care and their families, with better palliative and end-of-life care, including culturally sensitive care:

- Budget 2021 proposes to provide $29.8 million over six years, starting in 2021-22, to Health Canada to advance the government's palliative care strategy and lay a better foundation for coordinated action on long-term and supportive care needs, improving access to quality palliative care. Initiatives could include: raising awareness of the importance of palliative care; providing public education on grief; improving palliative care skills and supports for health care providers, families, caregivers, and communities; enhancing data collection and research; and improving access to culturally sensitive palliative and end-of-life care.

Ensuring Appropriate Access and Safeguards for Medical Assistance in Dying

Medical assistance in dying (MAID) is a complex and deeply personal issue. MAID became law in Canada five years ago to provide relief, in certain cases, for those with reasonably foreseeable deaths. Recent amendments to the law, with the passage of Bill C-7 to expand access for those suffering intolerably, underscore the need to be responsive to the evolution of Canada's MAID framework.

- Budget 2021 proposes to provide funding of $13.2 million over five years, beginning in 2021-22, with $2.6 million per year ongoing, to Health Canada to ensure that Canada's medical assistance in dying framework is implemented consistently and with all appropriate safeguards. Funding would support training and the development of guidance materials for practitioners, as well as support research to guide the evolution of medical assistance in dying in Canada.

Chapter 7

A More Equal Canada

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
7.1. Fighting Systemic Racism and Empowering Communities	**0**	**338**	**45**	**45**	**38**	**38**	***504***
Strengthening the Canadian Race Relations Foundation and Helping Communities Respond to an Increase in Racism	0	8	5	0	0	0	*13*
Supporting Black Canadian Communities	0	300	0	0	0	0	*300*
Better Data for Better Outcomes	0	30	40	45	38	38	*191*
Making the Public Service More Diverse	0	0	0	0	0	0	*0*
7.2. An Economic Recovery that Includes Everyone	**0**	**1,726**	**1,833**	**2,456**	**2,592**	**2,747**	***11,354***
Increasing Old Age Security for Canadians 75 and over	0	1,675	1,870	2,643	2,820	3,004	*12,011*
Less: Projected Revenues	*0*	*-155*	*-210*	*-300*	*-325*	*-355*	*-1,345*
Towards a New Disability Benefit	0	4	4	4	0	0	*12*
Improving Access to the Disability Tax Credit	0	19	84	90	91	92	*376*
Making Our Communities and Workplaces More Accessible	0	50	50	0	0	0	*100*
Supporting Greater Equality for LGBTQ2 Communities	0	8	7	7	0	0	*22*
Supporting Our Veterans	0	118	13	12	6	6	*155*
Recognizing the Contributions of Atomic Workers	0	7	15	0	0	0	*22*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
7.3. Supporting the Health of Canadians	**0**	**-304**	**-320**	**-392**	**-400**	**-400**	***-1,814***
Addressing the Opioid Crisis and Problematic Substance Use	0	58	58	0	0	0	*116*
Supporting Access to Sexual and Reproductive Health Care Information and Services	0	16	18	15	3	0	*53*
Establishing a National Institute for Women's Health Research	0	2	5	4	4	4	*20*
National Autism Strategy	0	8	8	0	0	0	*15*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-4*	*-4*	*0*	*0*	*0*	*-8*
Strategic Research on Pediatric Cancer	0	15	15	0	0	0	*30*
Establishing a National Framework for Diabetes	0	7	7	7	7	7	*35*
Taxation of Tobacco	0	-415	-440	-435	-425	-420	*-2,135*
Support for Canadian Blood Services	0	6	8	6	0	0	*20*
Better Palliative Care	0	1	4	7	9	6	*27*
Ensuring Appropriate Access and Safeguards for Medical Assistance in Dying	0	3	3	3	3	3	*13*
Additional Investments – A More Equal Canada	**-28**	**7**	**22**	**0**	**0**	**0**	***0***
Veterans Affairs Canada Service Capacity	0	7	22	0	0	0	*29*
Less: Funds Previously Provisioned in the Fiscal Framework	-28	0	0	0	0	0	*-29*
Funding for Veterans Affairs Canada to extend disability adjudication resources provided in Budget 2018 for an additional year and to develop more efficient disability benefits application and decision-making processes using digital technologies.							
Chapter 7 – Net Fiscal Impact	***-28***	***1,767***	***1,580***	***2,109***	***2,230***	***2,385***	***10,043***

Note: Numbers may not add due to rounding.

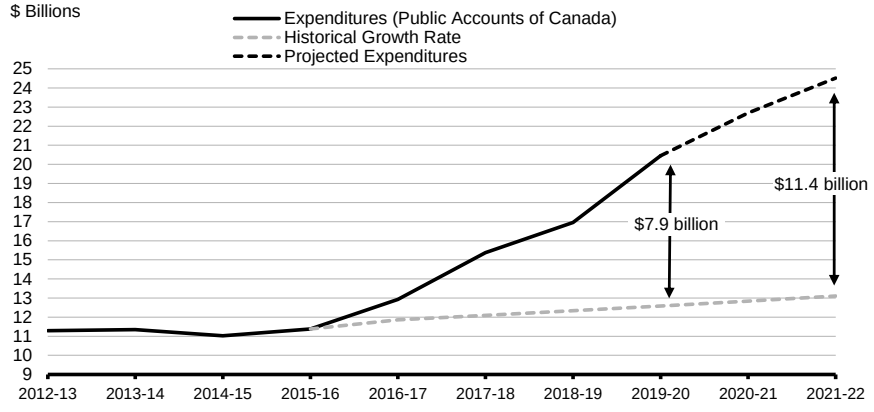
Chapter 8
Strong Indigenous Communities

No relationship is more important to the federal government than the relationship with Indigenous peoples. The federal government continues to work with Indigenous peoples to build a nation-to-nation, Inuit-Crown, government-to-government relationship—one based on respect, partnership, and recognition of rights.

In Budget 2021, the federal government is furthering its plan to address the unique challenges faced by Indigenous communities during the pandemic. This work is essential to make sure our recovery includes everyone and makes all communities more resilient. Since 2015, real progress has been made righting historic wrongs, but more work needs to be done.

Through this budget, the federal government is proposing a historic, new investment of over $18 billion over the next five years, to improve the quality of life and create new opportunities for people living in Indigenous communities. Working with Indigenous partners, these investments will make significant strides in closing gaps between Indigenous and non-Indigenous peoples, support healthy, safe, and prosperous Indigenous communities, and advance meaningful reconciliation with First Nations, Inuit, and the Métis Nation. These investments will support continued action on infrastructure and clean water. They will also take meaningful action on the new approach that is needed to end the national tragedy of missing and murdered Indigenous women and girls, one which addresses the root causes and the scope of the violence.

Chart 8.1
Investments in Indigenous Priorities (Actual and Projected)
Indigenous Investments: 2012-13 to 2021-22



Sources: Public Accounts of Canada; Department of Finance Canada.

8.1 Healthy and Vibrant Communities

COVID-19 has highlighted the health vulnerabilities Indigenous peoples face and the challenges of delivering front-line health services in many Indigenous communities.

The federal government knows that addressing the gap in health outcomes faced by First Nations, Inuit, and Métis peoples, beyond COVID-19, means taking a broader approach to health and well-being. It means recognizing that health care includes preventive care and mental wellness, that good health is only possible when basic needs are met, and that education is key to a healthy future.

Good health also requires a distinctions-based, Indigenous-led approach. This is what the investments in Budget 2021 set out to accomplish.

Supporting Indigenous Communities in the Fight Against COVID-19

Since the start of the pandemic, Indigenous communities have faced extraordinary health challenges and continue to be vulnerable to the virus and its variants. The federal government has supported Indigenous communities every step of the way through the pandemic, and will continue to have their backs.

Vaccination efforts are well underway in Indigenous communities across the country and the federal government continues to work with provinces and territories to make sure Indigenous peoples in cities can get the vaccine too. The federal government recently introduced legislation that, if passed, would provide a one-time payment of up to $1 billion to provinces and territories to support vaccination rollouts across the country, and could be used to engage Indigenous communities to advance vaccine rollout. Indigenous communities have worked hard to combat the virus but the pandemic is not over and Indigenous communities remain at risk.

- Budget 2021 proposes to provide an additional $1.2 billion in 2021-22 to continue supporting the COVID-19 response in Indigenous communities as follows:
  - $478.1 million on a cash basis to continue to support the ongoing public health response to COVID-19 in Indigenous communities, including support to hire nurses, help at-risk people to isolate, and distribute personal protective equipment.

- An additional $760.8 million for the Indigenous Community Support Fund to help First Nations, Inuit, Métis Nation communities, and urban and off-reserve Indigenous organizations serving Indigenous peoples meet the unique needs of their populations during the COVID-19 pandemic. This will provide funding to: prevent the spread of COVID-19; support elders and vulnerable community members; provide mental health assistance and emergency response services; address food insecurity; and support children.

Together, these measures will help to ensure that Indigenous leadership has the tools and resources they need to continue to keep communities safe, respond to outbreaks, and support vaccination rollout.

To keep communities safe, the Government also proposes to introduce legislation that would ensure that the *First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)* are deemed to have been validly made since April 7, 2020. The Regulations provide a mechanism for First Nation councils to postpone their elections or to extend the terms of the chiefs and councillors, while avoiding a critical governance gap, to prevent, mitigate or control the spread of diseases on reserve, including COVID-19.

Improving Health Outcomes in Indigenous Communities

For far too long, Indigenous peoples have faced poor health care and their communities have experienced reduced health outcomes.

Since 2015, the government has invested over $5.5 billion to improve health outcomes in Indigenous communities. These investments have increased access to timely and culturally appropriate medical care and mental health services for Indigenous people and supported distinctions-based priorities. This includes dedicated funding for First Nations children through the implementation of Jordan's Principle, responding to high rates of tuberculosis in Inuit communities and supporting the Métis Nation in gathering health data and developing a health strategy to address their unique needs.

Building on that, and to ensure Indigenous peoples can access high-quality health care:

- Budget 2021 proposes to invest $1.4 billion over five years, beginning in 2021-22, and $40.6 million ongoing, to maintain essential health care services for First Nations and Inuit, continue work to transform First Nations health systems, and respond to the health impacts of climate change, including:

- $774.6 million over five years, beginning in 2021-22, to ensure continued high-quality care through the Non-Insured Health Benefits Program, which supports First Nations and Inuit people with medically necessary services not otherwise covered, such as mental health services, medical travel, medications, and more.
- $354 million over five years, beginning in 2021-22, to increase the number of nurses and other medical professionals in remote and isolated First Nations communities.
- $107.1 million over three years, beginning in 2021-22, to continue efforts to transform how health care services are designed and delivered by First Nations communities, building on the government's commitment to improve access to high-quality and culturally relevant health care for Indigenous peoples.
- $125.2 million over four years, beginning in 2022-23, to continue to support First Nations communities' reliable access to clean water and help ensure the safe delivery of health and social services on reserve.
- $22.7 million over five years, beginning in 2021-22, to support First Nations and Inuit as they manage the health impacts of climate change, such as access to country food, impacts of extreme weather events, and mental health impacts of climate change on youth.

These investments are in addition to the government's commitment to co-develop distinctions-based Indigenous health legislation with First Nations, Inuit, and the Métis Nation so that Indigenous communities have greater control over the design and delivery of high-quality and culturally relevant care. The government launched the engagement process to co-develop this legislation on January 28, 2021.

Distinctions-Based Mental Wellness Strategy

The government is committed to supporting Indigenous peoples and communities as they seek to heal from historical trauma and the intergenerational impacts of colonization. The pandemic has exacerbated the mental health challenges many Indigenous peoples face. Three in five Indigenous peoples say their mental health has worsened in the pandemic. Providing better access to trauma-informed, culturally appropriate Indigenous-led services is a critical part of improving mental wellness in First Nations, Inuit, and Métis Nation communities.

- Budget 2021 proposes to provide $597.6 million over three years, starting in 2021-22, for a distinctions-based mental health and wellness strategy with First Nations, Inuit, and the Métis Nation. The strategy will renew funding for the Indian Residential Schools Health Supports Program and Crisis Line, which provide healing supports for survivors of childhood trauma and residential schools. It will also stabilize and expand community-based supports and capacity, increase substance use treatment and prevention, and support workforce development.

Supporting Indigenous Children and Families

The government is committed to supporting the well-being of Indigenous children and families. Work continues with Indigenous leadership to reform child and family services so that all Indigenous children have the opportunity to grow up in their communities, immersed in their cultures, and surrounded by loved ones.

- To support this important work, Budget 2021 proposes to provide $1 billion over five years, starting in 2021-22, with $118.7 million ongoing to increase funding under the First Nations Child and Family Services Program. Proposed funding would:
  - Provide increased support to First Nations communities not served by a delegated First Nation agency for prevention activities to help First Nations children and families stay together, within their communities through the Community Well-being and Jurisdiction Initiative;
  - Continue to implement orders from the Canadian Human Rights Tribunal; and
  - Permanently ensure that First Nations youth who reach the age of majority receive the supports that they need, for up to two additional years, to successfully transition to independence.

The government will also continue to support First Nations, Inuit and Métis communities in developing their own child and family services models that reflect their values and traditions under the *Act Respecting First Nations, Inuit and Métis children, youth and families*.

- Budget 2021 proposes to provide $73.6 million over four years, starting in 2021-22, to support the implementation of the Act.

These investments and the implementation of the Act will help realize the shared goals of prioritizing the best interests of children, increasing the number of communities exercising jurisdiction in relation to child and family services, and decreasing the number of children in care.

Providing High-quality Education

A high-quality education is the foundation of success, which every child growing up in Canada deserves no matter where they live. Not only does good elementary and secondary schooling lead to better jobs, studies have shown that better education can lead to better mental heath and improved personal, family, and community well-being. Since 2015, investments the government has made have improved learning experiences for approximately 107,000 students per year and helped build 186 education-related infrastructure projects benefiting 240 First Nations communities. Investing in children's education is an important part of the government's plan to build long-term economic resilience. In 2019, the federal government implemented a new, co-developed policy and funding approach to better support the needs of First Nations students on reserve.

To invest in the future of First Nations children and continue to support this new approach:

- Budget 2021 proposes to invest $1.2 billion over five years, and $181.8 million ongoing, including:
  - $112 million in 2021-22 to extend COVID-19 support so children on reserve can continue to attend school safely, including PPE for students and staff, laptops to support online learning, and more teachers and other critical staff.
  - $726 million over five years, starting in 2021-22, and $181.8 million ongoing, to enhance funding formulas in critical areas such as student transportation; ensure funding for First Nations schools remains predictable from year to year; and increase First Nations control over First Nations education by concluding more Regional Education Agreements.
  - $350 million over five years, starting in 2021-22, to expand access to adult education by supporting First Nations people on reserve who wish to return to high school in their communities and complete their high school education.

Supporting Indigenous Post-secondary Education During COVID-19

The pandemic continues to affect Indigenous post-secondary students and institutions. To help Indigenous students complete their studies and ensure that Indigenous-led post-secondary institutions can provide online services and continue to implement health and safety measures:

- Budget 2021 proposes to provide $150.6 million over two years, starting in 2021-22, to support Indigenous students through the Post-Secondary Student Support Program and the Inuit and Métis Nation Post-Secondary Education Strategies. Many students are facing financial difficulty during the pandemic, as young people have suffered some of the worst job losses. This support would help offset lost income that many Indigenous students rely on to pay for tuition, books, housing, and other living expenses. The federal government knows that young people need support to get through this crisis so they can complete their education and succeed in their chosen fields.
- Budget 2021 also proposes to provide $26.4 million, in 2021-22, through the Post-Secondary Partnerships Program and the Inuit and Métis Nation Post-Secondary Education Strategies to support Indigenous post-secondary institutions during COVID-19.

On-reserve Income Assistance

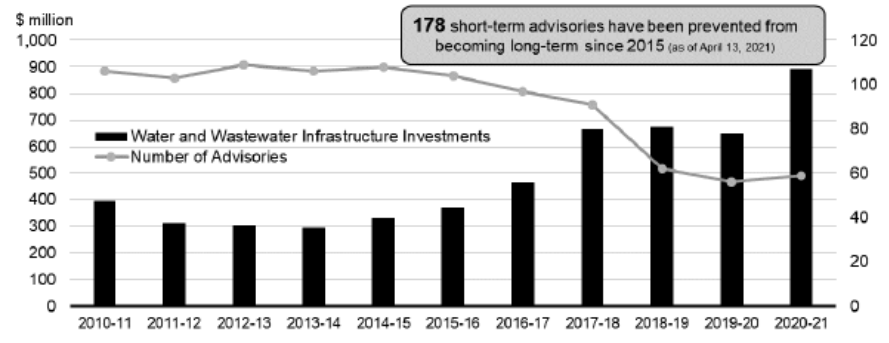
The On-reserve Income Assistance program helps eligible individuals and families cover the costs of daily life and provides access to employment supports. The federal government is continuing to engage with First Nations on ways to make the program more responsive to the needs of individuals and families and to develop support that helps people transition from income assistance to employment and education.

- Budget 2021 proposes to invest $618.4 million over two years, while work continues, including:
  - $540 million over two years, starting in 2021-22, to continue to address basic needs and increased program demand, including as a result of COVID-19.
  - $78.4 million over two years, starting in 2021-22, to continue providing case management and support to help people find work.

8.2 Building Infrastructure and Economic Growth

Budget 2021 lays out a plan to help build resilient Indigenous communities through new, distinctions-based investments in infrastructure, including support for clean drinking water, housing, schools, and roads. This builds on the recent announcement by the Canada Infrastructure Bank to commit $1 billion towards the Indigenous Community Infrastructure Initiative to support new partnerships with Indigenous communities on infrastructure projects.

Chart 8.2
Progress on Long-Term Drinking Water Advisories since 2010



Source: Indigenous Services Canada

As of April 13, 2021, 106 long-term drinking water advisories, and 178 short-term drinking water advisories, have been lifted since 2015, while 105 long-term drinking water advisories were in place when this government committed to eliminating long-term drinking water advisories on public systems on reserves. Since 2015, the expansion of the scope of the commitment and short-term advisories becoming long-term have added advisories to the list, but the government's commitment to end all advisories remains firm.

Indigenous community-owned businesses are key drivers of economic growth—they reinvest profits back into their local communities. They are important partners in the work to strengthen communities. This budget makes bold investments to support new opportunities for Indigenous businesses and communities. These targeted investments expand revenue sources and provide businesses and communities with access to the capital they need to grow during the recovery and beyond.

Indigenous Infrastructure

Investments in clean water, housing, and other community infrastructure will create good jobs and build healthier, safer, and more prosperous Indigenous communities in the long-term. The investments in the federal government's plan will accelerate its 10-year commitment to close the infrastructure gaps in Indigenous communities, which could include all-weather roads, northern airstrips, broadband, health care and educational facilities.

- Budget 2021 proposes distinctions-based investments of $6.0 billion over five years, starting in 2021-22, with $388.9 million ongoing, to support infrastructure in Indigenous communities, including:
  - $4.3 billion over four years, starting in 2021-22, for the Indigenous Community Infrastructure Fund, a distinctions-based fund to support immediate demands, as prioritized by Indigenous partners, with shovel-ready infrastructure projects in First Nations, including with modern-treaty and self-governing First Nations, Inuit, and Métis Nation communities.
  - $1.7 billion over five years, starting in 2021-22, with $388.9 million ongoing, to cover the operations and maintenance costs of community infrastructure in First Nations communities on reserve.

Supporting Indigenous Economies

The COVID-19 pandemic has had a significant impact on Indigenous communities and businesses. Public health measures have affected many of the revenue sources, such as community-owned business revenues, property taxes, and revenues from leased properties, which communities use to support service delivery and pay loans which have been taken out to support community, economic development, and jobs. To ensure the long-term resilience of Indigenous economies, Budget 2021 proposes to provide:

- $117 million in 2021-22 to renew the Indigenous Community Business Fund. This will ensure First Nations, Inuit, and Métis Nation communities can continue to provide services and support jobs for their members through collectively owned businesses and microbusinesses affected by the COVID-19 pandemic.
- $33.4 million in 2021-22 to support the First Nations Finance Authority pooled borrowing regime as follows:
  - $32.5 million to establish a First Nations Finance Authority Emergency Fund to provide repayable financial support for borrowing members encountering difficulties due to COVID-19 or future widespread economic shocks.

- $925,000 to support the First Nations Finance Authority launch of the Commercial Paper Program that will lower interest rates for First Nation borrowers so they can secure more manageable funding.

This time-limited spending will help Indigenous communities withstand the pressures of the pandemic and ensure they are well-positioned for a quick recovery.

Support for Indigenous Entrepreneurs

Indigenous communities are often in rural and remote areas and the success of Indigenous-led businesses, including tourism businesses, is critically important to local jobs and economies. In order to ensure Indigenous businesses are part of the recovery and that their economies experience long-term growth, Indigenous-led businesses need access to support.

The Aboriginal Entrepreneurship Program provides additional support for First Nations, Inuit, and Métis Nation entrepreneurs by lowering the cost of business financing, providing equity, and offering business support services. The program helps Indigenous entrepreneurs access affordable loans to start and grow their businesses. To help Indigenous entrepreneurs start and grow businesses, create jobs, and generate prosperity in their communities:

- Budget 2021 proposes to invest $42 million over three years, starting in 2021-22, to expand the Aboriginal Entrepreneurship Program. This will directly support Indigenous-led businesses and help Indigenous communities generate wealth by improving access to capital and business opportunities.
- Budget 2021 also proposes to provide $2.4 million in 2021-22 to the Indigenous Tourism Association of Canada to help the Indigenous tourism industry rebuild and recover from the impacts of COVID-19.

Currently, only 36 per cent of Indigenous-led businesses are owned by women. To address this and make sure women entrepreneurs are empowered in the economic recovery:

- Budget 2021 proposes to invest $22 million over three years, starting in 2021-22, to support the National Aboriginal Capital Corporations Association's (NACCA) Indigenous Women's Entrepreneurship Initiative by providing tools, services, and resources to increase the number of Indigenous women entrepreneurs. This funding would support NACCA in achieving its target of increasing the number of Indigenous women entrepreneurs who access financing through Aboriginal Financial Institutions by 50 per cent.

Launch of the Indigenous Growth Fund

Indigenous businesses play an important role in creating jobs and opportunities across Canada. The national network of Aboriginal Financial Institutions, including Métis Capital Corporations, helps to launch and grow these important businesses.

In order to help ensure that Indigenous businesses have access to financing, the government announced in Budget 2019 the development of an Indigenous Growth Fund.

Through close collaboration between the National Aboriginal Capital Corporation Association and the Business Development Bank of Canada, an innovative, sustainable new $150 million fund has now been created.

As announced on April 14, 2021, the Indigenous Growth Fund is designed to provide capital to Aboriginal Financial Institutions and ultimately Indigenous businesses and entrepreneurs. The unique structure leverages an initial government investment to help recruit other investors, and most importantly, to grow and sustain the fund on an ongoing basis. This will help to provide a long-term source of capital to support continued success for Indigenous businesses.

Securing Capital for Community Investments

The First Nations Finance Authority provides opportunities for First Nations to use their own revenue—often from provincial revenue-sharing agreements or business ventures—to secure long-term financing. This in turn supports First Nations' self-determination, job creation, and social and economic development. To expand opportunities for First Nations to raise capital in support of community priorities:

- Budget 2021 announces the Government of Canada's intention to amend legislation and regulations to expand the types of revenues that First Nations may use to support borrowing from the First Nations Finance Authority, specifically to include revenues from the First Nations Goods and Services Tax and the First Nations Sales Tax.

This measure will apply to First Nations that have opted into the *First Nations Fiscal Management Act* regime and that are collecting First Nations Goods and Services Tax or First Nations Sales Tax revenues within their lands.

Redesigning the Additions to Reserve Policy

Lands are central to First Nations traditions, identity, and prosperity. They are a crucial asset for advancing self-determination, economic development, and well-being.

- Budget 2021 proposes to provide $43 million over three years, starting in 2021-22, to work with Indigenous partners and other stakeholders to redesign the federal Additions to Reserve policy and to accelerate work on existing requests from First Nations across the country.

8.3 Responding to the Tragedy of Missing and Murdered Indigenous Women and Girls

The government is accelerating work on the National Action Plan in response to the National Inquiry into Missing and Murdered Indigenous Women and Girls' Calls for Justice and the implementation of the Truth and Reconciliation Commission's Calls to Action.

Budget 2021 lays out a plan that will build on progress and remain accountable to communities, families, and survivors across Canada.

To end the national tragedy of missing and murdered Indigenous women and girls, a new approach is needed—one that addresses the root causes of violence, that recognizes the scope of the problem, and one that factors in the different experiences of Indigenous peoples from coast-to-coast-to-coast. This work is anchored in four interconnected thematic areas from the national inquiry: culture, health and wellness, human security and safety, and justice.

Actions to address this tragedy must be broad in order to address the socio-economic root causes including loss of culture and languages, poverty and lack of access to housing, and the need for community safety, food security, employment, education, health care, infrastructure, and the many threads that tie the fabric of society together.

Budget 2021 proposes to invest an additional $2.2 billion over five years, beginning in 2021-22, and $160.9 million ongoing, to help build a safer, stronger, and more inclusive society.

Culture

The preservation, restoration, and promotion of culture and language, as well as participation in sport, are powerful tools for healing, reconciliation, and fostering a strong sense of identity. To support this work in Indigenous communities:

- Budget 2021 proposes to provide $275 million over five years, beginning in 2021-22, and $2 million ongoing to Canadian Heritage, to support the efforts of Indigenous peoples in the reclamation, revitalization, and strengthening of Indigenous languages as a foundation for culture, identity, and belonging. This funding will support various initiatives such as languages and culture camps, mentor-apprentice programs and the development of Indigenous languages resources and documentation.
- Budget 2021 also proposes to provide $14.9 million over four years, beginning in 2021-22, to support the preservation of Indigenous heritage through Library and Archives Canada. This will ensure that Indigenous women, girls, 2SLGBTQQIA+ people, and all people in Canada have meaningful access to their cultures and languages.
- Budget 2021 also proposes to provide $108.8 million over two years, beginning in 2021-22, to reestablish and revitalize Indigenous cultural spaces. Having a dedicated, permanent space to share culture is a key component of building strong Indigenous identities. Establishing cultural spaces that are inclusive of Indigenous women, girls, and 2SLGBTQQIA+ people will help ensure they have a seat at the decision-making table. This proposal responds to the Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls, which calls for all Indigenous women, girls, and 2SLGBTQQIA+ people to be provided with safe, no-barrier, permanent, and meaningful access to their cultures and language.
- Budget 2021 also proposes to provide $40.1 million over three years, beginning in 2021-22, to Canadian Heritage to support the Indigenous Screen Office and ensure Indigenous peoples can tell their own stories and see themselves reflected on-screen.
- Budget 2021 also proposes to provide $14.3 million over five years, beginning in 2021-22, and $2.9 million ongoing, to ensure that Indigenous women and girls have access to meaningful sports activities through the Sport for Social Development in Indigenous Communities program.

Health and Wellness

> Joyce Echaquan, a 37-year-old mother of seven children, from the Atikamekw de Manawan, died at the Joliette Hospital after receiving degrading insults from two hospital staff. **Joyce's Principle** aims to guarantee to all Indigenous peoples the right of equitable access, without any discrimination, to all social and health services, as well as the right to enjoy the best possible physical, mental, emotional, and spiritual health.

The tragic death of Joyce Echaquan last summer made clear the devastating consequences of anti-Indigenous racism in our health care systems.

- Budget 2021 proposes to provide $126.7 million over three years, beginning in 2021-22, to take action to foster health systems free from racism and discrimination where Indigenous peoples are respected and safe. This funding will support patient advocates, health system navigators, and cultural safety training for medical professionals.
- Budget 2021 also proposes to provide $12.5 million over five years, beginning in 2021-22, and $2.5 million ongoing, to support the well-being of families and survivors through project-based programming in collaboration with the National Family and Survivors Circle.

This builds on critical investments outlined earlier in this chapter, including $597.6 million over three years, beginning in 2021-22 for distinctions-based mental wellness supports which provide community-based, culturally relevant, and trauma-informed wellness services for families and survivors, as well as broader investments to support the health and well-being of Indigenous peoples.

Human Security and Safety

Indigenous communities, like all communities in Canada, should be places where people and families feel safe and secure. A well-funded, culturally sensitive, and respectful police service is essential for community safety and well-being.

- Budget 2021 proposes to provide $861 million over five years, beginning in 2021-22, and $145 million ongoing, to support culturally responsive policing and community safety services in Indigenous communities. This includes:
  - $43.7 million over five years, beginning in 2021-22, to co-develop a legislative framework for First Nations policing that recognizes First Nations policing as an essential service.

- $540.3 million over five years, beginning in 2021-22, and $126.8 million ongoing, to support Indigenous communities currently served under the First Nations Policing Program and expand the program to new Indigenous communities.
- $108.6 million over five years, beginning in 2021-22, to repair, renovate, and replace policing facilities in First Nation and Inuit communities.
- $64.6 million over five years, beginning in 2021-22, and $18.1 million ongoing, to enhance Indigenous-led crime prevention strategies and community safety services.
- $103.8 million over five years, beginning in 2021-22, for a new Pathways to Safe Indigenous Communities Initiative to support Indigenous communities to develop more holistic community-based safety and wellness models.

This investment seeks to address the Calls for Justice, which are further supported by critical investments outlined in Chapter 9 to advance a new National Action Plan to End Gender-Based Violence, including $55 million over five years, beginning in 2021-22, for the Department for Women and Gender Equality to bolster the capacity of Indigenous women and 2SLGBTQQIA+ organizations to provide gender-based violence prevention programming aimed at addressing the root causes of violence against Indigenous women, girls, and 2SLGBTQQIA+ people.

Justice

Building on recent actions to address the overrepresentation of Indigenous people in the criminal justice system through Bill C-22, to improve Indigenous peoples' access to justice in all areas of the justice system:

- Budget 2021 proposes to provide $74.8 million over three years, beginning in 2021-22, to improve access to justice for Indigenous people and support the development of an Indigenous justice strategy to address systemic discrimination and the overrepresentation of Indigenous people in the justice system. This includes:
  - $27.1 million to Justice Canada to help Indigenous families navigate the family justice system and access community-based family mediation services.
  - $24.2 million to Justice Canada to support engagement with Indigenous communities and organizations on the development of legislation and initiatives that address systemic barriers in the criminal justice system, including collaboration on an Indigenous justice strategy.
  - $23.5 million to the Public Prosecution Service of Canada to support victims of violence by increasing prosecutorial capacity in the territories.

Working with Partners

At present, only three national Indigenous women's organizations and one regional organization receive dedicated federal funding for operations. There are over 30 regional organizations that are either unfunded or receive only time-limited, project-based funding.

- Budget 2021 proposes to provide $36.3 million over five years, beginning in 2021-22, and $8.6 million ongoing to Crown-Indigenous Relations and Northern Affairs Canada, to enhance support for Indigenous women's and 2SLGBTQQIA+ organizations, ensuring that the voices and perspectives of Indigenous women and 2SLGBTQQIA+ people are reflected in all aspects of decision-making that impacts their lives. This proposal responds directly to the MMIWG Call for Justice 1.8, which calls upon governments to provide core and sustainable funding to national, regional, and local Indigenous women's and 2SLGBTQQIA+ organizations.

- Budget 2021 also proposes to provide $20.3 million over five years, beginning in 2021-22, to work with Indigenous partners to ensure that appropriate monitoring mechanisms are in place to measure progress and to keep the government accountable, now and in the future.

The proposed Budget 2021 investments build on investments made as part of the 2020 *Fall Economic Statement*, which announced $781.5 million over five years, beginning in 2021-22 and $106.3 million ongoing. This included:

- $724.1 million to launch a comprehensive Violence Prevention Strategy to expand access to culturally relevant supports for Indigenous women, children, 2SLGBTQQIA+ people facing gender-based violence. This strategy will support new shelters and transition housing for First Nations, Inuit, and Métis peoples across the country, including on reserve, in the North, and in urban areas.
- $49.3 million to support the implementation of Gladue Principles in the mainstream justice system and Indigenous-led responses in order to help reduce the overrepresentation of Indigenous peoples in the criminal justice and correctional systems.
- $8.1 million to develop Administration of Justice Agreements with Indigenous communities to strengthen community-based justice systems and support self-determination.

8.4 Walking the Path to Reconciliation and Self-determination

The Government of Canada is committed to supporting self-determination and self-government as part of its efforts to forge stronger relationships with First Nation, Inuit, and Métis peoples.

The federal government also recognizes that meaningful action is required to address the systemic racism many Indigenous peoples face, including in their interactions with public institutions.

Budget 2021 presents the next steps in the federal government's plan to ensure Indigenous peoples have greater say over the policies and programs that affect their lives.

Implementation of Legislation on the *United Nations Declaration on the Rights of Indigenous Peoples*

The *United Nations Declaration on the Rights of Indigenous Peoples* is the most comprehensive international instrument on the rights of Indigenous peoples. It provides guidance on co-operative relationships with Indigenous peoples based on the principles of equality, partnership, good faith and mutual respect for the survival, dignity and well-being of Indigenous peoples. In December 2020, the Government introduced Bill C-15, *United Nations Declaration on the Rights of Indigenous Peoples Act*, which was developed with Indigenous partners, fulfilling its commitment to introduce legislation to implement the Declaration as government legislation.

- Budget 2021 proposes to provide $31.5 million over two years, starting in 2021-22, to support the co-development of an Action Plan with Indigenous partners to implement this legislation and to achieve the objectives of the Declaration. This process will support Indigenous self-determination and enhance nation-to-nation, Inuit-Crown and government-to-government relationships.

Escalating 10-Year Grant Funding

To help advance a new fiscal relationship with First Nations, a new 10-year grant funding mechanism was implemented in 2019. This initiative aims to provide more long-term stabilized program supports for eligible First Nations who choose to join the grant. It allows them to build capacity, do effective planning, and account for inflation and population increases on reserve. The government has also committed to escalate the 10-year grants to address price and population growth and ensure that funding keeps pace with the needs of First Nations.

- Budget 2021 proposes to provide $2.7 billion over 10 years, starting in 2021-22, to ensure that funding for core programs and services provided through the 10-year grants addresses key cost drivers. Escalation will be based on inflation and the population of each community, but a minimum of 2 per cent annual growth will be provided to ensure that First Nations within the grant receive stable and predictable funding. This will strengthen communities' ability to design and deliver services in a manner that reflects community priorities.

Supporting Indigenous Governance and Capacity

Core governance support is essential for First Nations leaders to effectively serve their communities and advance self-determination.

- Budget 2021 proposes to provide $104.8 million over two years, starting in 2021-22, to support the administrative capacity of First Nations governments and other organizations that deliver critical programs and services.
- Budget 2021 also proposes to invest $151.4 million over five years, starting in 2021-22, to provide wrap-around supports for First Nations with the greatest community development needs.

Advancing Specific Claims Settlements

The specific claims process helps right past wrongs and address First Nations' long-standing grievances through negotiated settlements. Canada is continuing to consult in order to co-develop program reforms. To provide timely payment of negotiated settlements of specific claims, while this work continues, Budget 2021 will replenish the Specific Claims Settlement Fund in 2022-23.

Commemorating the Legacy of Residential Schools

The Residential School System is a shameful, tragic, and defining part of Canada's history. It was born of colonial practices that left negative impacts on generations of Indigenous peoples. As part of our collective duty to remember:

- Budget 2021 proposes to provide $13.4 million over five years, with $2.4 million ongoing, to Canadian Heritage for events to commemorate the history and legacy of residential schools, and to honour survivors, their families and communities, as well as to support celebrations and commemoration events during the proposed National Day for Truth and Reconciliation.

This builds on investments since 2015 to commemorate the legacy of residential schools; support the efforts of Indigenous peoples to reclaim, revitalize, maintain and strengthen Indigenous languages and cultures including the passage and support for the co-developed *Indigenous Languages Act*; and to continue to provide healing supports for residential school survivors and their families. The government has also announced more than $700 million in new funding through a variety of programs and initiatives to help strengthen Indigenous languages and cultures, with additional proposed investments of more than $460 million in this Budget.

Support for Indigenous-led Data Strategies

Access to reliable and culturally relevant data on Indigenous peoples is critical to building a complete portrait of Indigenous lived experiences, unmasking inequalities, and ensuring delivery of effective policies and programs.

Indigenous-led data strategies can further self-determination by providing First Nations, Inuit, and Métis Nation governments and organizations with the data they need to support their communities.

- Budget 2021 proposes to invest $73.5 million over three years, starting in 2021-22, to continue work towards the development and implementation of a First Nations Data Governance Strategy.
- Budget 2021 proposes to invest $8 million over three years, starting in 2021-22, to support Inuit and Métis baseline data capacity and the development of distinctions-based Inuit and Métis Nation data strategies.

Engagement with Indigenous Peoples

The government is committed to renewing the relationship with Indigenous peoples through increased engagement, partnership, and co-development of policy and programs. In Budget 2016, the government announced new investments to support the capacity of Indigenous Representative Organizations to engage with the government. To continue to support this important work:

- Budget 2021 proposes to provide $50 million over five years, starting in 2021-22, and $10 million ongoing, to renew and make permanent dedicated consultation and policy development funding.

Supporting Self-determination Through Tax Agreements

Tax arrangements between the Crown and Indigenous governments support self-determination and social and economic development by creating opportunities for Indigenous governments to raise tax revenues within their reserve or settlement lands in support of community priorities.

The federal government continues to be committed to negotiating agreements with interested Indigenous governments that enable them to implement a First Nations Goods and Services Tax within their reserves or settlement lands and with interested self-governing Indigenous governments to enable them to implement a personal income tax within their lands. The federal government also remains committed to facilitating similar arrangements between interested provincial and territorial governments and Indigenous governments.

- Budget 2021 announces the Government of Canada's intention to engage with interested Indigenous governments and organizations on a framework for the negotiation of agreements that would enable interested Indigenous governments to implement a fuel, alcohol, tobacco, and cannabis sales tax within their reserves or settlement lands.

Supporting First Nations Priorities

Budget 2021 proposes significant investments for First Nations to advance initiatives across a number of priority areas. Here is a summary of those investments:

- $2.5 billion over five years to build on the existing distinctions-based approach to Indigenous Early Learning and Child Care, with a long-term investment in Indigenous-led programming that parallels the government's commitment to provinces and territories. This includes $515 million for before- and after-school care on reserve, plus additional support for First Nations programming and capacity-building.
- $1.4 billion to see Indigenous communities and businesses through the COVID-19 pandemic, including distinctions-based funding under the Indigenous Community Support Fund and the Indigenous Community Business Fund, funding to maintain the public health response in First Nations communities, and support for the First Nations Finance Authority.
- $1 billion to increase funding under the First Nations Child and Family Services Program.
- More than $2.4 billion over five years to improve essential health, education, and social services on reserve, including health services in remote and isolated communities and transforming health systems, elementary and secondary education, and on-reserve income assistance.
- $775 million over five years to maintain medically necessary services provided through the Non-Insured Health Benefits Program.
- $598 million over three years to support a Distinctions-Based Mental Wellness Strategy.
- $177 million over two years to support Indigenous post-secondary students and institutions during COVID-19.
- $1.7 billion over five years to cover operations and maintenance costs of on reserve community infrastructure in First Nations communities. First Nations will also have access to the $4.3 billion distinctions-based Indigenous Community Infrastructure Fund to support immediate demands, as prioritized by Indigenous partners, with shovel-ready projects in their communities.
- $64 million to help Indigenous entrepreneurs, including Indigenous women, access capital and business supports to start and grow their businesses.

- Funding for a range of measures to end the national tragedy of missing and murdered Indigenous women and girls, anchored in the four interconnected thematic areas of culture, health and wellness, human security and safety, and justice.
- $584 million over five years to co-develop a legislative framework for First Nations policing that recognizes it as an essential service, and to stabilize and expand the First Nations Policing Program.
- $109 million over five years to repair, renovate, and replace policing facilities in First Nation and Inuit communities.
- More than $165 million over five years to enhance Indigenous-led crime prevention strategies and community safety services.
- More than $460 million over five years to support language reclamation and revitalization, Indigenous cultural spaces, sport programming for Indigenous women and girls, events to commemorate the legacy of residential schools, and preserve Indigenous heritage.
- $31 million over two years to support the co-development of an Action Plan with Indigenous partners to implement legislation on the United Nations Declaration on the Rights of Indigenous Peoples.
- $2.7 billion over 10 years to escalate the 10-year grants to address key cost drivers such as changes in inflation and population in First Nations communities.
- More than $373 million over five years to support First Nations governance, support Additions to Reserve, and further a First Nations Data Governance Strategy.

First Nations will also benefit from:

- Access to $36 million over three years in investments to help build capacity and create jobs in Indigenous communities through clean energy projects.
- $163 million over three years to support food security in isolated northern communities.
- Access to $138 million for Indigenous recipients through a $1.4 billion top-up to Infrastructure Canada's Disaster Mitigation and Adaptation Fund to help Indigenous communities adapt to climate change.
- $23 million over five years to engage on developing a plan to transition from open net-pen salmon farming in British Columbia's waters by 2025, and collaborate with Indigenous communities to pilot area-based management approaches to managing aquaculture activities in priority areas of British Columbia.

- $647 million over five years to stabilize and conserve wild Pacific salmon populations, including funding to engage with First Nations and fish harvesters.
- $10 million to extend the Sustainable Fisheries Solutions and Retrieval Support Program to support projects from applicants, including Indigenous communities and organizations, that retrieve and dispose of fishing related plastic waste, test new fishing technology and support international efforts to decrease discarded or abandoned gear.
- Extending the Indigenous Business Initiative to June 30, 2021 to support Indigenous businesses during the COVID-19 pandemic by providing interest-free loans and non-repayable contributions for First Nations, Inuit, and Métis Nation businesses.
- $87 million over five years to modernize federal procurement and create opportunities for specific communities by diversifying the federal supplier base. This will in part, support efforts to meet Canada's target of 5 per cent of federal contracts being awarded to businesses managed and led by Indigenous people.

Supporting Inuit Priorities

The Government of Canada and Inuit Tapiriit Kanatami continue to work together to advance shared priorities through the Inuit-Crown Partnership Committee. Budget 2021 proposes to build on this work by advancing initiatives that will make a meaningful difference in Inuit communities, including:

- $2.5 billion over five years to build on the existing distinctions-based approach to Indigenous Early Learning and Child Care, with a long-term investment in Indigenous-led programming that parallels the government's commitment to provinces and territories. This includes support for Inuit programming and capacity-building.
- $1.4 billion to see Indigenous communities and businesses through the COVID-19 pandemic with distinctions-based support through the Indigenous Community Support Fund and Indigenous Community Business Fund and funding for continued public health responses in Indigenous communities, including for Inuit.
- $775 million over five years to maintain medically necessary services provided through the Non-Insured Health Benefits Program.
- $598 million over three years to support a Distinctions-Based Mental Wellness Strategy.
- $177 million over two years to support Indigenous post-secondary students and institutions during COVID-19.
- Access to the $4.3 billion distinctions-based Indigenous Community Infrastructure Fund to support immediate demands, as prioritized by Indigenous partners, with shovel-ready projects in Indigenous communities, including for Inuit.
- $64 million to help Indigenous entrepreneurs, including Indigenous women, access capital and business supports to start and grow their businesses.
- Funding for a range of measures to end the national tragedy of missing and murdered Indigenous women and girls, anchored in the four interconnected thematic areas of culture, health and wellness, human security and safety, and justice.
- $109 million over five years to repair, renovate, and replace policing facilities in First Nation and Inuit communities.
- More than $165 million over five years to enhance Indigenous-led crime prevention strategies and community safety services.
- $31 million over two years to support the co-development of an Action Plan with Indigenous partners to implement legislation on the United Nations Declaration on the Rights of Indigenous Peoples.

- More than $460 million over five years to support language reclamation and revitalization, Indigenous cultural spaces, sport programming for Indigenous women and girls, events to commemorate the legacy of residential schools, and preserve Indigenous heritage.
- $4 million over three years to support the development of an Inuit data strategy.

Inuit will also benefit from:

- $40 million over three years to support feasibility and planning of hydroelectricity and grid interconnection projects in the North.
- Access to $36 million over three years in investments to help build capacity and create jobs in Indigenous communities through clean energy projects.
- Access to $138 million for Indigenous recipients through a $1.4 billion top-up to Infrastructure Canada's Disaster Mitigation and Adaptation Fund to help Indigenous communities adapt to climate change.
- $163 million over three years to support food security in isolated northern communities, including Inuit communities.
- $12 million to renew the Standards to Support Resilience in Infrastructure Program, so that the Standards Council of Canada can continue updating standards and guidance in priority areas such as flood mapping and building in the North.
- $25 million over three years to support pan-Arctic scientific research through the Polar Continental Shelf Program. These activities would also enhance employment and training opportunities for Indigenous people and Northerners.
- $15 million over three years, starting in 2021-22, to accelerate archeological and conservation work on artifacts of international importance from the wrecks of HMS Erebus and HMS Terror.
- $8 million to support the transformation of Aurora College into a polytechnic university
- $87 million over five years to modernize federal procurement and create opportunities for specific communities by diversifying the federal supplier base. This will in part, support efforts to meet Canada's target of 5 per cent of federal contracts being awarded to businesses managed and led by Indigenous people.
- Extending the Indigenous Business Initiative to June 30, 2021 to support Indigenous businesses during the COVID-19 pandemic by providing interest-free loans and non-repayable contributions for First Nations, Inuit, and Métis Nation businesses.

Supporting Métis Nation Priorities

The signing of the Canada-Métis Nation Accord in April 2017 effectively reset the relationship between Canada and the Métis Nation. Budget 2021 continues progress by proposing investments in key Métis Nation priorities, including:

- $2.5 billion over five years to build on the existing distinctions-based approach to Indigenous Early Learning and Child Care, with a long-term investment in Indigenous-led programming that parallels the government's commitment to provinces and territories. This includes support for Métis Nation programming and capacity-building.
- $1.4 billion to see Indigenous communities and businesses through the COVID-19 pandemic with distinctions-based support through the Indigenous Community Support Fund and Indigenous Community Business Fund and funding for continued public health responses in Indigenous communities, including for the Métis Nation.
- $598 million over three years to support a Distinctions-Based Mental Wellness Strategy.
- $177 million over two years to support Indigenous post-secondary students and institutions during COVID-19.
- Access to the $4.3 billion distinctions-based Indigenous Community Infrastructure Fund to support immediate demands, as prioritized by Indigenous partners, with shovel-ready projects in Indigenous communities, including the Métis Nation.
- $64 million to help Indigenous entrepreneurs, including Indigenous women, access capital and business supports to start and grow their businesses.
- Funding for a range of measures to end the national tragedy of missing and murdered Indigenous women and girls, anchored in the four interconnected thematic areas of culture, health and wellness, human security and safety, and justice.
- More than $165 million over five years to enhance Indigenous-led crime prevention strategies and community safety services.
- More than $460 million over five years to support language reclamation and revitalization, Indigenous cultural spaces, sport programming for Indigenous women and girls, events to commemorate the legacy of residential schools, and preserve Indigenous heritage.
- $31 million over two years to support the co-development of an Action Plan with Indigenous partners to implement legislation on the United Nations Declaration on the Rights of Indigenous Peoples.

- $4 million over three years to support the development of a Métis Nation data strategy.

Métis Nation communities will also benefit from:

- Access to $36 million over three years in investments to help build capacity and create jobs in Indigenous communities through clean energy projects.
- Access to $138 million for Indigenous recipients through a $1.4 billion top-up to Infrastructure Canada's Disaster Mitigation and Adaptation Fund to help Indigenous communities adapt to climate change.
- Extending the Indigenous Business Initiative to June 30, 2021 to support Indigenous businesses during the COVID-19 pandemic by providing interest-free loans and non-repayable contributions for First Nations, Inuit and Métis Nation businesses.
- $87 million over five years to modernize federal procurement and create opportunities for specific communities by diversifying the federal supplier base. This will in part, support efforts to meet Canada's target of 5 per cent of federal contracts being awarded to businesses managed and led by Indigenous people.

Chapter 8

Strong Indigenous Communities

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
8.1. Healthy and Vibrant Communities	**0**	**3,123**	**1,467**	**725**	**512**	**516**	***6,343***
Supporting Indigenous Communities in the Fight Against COVID-19	0	1,225	2	2	2	2	*1,231*
Improving Health Outcomes in Indigenous Communities	0	428	563	152	120	121	*1,384*
Distinctions-Based Mental Wellness Strategy	0	195	201	201	0	0	*598*
Supporting Indigenous Children and Families	0	594	140	143	144	126	*1,147*
Providing High-quality Education	0	270	177	227	247	267	*1,188*
Supporting Indigenous Post-secondary Education during COVID-19	0	102	75	0	0	0	*177*
On-reserve Income Assistance	0	309	309	0	0	0	*618*
8.2. Building Infrastructure and Economic Growth	**0**	**1,204**	**1,953**	**1,987**	**763**	**389**	***6,296***
Indigenous Infrastructure	0	1,024	1,918	1,942	763	389	*6,037*
Supporting Indigenous Economies	0	150	0	0	0	0	*150*
Support for Indigenous Entrepreneurs	0	15	20	31	0	0	*66*
Redesigning the Additions to Reserve Policy	0	14	15	14	0	0	*43*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
8.3. Responding to the Tragedy of Missing and Murdered Indigenous Women and Girls	**0**	**223**	**412**	**453**	**260**	**238**	***1,585***
Culture	0	107	185	150	7	5	*453*
Health and Wellness	0	25	54	56	2	2	*139*
Human Security and Safety	0	64	132	208	239	217	*861*
Justice	0	18	30	27	0	0	*75*
Working with Partners	0	9	11	12	12	13	*57*
8.4. Walking the Path to Reconciliation and Self-determination	**0**	**136**	**211**	**174**	**182**	**234**	***938***
Implementation of Legislation on the United Nations Declaration on the Rights of Indigenous Peoples	0	15	16	0	0	0	*31*
Escalating 10-Year Grant Funding	0	32	60	94	134	185	*505*
Supporting Indigenous Governance and Capacity	0	55	92	36	36	36	*256*
Commemorating the Legacy of Residential Schools	0	4	2	2	2	2	*13*
Support for Indigenous-led Data Strategies	0	20	31	31	0	0	*82*
Engagement with Indigenous Peoples	0	10	10	10	10	10	*50*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Additional Investments – Supporting Strong Indigenous Communities	**0**	**8**	**5**	**5**	**2**	**2**	***23***
Parks Canada Capacity for Indigenous Engagement	0	2	2	2	2	2	*11*
Funding proposed for Parks Canada to support the Agency's capacity to engage at Recognition of Indigenous Rights and Self-Determination discussion tables. This measure will support the government's commitment to negotiating workable arrangements with Indigenous groups to define how each group will exercise its Aboriginal rights.							
Supporting the Resolution of Indigenous Childhood Claims	0	3	0	0	0	0	*3*
Funding proposed for Crown-Indigenous Relations and Northern Affairs Canada to support work to resolve historic childhood claims in a manner that is fair, compassionate, and respectful.							
Supporting Indigenous Partners for Meaningful Crown Consultation and Engagement	0	3	3	3	0	0	*9*
Funding proposed for Crown-Indigenous Relations and Northern Affairs Canada to negotiate and implement Consultation Protocols. This measure will support the government's commitment to meaningful engagement and consultation with Indigenous people on projects or changes that could impact their traditional territories and Aboriginal and treaty rights.							
Chapter 8 – Sub-total	**0**	**4,695**	**4,048**	**3,344**	**1,720**	**1,378**	***15,184***
Less: Provisions for Anticipated Cabinet Decisions Not Yet Made Included in Previous Budgets or Updates	0	-431	-562	-364	-403	-427	*-2,188*
Chapter 8 - Net Fiscal Impact	***0***	***4,263***	***3,486***	***2,980***	***1,317***	***951***	***12,997***

Note: Numbers may not add due to rounding.

Chapter 9
Protecting Our Shared Values

Canadians are rightly proud of our global reputation as a diverse, fair, safe, and open society.

The government will stand up for Canadians' shared values, including: the rule of law; protection of the environment; freedom from persecution as a result of one's race, religion, sexuality, ethnicity, national origin, gender identity or expression, age, or ability; the preservation of language and culture; the protection of the world's most vulnerable; and the promotion of peace, security, and human rights, including the rights of women and girls.

The government is protecting communities through a firearms ban, protecting Canadians through investments in defence, and protecting and upholding our values through amendments to our justice system and public safety that make them more responsive to the needs of Canadians.

Amid the global pandemic, our global interconnectedness has never been more evident. We are all in this together.

9.1 Promoting Our Two Official Languages

For more than 50 years, the *Official Languages Act* has upheld the equal status of English and French. Our two official languages and our linguistic duality are part of who we are as Canadians.

The government also recognizes that Canada's French language situation is unique and that the federal government has the responsibility to actively protect and promote the language. The government has been consulting with Canadians about how to better protect the use of the French language, support the vitality of official language minority communities—including the institutions and rights of Francophones outside of Quebec—and improve bilingualism in our public institutions. To meet the needs of Canadians for the next 50 years, the government is committed to introducing amendments to the *Official Languages Act*.

The government also remains committed to the work already underway to revitalize, strengthen, and maintain Indigenous languages in Canada. More details can be found in Chapter 8.

Promoting Official Languages

The federal government is committed to promoting the vitality of Canada's official language minority communities and fostering bilingualism in Canada—now and for generations to come. In the recently released paper entitled *English and French: Towards a Substantive Equality of Official Languages in Canada*, the government proposed fundamental changes to establish a new linguistic balance and pave the way for official languages for the next 50 years. This new funding commitment will support these reforms, bolster the vitality of official language minority communities, and celebrate the voices they bring to our country's landscape.

- Budget 2021 proposes to provide $180.4 million over three years, starting in 2021-22, to Canadian Heritage to support students across the country in achieving greater levels of bilingualism. Being bilingual is a competitive advantage to Canadians. Every time a child cannot go to French immersion school, we lose a future bilingual citizen. This funding will be used to enhance French immersion and French second-language programs in schools and post-secondary institutions; help provinces and territories meet the strong demand from students and parents for spaces in French immersion and French second-language programs; boost the existing strategy for teacher recruitment and retention; as well as support learning French from early childhood.
- Budget 2021 proposes to provide $121.3 million over three years, starting in 2021-22, to Canadian Heritage to make high-quality post-secondary minority-language education available across Canada.
- Budget 2021 proposes to provide $81.8 million over two years, starting in 2021-22, to Canadian Heritage to support the construction, renovation, and expansion of the educational and community spaces that serve official language minority communities.
- Budget 2021 proposes to provide $6.4 million to Canadian Heritage and $2.3 million to the Treasury Board Secretariat, over two years, starting in 2021-22, to move forward with modernizing the *Official Languages Act*.

9.2 Keeping Canadians Safe and Improving Access to Justice

Every Canadian should feel safe in their community and everyone should receive equitable treatment under the law.

To keep Canadians safe and protect the integrity of our public institutions, the government is proposing measures that strengthen our democratic process, reduce violent crime, and make the justice system more responsive to the needs of all Canadians.

Gun Control

Firearms were used in more than 40 per cent of homicides in Canada in 2019. There were over 107,000 victims of police-reported intimate-partner violence in Canada in 2019. For 660 of them, a firearm was present. Women accounted for almost 8 in 10 victims of all incidents and they were even more likely to be the victim in the 660 incidents where a firearm was present.
According to the *Canadian Medical Association Journal*, in a study of 6,400 firearm-related incidents in Ontario, young men in cities and predominantly lower-income were more likely to be involved in assaults. But two-thirds of the cases involved self-harm by men over the age of 45, across all income levels, and living mainly in more remote parts of the province; of those cases, 92 per cent were fatal.

Communities across Canada have seen too many tragedies as a result of firearms.

On February 16, 2021, the government introduced legislation to amend the *Criminal Code* and *Firearms Act* to strengthen gun control in Canada, support handgun bans in our cities, and eliminate all legal use of prohibited military-assault style firearms among other measures. To continue this critical work and protect Canadians from gun violence:

- Budget 2021 proposes to provide $312 million over five years, starting in 2021-22, and $41.4 million ongoing, to implement legislation to help protect Canadians from gun violence and to fight gun smuggling and trafficking. Funding will support the Royal Canadian Mounted Police, the Canada Border Services Agency, and Public Safety Canada, and builds on investments made in the 2020 *Fall Economic Statement*. These measures will fight gun crime in our communities and keep Canadians safe.

Advancing a National Action Plan to End Gender-Based Violence

The Government of Canada is committed to building a country free of gender-based violence.

Gender-based violence costs women and gender-diverse people their lives. It has profound effects on children. And according to estimates, Canadians collectively spend billions annually to deal with the aftermath.

Every 2.5 days a woman or girl is killed in Canada. In the last year alone there were over 160 women violently killed. Sexual assault is a gendered crime that is far more likely to target women, especially young women. Sadly, the rate of sexual assault is not declining, according to Statistics Canada, with police-reported sexual assaults increasing every year from 2015 to 2019.

Those at highest risk of violence are those living in rural and remote areas, Indigenous women, Black women, women with disabilities, women of colour, gender non-binary and LGBTQ2 people.

During the pandemic, job losses, financial stresses, and self-isolation have created conditions for a rise in gender-based violence—82 per cent of those who work on the front lines report an increase in the frequency and severity of violence experienced by survivors. Since March 2020, the federal government has announced up to $100 million for organizations providing emergency support and services to survivors of gender-based violence.

In 2017, the Government of Canada launched the Gender-Based Violence Strategy. Nearly $200 million starting in 2017-18 until 2022-23, and over $40 million per year ongoing, has been committed through the strategy to prevent gender-based violence, support survivors and their families, and promote responsive legal and justice systems. The government has also launched a $100 million Feminist Response and Recovery Fund, creating building blocks for long-term, lasting change to advance women's equality.

The government—in consultation with provinces, territories, municipalities, Indigenous peoples, gender-based violence experts, stakeholders and, most importantly, survivors of gender-based violence—is moving forward on developing a National Action Plan to End Gender-Based Violence, focusing on ensuring that anyone facing gender-based violence has reliable and timely access to protection and services, no matter where they live.

Budget 2021 proposes to invest $601.3 million over five years, starting in 2021-22, to advance towards a new National Action Plan to End Gender-Based Violence, as outlined below.

Gender-Based Violence Organizations

To enhance the capacity and responsiveness of organizations such as sexual assault centres, women's shelters, and other organizations that provide critical and often life-saving services and supports for women, girls, LGBTQ2, and gender non-binary people experiencing violence:

- Budget 2021 proposes to invest $200 million over two years, starting in 2021-22, for the Department for Women and Gender Equality to support gender-based violence organizations.

Gender-Based Violence Program

To make our communities more resilient to the threats of gender-based violence, including initiatives that support at-risk populations and survivors—almost half of whom are between the ages of 18 and 24, with nearly three in ten survivors under the age of 18—and that educate men and boys, so that all people recognize the role they play in ending gender-based violence:

- Budget 2021 proposes to invest $105 million over five years, starting in 2021-22, for the Department for Women and Gender Equality to enhance its Gender-Based Violence Program. Funding will go to initiatives that engage men and boys. It will increase funding for initiatives to stop human trafficking, including support for at-risk populations and survivors. It will also provide support for testing and implementing best practices to address gender-based violence, with a focus on projects that could be scaled at the national level.

National Action Plan to End Gender-Based Violence Secretariat

To establish a dedicated secretariat to coordinate the ongoing work towards the development and implementation of the National Action Plan to End Gender-Based Violence, and to continue engagement with provinces, territories, municipalities, Indigenous peoples, gender-based violence experts, stakeholders and, most importantly, survivors of gender-based violence:

- Budget 2021 proposes to provide $14 million over five years, starting in 2021-22, for the Department for Women and Gender Equality.

Increased Data Collection

To build a better foundation of data around gender-based violence upon which government can build stronger policies and take stronger action:

- Budget 2021 proposes to provide $11 million over five years, starting in 2021-22, for the Department for Women and Gender Equality for gender-based violence research and knowledge mobilization, with funding supporting community research models, working with Statistics Canada to develop a national femicide database, and enhancing the sample size of national gender-based violence surveys.

Indigenous Peoples

In recognition that Indigenous women, girls and 2SLGBTQQIA+ people are much more likely to experience violence than non-Indigenous women, and that the homicide rate for this community was seven times higher than for non-Indigenous women:

- Budget 2021 proposes to provide $55 million over five years, starting in 2021-22, for the Department for Women and Gender Equality to bolster the capacity of Indigenous women and 2SLGBTQQIA+ organizations to provide gender-based violence prevention programming aimed at addressing the root causes of violence against Indigenous women, girls, and 2SLGBTQQIA+ people. These investments are in addition to those outlined in Chapter 8 to address the national tragedy of missing and murdered Indigenous women and girls.

Safer Relationships

To pilot interventions that promote healthy relationships and prevent violence in the home:

- Budget 2021 proposes to provide $50 million over five years, starting in 2021-22, for the Public Health Agency of Canada to design and deliver interventions that promote safe relationships and prevent family violence, including intimate partner violence, child maltreatment, and elder abuse.

Crisis Hotlines

To support crisis hotlines that are experiencing a rise in call volumes during the pandemic:

- Budget 2021 proposes to provide $30 million over five years, starting in 2021-22, for the Department for Women and Gender Equality so that crisis hotlines can serve the urgent needs of more Canadians and offer more robust services, resources, and supports to prevent the escalation of gender-based violence.

Free Legal Advice

To help ensure access to free legal advice and legal representation for survivors of sexual assault and intimate partner violence, no matter where they live:

- Budget 2021 proposes to provide $85.3 million over five years, starting in 2021-22, for Justice Canada. Funding will support a national program for independent legal advice and independent legal representation for victims of sexual assault, as well as to support pilot projects for victims of intimate partner violence.

Protections for Women and Children during Divorce or Separation

Women are six times more likely to be killed by a former spouse than a spouse with whom they are living. When co-parenting during a divorce or separation, having supervised options can protect women's safety and protect children from experiencing violence in their homes. To support supervision services for parenting time in cases of separation and divorce:

- Budget 2021 proposes to provide $28.4 million over five years, starting in 2021-22, for Justice Canada. This will protect the safety and well-being of children and families.

Child Exploitation

The online exploitation of children is disturbing and alarming. The government supports innovative tools to fight child sexual exploitation including the Canadian Centre for Child Protection's Project Arachnid, which is a world-leading tool to detect and remove exploitative content from the internet. But more must be done to ensure children are protected and to stop perpetrators:

- Budget 2021 proposes to provide $20.7 million over five years, starting in 2021-22, for the Royal Canadian Mounted Police to enhance its ability to pursue online child sexual exploitation investigations, identify victims and remove them from abusive situations, and bring offenders to justice—including those who offend abroad.

Support for Newcomers

To support newcomers and refugees who experience gender-based violence:

- Budget 2021 proposes to provide $2 million over five years, starting in 2021-22, for Immigration, Refugees and Citizenship Canada to increase access to information and support for new Canadians facing family and gender-based violence, including enhancing the availability

of anti-violence resources. This will help ensure that newcomers' lives in Canada get off to a safe and successful start.

In addition, as outlined in Chapter 6, the government is proposing to reallocate $250 million in funding which will be used for transitional housing and shelter spaces for women and children fleeing violence, as well as provide additional rental assistance through the Canada Housing Benefit for low-income women and children fleeing violence.

Additional details on the government's National Action Plan to End Gender-Based Violence will be announced in the coming months.

Preventing Radicalization to Violence

In recent years, Canada and the world have witnessed an increase in radicalization that leads to violence. This poses a significant threat to public safety. To prevent violent extremism:

- Budget 2021 proposes to provide $8.2 million over three years, starting in 2021-22, for the Canada Centre for Community Engagement and Prevention of Violence to increase support and research for frontline initiatives and programming that prevent and counter radicalization to violence, including violent misogyny. This work will support the forthcoming National Action Plan to End Gender-Based Violence.

Better Job Protections for Parents of Young Victims of Crime

The death or disappearance of a child is devastating and can leave parents unable to work. In September 2018, the Government of Canada introduced a more inclusive and flexible Canadian Benefit for Parents of Young Victims of Crime, to ensure victims' families continue to get the help they need.

This benefit provides up to 104 weeks of income support to eligible applicants, who have suffered a loss of income because they took time away from work to cope with the death or disappearance of a child or children, as a result of a probable Criminal Code offence.

- The Government of Canada is announcing its intention to amend the *Canada Labour Code* to ensure that employees in the federally regulated private sector have job protection when they avail themselves of this new benefit.

Diverting Youth Away from the Justice System

At present, certain groups of young people are significantly overrepresented in the youth criminal justice system. In 2018-19, 43 per cent of youth admitted to correctional services were Indigenous — over four times higher than their share of the population.

The government is committed to addressing systemic inequities in the criminal justice system. That includes at early stages, when, instead of going into custody, young people can be redirected to community-based programming that encourages rehabilitation and reduces criminal behaviour over the long-term. To address overrepresentation of certain groups and reduce youth crime and youth incarceration rates:

- Budget 2021 proposes to provide $216.4 million over five years, starting in 2021-22, and $43.3 million ongoing for the Youth Justice Services Funding Program to increase funding to the provinces and territories in support of diversion programming and to help reduce the overrepresentation of Indigenous peoples, Black Canadians, and other racialized groups in the youth justice system. By diverting youth to the right services at the right time and addressing the root causes of crime, this measure would help reduce the crime rate and promote better outcomes for young people and their communities.

Expanding Access to Drug Treatment Courts

The pandemic has exacerbated the crisis of problematic substance use in Canada. The government takes a public-health centered approach to addiction. With Bill C-22, the government has proposed legislative amendments that require police and prosecutors to consider alternatives, such as diversion to addiction treatment programs, instead of laying charges or prosecuting people for simple drug possession. Drug treatment courts can break the cycle of drug addiction and criminal behaviour by helping non-violent offenders get the treatment they need. Since 2015, the federal government has provided over $25 million to support 13 drug treatment courts, which treat an average of 200 clients per day. To make our communities safer and support families struggling with addiction:

- Budget 2021 proposes to provide $40.4 million over five years, beginning in 2021-22, and $10 million ongoing, to support up to 25 additional drug treatment courts. This funding will provide eligible participants with access to a comprehensive program that includes substance use treatment and social services support.

Enhancing Legal Support for Vulnerable Communities

The government is committed to building a strong justice system and ensuring fair outcomes for all involved. That is why the government is making investments to support access to legal information and advice for racialized Canadians and asylum seekers.

- Budget 2021 proposes to provide $21.5 million over five years, starting in 2021-22, for a Racialized Communities Legal Support Initiative. This would support organizations that provide free public legal education and information as well as organizations that provide legal services and advice to racialized communities.
- Budget 2021 also proposes to provide an additional $26.8 million, in 2021-22, to enable participating provinces to maintain immigration and refugee legal aid support for asylum seekers, while protecting the efficiency and integrity of the asylum system.

Supporting Work to Address Systemic Racism in Public Safety Institutions

All people in Canada should be treated fairly by our public safety agencies. Yet, systemic racism exists in Canada and racialized communities and Indigenous peoples continue to be overrepresented in the justice system and far too many Canadians do not have confidence that public safety agencies are there to protect them. This must change.

- Budget 2021 proposes to provide $75 million over five years, starting in 2021-22, and $13.5 million ongoing, to the Royal Canadian Mounted Police to take action, with steps to combat systemic racism through: reforming recruitment and training processes; the collection, analysis, and reporting of race-based data; more rapidly evaluating the impact of policing activities on certain communities; and improving community engagement and consultation with Black, Indigenous, and racialized communities.

Reforming Canada's Pardons Process

For a Canadian with a criminal record, the obstacles they face (long after serving out their sentence) can impede their ability to fully reintegrate and contribute to their community. A pardon increases access to jobs, education, stable housing, and makes communities safer by helping to end the cycle of crime. However, fees and difficult-to-navigate processes pose unnecessary barriers to pardons, particularly among marginalized groups.

- Budget 2021 proposes to provide $88.2 million over five years, starting in 2021-22, with $13 million ongoing, to the Parole Board of Canada, the Royal Canadian Mounted Police, and Public Safety Canada. This funding would reduce application fees, create an online application portal, and support community organizations that help people navigate the pardon application process.
- To help ensure that the pardons program works fairly and effectively to keep Canadians safe, the government is announcing its intention to amend the *Criminal Records Act* to make pardons more accessible to people who have served their sentences and are living law-abiding lives.

Reforming the Judicial Conduct Review Process

Canada's judicial system is built on a foundation of trust, impartiality, and respect. The judges that preside over Canada's federal, provincial, and territorial superior courtrooms should uphold these values, so it is important that when allegations of misconduct arise, investigations are conducted in an efficient, transparent, and accountable manner. To reform the judicial conduct process, while fully respecting judicial independence:

- The government proposes to amend the *Judges Act* to reform the judicial conduct process by increasing public participation, streamlining appeals, and giving the Canadian Judicial Council new tools to address misconduct, at an estimated cost of $10 million over five years and $2 million ongoing.
- Budget 2021 proposes to provide $8.5 million over five years, starting in 2021-22, and $0.5 million ongoing, to the Canadian Judicial Council and the Office of the Commissioner for Federal Judicial Affairs to continue investigations and inquiries during upcoming reforms as well as the proposed new process.
- Budget 2021 proposes to amend the *Judges Act* to freeze a judge's pension entitlements, as of the date the Canadian Judicial Council recommends a judge's removal from office.

Enhancing the Capacity of Superior Courts

An accessible justice system requires efficient court processes that help Canadians obtain timely resolutions to their legal disputes. That is why the government has committed to creating new judicial positions. To help reduce court delays and enhance access to justice across Canada's superior courts:

- Budget 2021 proposes to amend the *Judges Act*, the *Federal Courts Act*, and the *Tax Court of Canada Act* to add 13 new superior court positions, including an Associate Chief Justice position for the Supreme Court of Newfoundland and Labrador. Budget 2021 also proposes to provide $49.3 million over five years, starting in 2021-22, and $10.4 million ongoing, for these 13 additional superior court judicial positions.

Maintaining Federal Court Services During COVID-19

To ensure the continued safe operation of Canada's federal courts during the COVID-19 pandemic, the Courts Administration Service has adapted and implemented necessary public health measures.

- Budget 2021 proposes to provide $5.4 million, in 2021-22, on a cash basis, to maintain safe court services for Canadians during the pandemic.

Re-establishing the Law Commission of Canada

A Law Reform Commission of Canada was first introduced in 1971 to provide independent legal advice to the Government of Canada. After being shuttered in 1992, it was re-established as the Law Commission of Canada, in 1997. Despite a track record of providing guidance on key legal questions (for example, on the matter of same-sex marriage), the commission was closed again in 2006. Independent expertise is critical if Canada's legal system is to be responsive to the complex challenges of the day such as systemic racism in the justice system, legal issues around climate change, establishing a new relationship with Indigenous peoples, and rapid technological shifts in the world.

- Budget 2021 proposes to provide $18 million over five years, starting in 2021-22, and $4 million ongoing, to Justice Canada to revive the Law Commission of Canada.

Preventing the Spread of COVID-19 in Correctional Institutions

The Government of Canada has a responsibility to keep all Canadians safe from COVID-19 infection, including the inmates at federal correctional institutions, who are disproportionately Indigenous and Black, and staff. Since the start of the COVID-19 pandemic, the Correctional Service of Canada has worked to limit the spread of the virus within its institutions.

- Budget 2021 proposes to provide $154.6 million, in 2021-22, to the Correctional Service of Canada to limit the spread of COVID-19 and keep staff and inmates safe, while enabling safe access to rehabilitative services. This includes the procurement of personal protective equipment, enhanced cleaning protocols, and support for increased use of IT for remote work, as necessary, during the pandemic.

Enhancing Data Collection on Cyber Security Threats

As our society becomes increasingly digital, the government must continually assess emerging cyber security threats and ensure that the government can respond and protect Canadians and Canadian businesses.

- Budget 2021 proposes to provide $4.1 million over five years, starting in 2021-22, and $1.0 million ongoing, for Public Safety Canada to continue the cyber security and cybercrime survey program.

Improving How Access to Information Works for Canadians

Since 2015, the Government of Canada has invested approximately $35 million in incremental funds to improve Canadians' access to information. To continually raise the bar on openness, effectiveness, and transparency in government and to provide requestors with the timely responses they deserve:

- Budget 2021 proposes to provide an additional $12.8 million over five years, starting in 2021-22, to the Treasury Board of Canada Secretariat, to support further improvements to the online Access to Information and Personal Information Request Service, to accelerate the proactive release of information to Canadians, and to support completion of the *Access to Information Act* review. This will help address delays in response time that the government is committed to fixing.

9.3. Defending Canada and Canadian Values

Canada's 2017 defence policy, *Strong, Secure, Engaged*, set out a vision for a long-term, fully-funded plan to renew and re-equip the Canadian military, built around people. Providing the women and men of the Canadian Armed Forces with the training, equipment, and care they deserve is the most important objective of this policy. This investment is also central to defending Canada and promoting Canada's values around the world.

Budget 2021 reaffirms Canada's commitments to its allies.

The government also understands that for Canada's military to truly renew, its culture must be one in which all members of the armed forces are safe and where sexual misconduct and abuse of power are not tolerated.

Addressing Sexual Misconduct and Gender-based Violence in the Military

The federal government has no tolerance for sexual misconduct or gender-based violence in the Canadian Armed Forces. Recently reported stories about misconduct are shining a light on the scope of the problem. The members of Canada's military make enormous sacrifices to protect Canadians and, regardless of rank or gender, have an inalienable right to serve in safety, in a respectful and dignified work environment. Since the 2015 External Review into Sexual Misconduct and Sexual Harassment in the Canadian Armed Forces, important progress has been made, but there remains much work to do. The government is committed to taking further action to strengthen accountability mechanisms, promote culture change in the military, and provide a safe space for survivors to report misconduct and access the services they need. In addition to the Budget 2021 measures below, the federal government will have more to announce in the coming weeks on next steps.

- Budget 2021 proposes to provide $236.2 million over five years, starting in 2021-22, and $33.5 million per year ongoing to the Department of National Defence and Veterans Affairs Canada, including $158.5 million over 5 years and $29.9 million per year ongoing funded from existing resources to expand their work to eliminate sexual misconduct and gender-based violence in the military and support survivors. Specifically:
  - Enhance internal support services to victims, including access to free, independent legal advice and enabling military members to access services without making a formal complaint.
  - Expand an existing contribution program to support community-based

sexual assault service providers outside major urban military centres, and increase the reach of the Sexual Misconduct Response Centre that serves the Canadian Armed Forces to additional locations across Canada.

- Pilot online and in-person peer support groups for Canadian Armed Forces members and veterans who experienced sexual misconduct during their service. These will be tailored to military experience.
- Conduct research to inform targeted training and response frameworks, and engage external experts to support education and training to prevent sexual violence.
- Implement new external oversight mechanisms to bring greater independence to the processes of reporting and adjudicating sexual misconduct within the military.
- Undertake other initiatives to enhance institutional capacity to address harassment and violence, including enhancing the military justice system to better respond to allegations of misconduct and support survivors.

These investments will be part of the government's broader National Action Plan to End Gender-Based Violence.

Supporting NORAD Modernization

Canada takes seriously its responsibility to defend against threats to North America, including as a member of the North American Aerospace Defence Command (NORAD). Since NORAD was established in 1958, the threats facing the continent have evolved significantly — including as climate change drives a changing strategic context in the Arctic. Building on commitments in Canada's defence policy, *Strong, Secure, Engaged,* the Prime Minister and the President of the United States recently agreed to modernize NORAD and expand cooperation on continental defence and in the Arctic to keep people in both our countries safe.

- Budget 2021 proposes to provide $163.4 million over five years, starting in 2021-22, with $111.1 million in remaining amortization, to support NORAD modernization. This investment would lay the groundwork for NORAD's future, including through research and development of cutting-edge technologies that can detect and defend against threats to the continent.
- Budget 2021 also proposes to provide $88.8 million over five years, starting in 2021-22, with $48.7 million in remaining amortization and $0.6 million per year ongoing, to sustain existing continental and Arctic defence capability.

These early measures will position Canada to move forward hand-in-hand with the United States on modernizing NORAD and to maintain continental defence

and deterrence capabilities. It will also support jobs and businesses in Canada's North.

Increasing Canada's Contributions to NATO

Since its creation in 1949, the North Atlantic Treaty Organization (NATO) has been a cornerstone of Canadian defence policy. In 2019, Canada committed to increase its contribution to the NATO Readiness Initiative, an agreement to enhance the pool of high-readiness forces and capabilities available for collective defence and crisis response. To follow through on this commitment and invest in a ready and capable collective defence force to help keep Canadians safe:

- Budget 2021 proposes to provide $541.2 million over five years, starting in 2021-22, to the Department of National Defence to maintain an additional six fighter aircraft and a frigate as part of the NATO Readiness Initiative.
- Budget 2021 also proposes to provide up to $305.9 million over five years, starting in 2020-21, to the Department of National Defence to cover higher Canadian contributions to NATO's common budget and military activities.

This funding demonstrates Canada's unwavering commitment to NATO and will strengthen this country's capacity to respond to evolving global security challenges.

Advancing the Safer Skies Initiative

Canada launched the Safer Skies Initiative after Ukraine International Airlines Flight 752 was shot down by Iran on January 8, 2020, killing all 176 people on board, including 138 people with ties to Canada. Since then, Canada has been at the forefront of global efforts to uncover the full truth of what happened, including by highlighting the major shortcomings of the Iranian investigation, and demanding that Iran provide answers to Canadians who lost loved ones.

While we cannot bring back the lives lost, we can do our utmost to prevent similar tragedies in the future. The goal of the Safer Skies Initiative is to prevent civil aviation tragedies like Flight 752 from ever happening again. To achieve this, the initiative will bring together like-minded countries, international associations, industry, and the International Civil Aviation Organization to develop a warning system that can keep civilian aircraft out of dangerous conflict zones when the countries responsible for those conflict zones fail to act responsibly to close their dangerous airspace. Safe and secure air travel will be more important than ever when the world emerges from the global pandemic.

To help protect Canadians and reduce civil aviation safety risks:

- Budget 2021 proposes to provide $9.1 million over five years, starting in 2021-22, to Transport Canada for the continued development and implementation of the Safer Skies Initiative, which includes supporting the operations of the Conflict Zone Information Office.

To pay tribute to the students, teachers, and all those victims of Flight 752 who had ties to schools across Canada, the government will establish scholarships in memory of the victims of Flight 752.

On March 10, 2019, Ethiopian Airlines Flight 302 crashed near Addis Ababa, Ethiopia, claiming the lives of 157 people, including 18 Canadians and many others with ties to Canada. To honour the memory of those who died on Ethiopian Airlines Flight 302:

- Budget 2021 also proposes to provide $5.6 million over five years, starting in 2021-22, to Transport Canada for commemoration initiatives, which could include scholarships.

To honour all victims of air tragedies, the government has designated January 8th of every year as a National Day of Remembrance for Victims of Air Disasters.

Sustaining Health Services for the Canadian Armed Forces

To continue protecting the health and safety of the women and men who serve in the Canadian Armed Forces, especially during COVID-19:

- Budget 2021 proposes to provide $134.3 million over five years, starting in 2021-22, and $28.2 million per year ongoing, to ensure that Canadian Armed Forces members receive timely access to health care.

Better Equipping Our Coast Guard and Military

Public Services and Procurement Canada manages the procurement of equipment and ships for the Canadian Armed Forces and the Canadian Coast Guard. Procurement and project management volumes are increasing as Canada implements its defence policy, *Strong, Secure, Engaged*.

- Budget 2021 proposes to provide $70.8 million over 10 years, starting in 2021-22, to ensure the timely delivery of defence and marine procurement projects.
- Budget 2021 also proposes to provide $1.1 million in 2021-22 to augment the Cost and Profit Assurance Program, which saves millions annually through the audit and oversight of defence contracts.

This funding will increase defence procurement efficiency, help Canada negotiate better contracts, improve oversight, and lower costs in the long run. Ultimately, it will help ensure our women and men in uniform receive the equipment they need.

Ensuring Procurement Partners Respect Canada's Economic Interests

In December 2017, the government announced that the evaluation of bids for the competition to replace Canada's fighter aircraft would include an assessment of bidders' impact on Canada's economic interests, and that any bidder that had harmed Canada's economic interests would be disadvantaged.

- Budget 2021 confirms the government will apply this policy to major military and Coast Guard procurements going forward. Companies found to have prejudiced Canada's economic interests through trade challenges will have points deducted from their procurement bid score at a level proportional to the severity of the economic impact, to a maximum penalty.

This policy will protect Canada's economic interests and make sure the government does business with trusted partners who value doing business with Canada.

9.4 Building a Safer, Resilient, and Equitable World

The government understands that to protect people, save lives, and defeat COVID-19, global collaboration is essential and that Canada has a responsibility to take action on shared challenges. In Budget 2021, the government is making investments to support Canada's international COVID-19 response, with a focus on addressing the health needs in developing countries (Chapter 1).

Furthermore, it is important that our global economic recovery be fair and not leave the most vulnerable countries behind. This is the surest path to a more stable, peaceful, and prosperous world. That is why Budget 2021 commits an additional $1.4B over five years in international assistance to support developing countries and vulnerable populations respond to this crisis and to meet growing humanitarian needs around the world.

The government also recognizes that climate change and biodiversity loss do not respect borders. Not only do they represent existential threats in their own right, but they are also catalysts for instability, conflict, starvation, and pandemics. That is why Canada intends to build on its ambitious plan to reduce greenhouse gas emissions in Canada with an ambitious commitment to combat climate change and biodiversity loss around the world in the coming months leading up to the international COP conferences. These commitments will

particularly help those already being affected by climate change to adapt, with a focus on those in low and middle income countries. This is part of Canada's contribution to ensure 2021 is a transformative year for ambitious global climate action and COP26 is a success.

Increasing International Humanitarian Assistance

The COVID-19 pandemic has driven the number of people in need of humanitarian assistance to new highs. The United Nations estimates that 235 million people worldwide will require humanitarian assistance and protection in 2021.

- Budget 2021 proposes to allocate an additional $165 million in 2021-22 to Global Affairs Canada to provide international humanitarian assistance to save lives and alleviate suffering resulting from conflicts, food insecurity, and other crises in developing countries.

This support would be used by trusted humanitarian partners to provide needs-based and gender-responsive assistance in vulnerable countries affected by protracted crises.

This funding is in addition to the $1 billion increase to Canada's loan commitment to the International Monetary Fund's Poverty Reduction and Growth Trust, which provides interest-free loans to low-income countries. Additionally since May 2020, Canada has provided more than $70 million in temporary debt service relief for the poorest countries through the G20 and Paris Club agreed Debt Service Suspension Initiative (DSSI). For the final DSSI extension to the end of 2021, announced by the G20 on April 7th, Canada could provide up to an additional $33 million in relief. Canada also strongly supports the G20 Common Framework for Debt Treatments which will enable more comprehensive debt relief for the poorest countries.

Responding to the Rohingya Crisis

Three years after Canada became the first country in the world to recognize the attacks perpetrated against the Rohingya minority as constituting a genocide, over 860,000 refugees are living in the world's largest refugee camp, in Bangladesh. To continue to respond to this humanitarian crisis, encourage positive political developments, ensure accountability for the crimes committed, and enhance international cooperation:

- Budget 2021 proposes to allocate $288.3 million over three years, starting in 2021-22, to Global Affairs Canada to respond to the Rohingya crisis.

This investment is part of Canada's ongoing efforts to address the crisis in Myanmar. Canada condemns the recent actions of the Myanmar military and State Administrative Council and stands with the people of Myanmar in their quest for democracy and human rights.

Response to the Venezuelan Migrant and Refugee Crisis

The political and economic situation in Venezuela has led to more than five million Venezuelans to flee their homes—and it is currently one of the world's largest displacement crises. Canada is a key player in international efforts to find solutions to this crisis.

- Budget 2021 proposes to provide $80.3 million over two years, starting in 2021-22, to Global Affairs Canada and Immigration, Refugees and Citizenship Canada to respond to the Venezuelan migrant and refugee crisis. This investment would enable Canada to help reduce human suffering, irregular migration, and security threats in the region, while improving the integration of migrants and refugees into host communities.

Extending Canada's Middle East Strategy

Since 2016, Canada has been a major contributor to the international response to the crisis in Iraq, Syria, and neighbouring countries. Canada has worked with its allies to reduce instability in the region and counter terrorism by groups like Daesh through the NATO Mission in Iraq and Operation IMPACT.

While there has been progress, the situation remains fragile.

To continue providing development, humanitarian, and military support and advance peace and stability in the region:

- Budget 2021 proposes to provide $527 million in 2021-22, on a cash basis, to Global Affairs Canada, the Department of National Defence, the Communications Security Establishment, and the Canadian Security Intelligence Service to extend Canada's Middle East Strategy for another year.

Recapitalization of FinDev Canada

Private sector finance is critical to helping developing countries reduce poverty, economically empower women, and mitigate and adapt to climate change. FinDev Canada advances these objectives by supporting inclusive private sector growth and sustainability in developing countries.

- Budget 2021 proposes to provide a $300 million recapitalization over three years, starting in 2023-24, to FinDev Canada, from the retained earnings of Export Development Canada, to allow FinDev Canada to build a portfolio totaling $1.4 billion.

Supporting Developing Economies Through the International Finance Corporation

The International Finance Corporation (IFC) supports private-sector development in developing economies. In April 2020, the World Bank Group Board of Governors, which includes Canada, provided final approval for a US$5.5 billion capital increase for the IFC.

- Budget 2021 proposes to provide US$175.9 million (an estimated $224.4 million) to the Department of Finance Canada through the International Assistance Envelope, to fully purchase the IFC shares allocated to Canada in 2021-22. Fully purchasing the shares allocated to Canada in 2021-22 would enable the IFC to rapidly expand its support in response to the COVID-19 crisis.

Supporting the African Development Bank

The financial capacity of the African Development Bank (AfDB) has been eroded by the COVID-19 crisis. This bank is a core development partner of Canada that plays a critical role in economic growth and development in Africa. In May 2020, Canada committed to provide US$253.4 million over eight years, starting in 2020-21, to purchase shares in the latest general capital increase of the AfDB.

- Budget 2021 proposes to accelerate and complete Canada's purchase of shares of the African Development Bank in 2022-23, rather than in 2027-28, to help alleviate the financial strain during the COVID-19 crisis and enable it to maintain support to its client countries through the recovery. Funding for Canada's purchase of shares is allocated to Global Affairs Canada from the International Assistance Envelope.

Canadian Ombudsperson for Responsible Enterprise

A robust and responsible global trading system generates prosperity and jobs at home and abroad. The Canadian Ombudsperson for Responsible Enterprise (CORE) reflects the government's commitment to advance the responsible conduct by Canadian companies when doing business abroad.

- Budget 2021 proposes to provide an additional $16.0 million over five years, starting in 2021-22, and $3.3 million per year ongoing, to Global Affairs Canada to support the CORE. This would enable the CORE to fulfil its mandate of ensuring ethically, socially, and environmentally responsible practices of Canadian corporations when doing business abroad. To this end, the CORE will conduct reviews of human rights abuse allegations involving Canadian companies in the resource mining, oil and gas, and apparel sectors overseas.

Protecting Our Shared Values

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
9.1. Promoting Our Two Official Languages	**0**	**132**	**160**	**100**	**0**	**0**	***392***
Promoting Official Languages	0	132	160	100	0	0	*392*
9.2. Keeping Canadians Safe and Improving Access to Justice	**0**	**473**	**397**	**260**	**248**	**246**	***1,623***
Gun Control[1]	0	55	73	64	62	57	*312*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-1*	*0*	*0*	*0*	*0*	*-1*
Advancing a National Action Plan to End Gender-Based Violence	0	136	216	85	84	80	*601*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-7*	*-7*	*-7*	*-7*	*-1*	*-28*
Preventing Radicalization to Violence	0	1	4	4	0	0	*8*
Diverting Youth Away from the Justice System	0	43	43	43	43	43	*216*
Expanding Access to Drug Treatment Courts	0	4	6	10	10	10	*40*
Enhancing Legal Support for Vulnerable Communities	0	31	4	4	4	4	*48*
Supporting Work to Address Systemic Racism in Public Safety Institutions	0	12	15	18	15	15	*75*
Reforming Canada's Pardons Process	0	17	19	18	19	20	*92*
Less: Fee Revenues	*0*	*-1*	*-1*	*-1*	*-1*	*-1*	*-4*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Reforming the Judicial Conduct Review Process	0	6	6	3	3	3	*19*
Enhancing the Capacity of Superior Courts	0	10	9	10	10	10	*49*
Maintaining Federal Court Services During COVID-19	0	4	0	0	0	0	*5*
Re-establishing the Law Commission of Canada	0	1	5	4	4	4	*18*
Preventing the Spread of COVID-19 in Correctional Institutions	0	155	0	0	0	0	*155*
Enhancing Data Collection on Cyber Security Threats	0	1	1	1	1	1	*4*
Improving How Access to Information Works for Canadians	0	6	3	3	0	0	*13*
9.3. Defending Canada and Canadian Values	**50**	**280**	**299**	**267**	**267**	**197**	***1,361***
Addressing Sexual Misconduct and Gender-based Violence in the Military	0	64	63	37	37	35	*236*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-30*	*-30*	*-33*	*-34*	*-32*	*-159*
Supporting NORAD Modernization	0	45	62	54	52	39	*252*
Increasing Canada's Contributions to NATO	204	320	320	326	327	334	*1,831*
Less: Funds Sourced From Existing Departmental Resources	*-153*	*-153*	*-153*	*-153*	*-153*	*-217*	*-984*
Advancing the Safer Skies Initiative	0	3	3	3	3	3	*15*
Sustaining Health Services for the Canadian Armed Forces	0	26	26	27	27	28	*134*
Better Equipping Our Coast Guard and Military	0	6	7	7	7	7	*35*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
9.4. Building a Safer, Resilient, and Equitable World	**0**	**880**	**205**	**43**	**-29**	**-33**	***1,067***
Increasing International Humanitarian Assistance	0	165	0	0	0	0	*165*
Responding to the Rohingya Crisis	0	95	96	96	0	0	*288*
Less: Funds Sourced From Existing Departmental Resources	0	-27	-27	-27	0	0	*-80*
Response to the Venezuelan Migrant and Refugee Crisis	0	39	41	0	0	0	*80*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-10*	*-10*	*0*	*0*	*0*	*-20*
Extending Canada's Middle East Strategy	0	527	0	0	0	0	*527*
Less: Funds Sourced From Existing Departmental Resources	*0*	*-237*	*0*	*0*	*0*	*0*	*-237*
Recapitalization of FinDev Canada	0	0	0	110	108	104	*322*
Less: Funds From the Retained Earnings of Export Development Canada	0	0	0	-100	-100	-100	*-300*
Supporting Developing Economies Through the International Finance Corporation	0	224	0	0	0	0	*224*
Supporting the African Development Bank	0	141	141	0	0	0	*283*
Less: Funds Previously Provisioned in the Fiscal Framework	*0*	*-40*	*-40*	*-40*	*-40*	*-40*	*-202*
Canadian Ombudsperson for Responsible Enterprise	0	3	3	3	3	3	*16*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Additional Investments – Protecting Our Shared Values	**0**	**92**	**51**	**61**	**39**	**37**	***279***
Leaders' Debates Commission[2]	0	1	1	4	1	1	*6*
Less: Funds Previously Provisioned in the Fiscal Framework	*0*	*0*	*-1*	*-5*	*0*	*0*	*-6*
Realignment of funds proposed for the Leaders' Debates Commission to ensure a base level of funding and readiness in a minority government context. This would ensure the Commission is ready and prepared to support leadership debates during the next election.							
Enhancing IM/IT Systems to Support Transparent Lobbying	0	1	1	1	1	1	*4*
Funding proposed for the Office of the Commissioner of Lobbying of Canada to improve the resilience and capabilities of the office's information management/information technology systems used to ensure transparent lobbying in Canada.							
Supporting Parole Board of Canada Operations	0	1	2	2	2	2	*8*
Funding proposed for the Parole Board of Canada to ensure it can deliver its mandate to make fair and informed conditional release and record suspension decisions for offenders.							
Modernizing the Department of National Defence's Information Systems	0	89	48	60	36	34	*267*
Funding proposed for the Department of National Defence to upgrade the critical information systems it relies on to manage its assets, finances, and human resources. These projects will improve administrative efficiency and departmental planning, reducing costs and ensuring the Canadian Armed Forces have access to the equipment they need when and where it is required.							
Chapter 9 - Net Fiscal Impact	***50***	***1,857***	***1,112***	***731***	***525***	***447***	***4,722***

[1] Announced in February 2021.

[2] Timing of estimated costs is notional and would depend on timing of federal election.

Note: Numbers may not add due to rounding

Part IV

Fair and Responsible Government

Chapter 10
Responsible Government

The government is focused on building the middle class and building an economy that works for everyone. To do that, Canadians need a tax system that is fair.

The COVID-19 pandemic has shed new light on the importance of delivering services to Canadians in a timely and efficient manner. Providing these services requires a continued commitment to ensuring that everyone pays their fair share of tax, so that essential supports can be available to those in need—especially in times of crisis.

In Canada, we have a progressive tax system. Those who make more pay more to support the services that all Canadians rely on. That is why the first thing the government did in 2015 was to raise taxes on the wealthiest to pay for a middle class tax cut. At the same time, the government is also committed to maintaining a strong financial sector that Canadians can count on to safeguard their savings and investments.

10.1 A Tax System that Promotes Fairness

Taxes help pay for the government programs and services that benefit Canadians. They provide a social safety net on which all Canadians can rely in times of crisis. And they make sure that Canada can invest in people and in helping our economy grow and recover.

A tax system in which everyone pays their fair share requires action on multiple fronts: addressing aggressive tax planning schemes; aligning our rules with evolving international norms; ensuring that digital service providers pay their fair share of taxes; and strengthening the government's ability to crack down on tax evasion, money laundering, and terrorist financing.

The actions proposed in Budget 2021 will help Canada continue to have the resources needed to support the middle class and people working hard to join it, invest in Canadians, and keep our economy strong.

Digital Services Tax

The government is committed to ensuring that corporations in all sectors, including digital corporations, pay their fair share of tax on the money they earn by doing business in Canada. Increasingly, many digital companies earn revenues from the active collection and use of Canadians' data. In the 2020 *Fall Economic Statement*, the government announced that it would be moving ahead to implement a tax on corporations providing digital services. This builds on the changes announced at that time to ensure that the Goods and Services Tax/Harmonized Sales Tax applies in a fair and effective manner to the growing digital economy.

Canada has a strong preference for a multilateral approach to this issue. Work is underway to reach a multilateral agreement on cross-border digital taxation by mid-2021, and Canada is optimistic about the progress made this year. However, multilateral discussions have been going on since 2013. That is why, while Canada's hope and preference is for a multilateral solution this summer, whether or not a deal is reached, Canada intends to take action.

- Budget 2021 proposes to implement a Digital Services Tax at a rate of 3 percent on revenue from digital services that rely on data and content contributions from Canadian users. The tax would apply to large businesses with gross revenue of 750 million euros or more. It would apply as of January 1, 2022, until an acceptable multilateral approach comes into effect. This would help ensure that Canada's tax rules capture new ways in which businesses carry out value-creating activities.

It is estimated that this measure will raise $3.4 billion in revenue over five years beginning in 2021-22.

Luxury Tax

Even as Canadians have sacrificed to keep our economy going through the pandemic, some of the wealthiest have done well. Those who can afford to buy luxury goods can afford to pay a bit more. To that end, the government is following through on its commitment to introduce a tax on select luxury goods.

- Budget 2021 proposes to introduce a tax on the sales, for personal use, of luxury cars and personal aircraft with a retail sales price over $100,000, and boats, for personal use, over $250,000. The tax would be calculated at the lesser of 20 per cent of the value above the threshold ($100,000 for cars and personal aircraft, $250,000 for boats) or 10 per cent of the full value of the luxury car, boat, or personal aircraft. This measure would come into force on January 1, 2022.

It is estimated that this measure will increase federal revenues by $604 million over five years, starting in 2021-22.

Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners

Across the country, young Canadians who are starting to build their future are running up against sky-high housing prices.

In the 2020 *Fall Economic Statement*, the government announced that it would take steps over the coming year to implement a national, tax-based measure targeting the unproductive use of domestic housing that is owned by non-resident, non-Canadians. This will help to ensure that foreign, non-resident owners, who simply use Canada as a place to passively store their wealth in housing, pay their fair share.

- Budget 2021 announces the government's intention to implement a national, annual 1 per cent tax on the value of non-resident, non-Canadian owned residential real estate that is considered to be vacant or underused, effective January 1, 2022. The tax will require all owners, other than Canadian citizens or permanent residents of Canada, to file a declaration as to the current use of the property, with significant penalties for failure to file.

Homes are to live in. This measure is one tool among several to ensure that Canada's housing market is a place to grow for Canadians starting their families and building their future.

In the coming months, the government will release a consultation paper to provide stakeholders with an opportunity to comment on the parameters of the proposed tax, including on whether special rules should be established for small tourism and resort communities. Moving forward, the government intends to work closely with provinces, territories, and municipalities.

It is estimated this measure will increase federal revenues by $700 million over four years, starting in 2022-23. These revenues will help to support the government's significant investments to make housing more affordable for all Canadians.

Limitations on Excessive Interest Deductions

Many firms borrow in order to fund their operations. Generally, the interest charges on those borrowings are considered a cost of doing business and, therefore, are deductible from income for tax purposes. However, some large companies, typically multinationals, use excessive deductions of interest to reduce the taxes they pay in Canada.

All G7 countries—except Canada—have taken action, as a result of the Base Erosion and Profit Shifting (BEPS) Project, to limit excessive interest deductions by large companies.

- Budget 2021 proposes that, starting in 2023, the amount of interest that certain businesses can deduct be limited to 40 per cent of their earnings in the first year of the measure and 30 per cent thereafter. Relief will be provided for small businesses and for other situations that do not represent significant tax base erosion risks. The government expects to release draft legislation this summer and will seek stakeholder input on the new rules.

This strengthening of the rules on interest deductibility will ensure that large companies pay their fair share and bring Canada in line with other jurisdictions, including all our G7 peers. It is estimated that this measure will increase federal revenues by $5.3 billion over five years, starting in 2021-22.

Preventing Cross-border Tax Schemes

Hybrid mismatch arrangements are cross-border tax schemes, used primarily by multinational enterprises, that exploit differences between Canadian and foreign income tax laws to avoid paying their fair share of tax. Under the current rules, a multinational company can exploit the different treatment of certain business entities and financial instruments in Canada and another country to earn income that is not taxed in any country. These schemes not only erode the tax base that supports programs and services for Canadians, but they also give an unfair advantage to multinational enterprises over Canadian businesses, particularly our small and medium-sized businesses.

- Budget 2021 proposes to amend the *Income Tax Act* to eliminate the tax benefits of hybrid mismatch arrangements. These proposals would be implemented in stages starting July 1, 2022.

These proposals will level the playing field and help ensure everyone pays their fair share. It is estimated that this measure will increase federal revenues by $775 million over four years starting in 2022-23.

Mandatory Disclosure Rules

It is important that the Canada Revenue Agency be able to obtain timely information on arrangements that involve aggressive tax planning. Canada has been an active participant in the Base Erosion and Profit Shifting (BEPS) Project—an initiative of the G20 and the Organisation for Economic Co-operation and Development. The BEPS Project is primarily devoted to tackling the problem of certain corporations and wealthy individuals inappropriately shifting profits offshore and using other international tax avoidance schemes. This project has shown that stronger rules are needed to strengthen the Canada Revenue Agency's ability to curtail tax evasion and aggressive tax avoidance in both the domestic and international context.

- Budget 2021 launches public consultations on proposals to enhance Canada's income tax mandatory disclosure rules, building on the advice of the BEPS Project. This consultation will address changes to the *Income Tax Act*'s reportable transaction rules, a new requirement to report notifiable transactions, and a new requirement for specified corporations to report uncertain tax treatments.

Tackling Tax Avoidance and Evasion

The government has made significant investments since 2015 to strengthen the Canada Revenue Agency's (CRA's) ability to crack down on complex tax schemes, increase collaboration with international partners, and ultimately bring offenders to justice. These investments have yielded positive results.

Budget 2021 builds on these previous investments with new measures to combat tax evasion and aggressive tax avoidance. Having the means to avoid paying one's fair share should not mean that one can.

- Budget 2021 proposes an additional $304.1 million over five years, starting in 2021–22, to allow the CRA to fund new initiatives and extend existing programs, including:
    - Increasing GST/HST audits of large businesses where risk assessment models have found the greatest risk of non-compliance.
    - Modernizing the CRA's risk assessment process to prevent unwarranted and fraudulent GST/HST refund and rebate claims at the outset, and improve the ability to issue refunds for compliant businesses as quickly as possible.
    - Enhancing capacity to identify tax evasion involving trusts and provide better service to executors and trustees.

Budget 2021 estimates that these measures to combat tax evasion and aggressive tax avoidance will recover $810 million in revenues over five years. Additional gains will be realized by provinces and territories, whose tax revenues will also increase as a result of these initiatives.

Strengthening the CRA

The success of the CRA's work in combatting aggressive tax planning, the underground economy, and tax evasion depends on the CRA's ability to collect outstanding taxes in a timely way.

- Budget 2021 proposes to provide $230 million over five years, starting in 2021-22, for the CRA to improve its ability to collect outstanding taxes. It is anticipated that this proposal will lead to the collection of an additional $5 billion in outstanding taxes over five years.

Protecting the Fairness and Integrity of Our Tax System

The Federal Court of Appeal decision in *Her Majesty The Queen v Cameco Corporation* has highlighted concerns with the application of Canada's domestic transfer pricing rules. Taking into account the court's reasoning, the government believes that, without reform, shortcomings in the current transfer pricing rules can encourage the inappropriate shifting of corporate income out of Canada, artificially reducing corporations' taxes owed in Canada. If not addressed, this poses a risk to the integrity of Canada's corporate income tax system. Furthermore, Canada must ensure that there is not a separate set of rules that large corporations can play by.

- Budget 2021 announces the government's intention to consult on Canada's transfer pricing rules with a view to protecting the integrity of the tax system while preserving Canada's attractiveness as a destination for new investment and business activity.

In the coming months, the Department of Finance will release a consultation paper to provide stakeholders with an opportunity to comment on possible measures to improve Canada's transfer pricing rules. The government will also take next steps to strengthen and modernize Canada's general anti-avoidance rule, as announced in the 2020 *Fall Economic Statement*.

Action Against Money Laundering and Terrorist Financing

Money laundering and terrorist financing are a threat to the security of the financial system. An effective regime to combat these threats is essential to protecting Canadians and the integrity of the financial sector.

- Budget 2021 proposes to provide $4.6 million over four years, starting in 2022-23, and $0.6 million per year ongoing, to enable the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to: build its expertise related to virtual currency; supervise the armoured car sector; and develop and administer a cost recovery scheme for its compliance activities.

The Canada Revenue Agency plays an important role in the fight against terrorist financing and money laundering in Canada. In support of this role, amendments to the *Income Tax Act* are needed to address legislative gaps and streamline the revocation process to prevent abuse of charitable status.

- Budget 2021 proposes to amend the *Income Tax Act* to allow for the immediate revocation of charitable status for organizations listed as a terrorist entity.
- Budget 2021 also proposes to prevent individuals with a known history of supporting terrorism from becoming a director, trustee, or similar official of a registered charity.
- Budget 2021 further proposes to allow for the revocation of charitable status when a charity provides false statements for the purpose of maintaining their registration.

By preventing the abuse of charities, these proposed measures will strengthen Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime.

Beneficial Ownership Transparency

To catch those who attempt to launder money, evade taxes, or commit other complex financial crimes, law enforcement, tax, and other authorities need access to accurate and up-to-date data on the individuals who own and control corporations. Building on public consultations in 2020:

- Budget 2021 proposes to provide $2.1 million over two years to Innovation, Science and Economic Development Canada to support the implementation of a publicly accessible corporate beneficial ownership registry by 2025.

Combatting Abusive Tax Collection Avoidance Schemes

A small number of high-net-worth taxpayers are engaging in complex transactions intended to avoid the collection of their tax debts. This is done by transferring their assets to a non-arm's length person—such as a corporation owned by the same person—in a manner that leaves them without the assets necessary to pay their tax debts while circumventing an existing tax rule that is intended to prevent this type of scheme.

- Budget 2021 proposes to introduce a number of amendments to the *Income Tax Act* to address this type of planning, as well as a penalty for those who devise and promote such schemes.

Improving Duty and Tax Collection on Imported Goods

The efficient and fair collection of duties and taxes on imported goods protects the competitiveness of Canadian businesses.

- Budget 2021 proposes changes to the *Customs Act* to improve duty and tax collection. These changes would ensure that goods are valued in a fair and consistent manner by all importers. This would level the playing field between domestic and foreign businesses and generate an estimated $150 million in additional annual duty revenues. The changes would also modernize and digitize the duty and tax payment process for commercial importers, so as to minimize administrative burden.

10.2 A Stable and Robust Financial Sector

Canadians expect the financial system to safeguard their savings and investments and deliver the financial services they need, especially in times of uncertainty. The financial sector and its governing framework has performed well during the COVID-19 pandemic, supported by strong supervisory oversight and responses of financial sector agencies.

Budget 2021 proposes measures to further strengthen Canada's financial sector framework, including: modernizing corporate governance; strengthening Canada's anti-money laundering and anti-terrorist financing framework; targeted legislative initiatives that will support consumers, promote innovation, and enhance the stability, security, and integrity of the financial system in advance of the next legislative review, in 2025 (see Annex 3); and a new retail payments oversight framework.

Retail Payments Oversight Framework

The current COVID-19 crisis has accelerated the adoption of digital payments and highlighted the need to have safe and reliable digital payments.

- The government will work with provincial partners to introduce legislation to implement a new retail payments oversight framework that would promote growth, innovation, and competition in digital payment services while making these payments services safer and more secure for consumers and businesses. In doing so, the government will work with provincial partners in recognition of complementary objectives and powers in this area.

Budget 2021 proposes a public consultation on measures that would expand federally regulated financial institutions' use of electronic communications with their owners, including the delivery and provision of governance documents, as well as virtual meetings.

10.3 Better Services for Canadians

The government is continuously modernizing and improving the way it delivers programs and services to Canadians. As we have seen over the last year, fast and efficient government services and programs are critical to helping Canadians and businesses through challenging times.

Budget 2021 moves forward with a plan to ensure Canadians have reliable and secure digital access to more government services.

E-payroll to Help Businesses

The COVID-19 pandemic highlighted the need to accelerate the government's commitment to implementing a real-time e-payroll solution that will reduce red tape, and increase the delivery, speed, and accuracy of services and benefits. E-payroll is a "tell-us-once" approach that will streamline employer reporting by collecting electronic payroll, employment, and demographic data directly from businesses in real-time. E-payroll will save time for Canadian businesses, especially small businesses.

In response to the pandemic, countries with some form of a real-time payroll data reporting system had greater accuracy with targeting support and benefits, and were able to deploy benefits rapidly. The government is committed to a modernized benefits delivery platform that can target support when Canadians need it most and will ensure all Canadians are receiving all the benefits they are entitled to.

- Budget 2021 proposes to provide $43.9 million over three years, starting in 2021-22, for the Canada Revenue Agency (CRA) to accelerate the ongoing work with Digital Government and Employment and Social Development Canada (ESDC), and to develop the first phase of an e-payroll solution through the testing of prototype options for the implementation of a real-time e-payroll solution for the Government of Canada.
- A Central Agency Steering Committee co-chaired by the Privy Council Office and the Office of the Chief Information Officer (Treasury Board Secretariat) will work with the CRA and ESDC to oversee the implementation plan.

Protecting Taxpayer Information

Cyber security is more important than ever and the government is committed to securing taxpayer information against any and all who would attempt to breach Canadians' private information. Millions of Canadians rely on the CRA's digital services to access financial lifelines like the CERB, wage subsidy, or rent subsidy. Since February 2020, registration for the CRA's secure digital services has increased by 36 per cent and logins have increased by 170 per cent. To further safeguard the electronic data stored by the CRA and protect Canadians' personal information from falling into the wrong hands:

- Budget 2021 proposes to provide $330.6 million over five years, starting in 2021-22, with $1.6 million in remaining amortization, and $51.2 million ongoing, to the Canada Revenue Agency to invest in new technologies and tools that match the growing sophistication of cyber threats, and to ensure the CRA's workforce has the specialized skills to proactively monitor threats and better safeguard Canadian data.

Modernizing CRA Services

To modernize CRA services and help people quickly and easily access the tax credits and benefits they are entitled to:

- Budget 2021 proposes to provide $41.7 million over three years, starting in 2021-22, to the CRA to reduce processing time for T1 adjustments (i.e. corrections to people's general income tax return) by making online self-service more user-friendly and improving automated processing of T1 adjustments. Faster processing of T1 adjustments will provide Canadians with more timely access to their credits and benefits.
- The CRA has created a simplified credit and benefit return and Canada Child Benefit form for First Nations individuals, and will be expanding this project to make these forms more widely available to more Indigenous people. The improved forms take into account Indigenous experience—such as community care and nurturing of children—and remove information that is not applicable to Indigenous peoples.

Canadian Digital Service

The Canadian Digital Service was established in 2017 to design and deliver digital government services. During the pandemic, its services and expertise were more vital than ever. It launched the COVID Alert App, used by more than 6 million people in Canada and providing over 26,000 exposure notifications, helping to prevent tens of thousands of possible outbreaks in our communities. It also accelerated the development of GC Notify, a platform to provide vital email and text messaging services for an array of COVID-19 services, showcasing how effective design and delivery can serve Canadians. To make sure that the Canadian Digital Service can meet the growing needs of Canadians and Canadian businesses:

- Budget 2021 proposes to provide $88 million over four years, starting in 2022-23, and $25.8 million ongoing, to the Treasury Board of Canada Secretariat to renew and expand the capacity of the Canadian Digital Service and further improve how the government delivers digital services to Canadians.

10.4 Reinforcing Government of Canada Operations

To provide Canadians with the programs and services they deserve and expect, the government must continue to invest in core, mission-critical government operations, while continuously identifying opportunities to use resources more efficiently. The government is committed to improved productivity across federal organizations and cost-effective and efficient government services.

Measuring What Matters

There is a growing recognition internationally that economic growth is only one dimension of what makes for a good quality of life. Currently, Canada collects less detailed information about non-economic indicators than economic indicators. Better federal data sets are needed to better incorporate quality of life measurements into decision-making and budgeting, similar to international approaches such as in New Zealand and Scotland.

- Budget 2021 proposes to provide $7.7 million over five years, and $1.6 million ongoing, to enable Statistics Canada to improve quality of life measures and address key data gaps.
- Budget 2021 further proposes to provide $6.1 million over five years, and $0.6 million ongoing, to enable Statistics Canada to bring together key economic, social, and environmental datasets and develop a user interface to better support decision-making and budgeting.

These are in addition to more than $285 million over five years, and more than $40 million ongoing, in proposed Budget 2021 investments across government to collect better, disaggregated data that will enable the government, researchers, and others to better understand the experiences of people in Canada and environmental changes.

Reducing Government Travel

COVID-19 has significantly affected the way the federal government operates, with a greater reliance on digital and virtual interaction, reducing the need for travel.

- Budget 2021 proposes to reduce the operating budgets of the departments and agencies with the highest historical travel costs, resulting in combined savings of $1.1 billion over five years, starting in 2021-22, and $222.5 million per year ongoing.

These savings will be in the interests of Canadian taxpayers and offset increased costs and requirements related to the pandemic, particularly upgrades to Government of Canada IT systems.

Improving and Defending Our Cyber Networks

Threats to cyber security are growing globally. The protection of Canadians' personal information is a priority for the government. Maintaining secure, up-to-date cyber security and defence capabilities on reliable networks is essential as more Canadians access government services digitally. To ensure the security of Canadians' information:

- Budget 2021 proposes to provide $456.3 million over five years, starting in 2021-22, with $60.7 million in remaining amortization and $62.2 million ongoing, to Shared Services Canada and the Communications Security Establishment.

Modernizing Critical IT Infrastructure

Canada's IT infrastructure is aging faster than the pace of repairs or replacements. By investing in IT infrastructure, the government will ensure that key services like Old Age Security and Employment Insurance benefits or immigration and border case management will continue to be delivered and can be modernized in a timely manner. To perform critical upgrades and a modernization of Canada's IT infrastructure and improve the way benefits and services are delivered to Canadians over the coming decade:

- Budget 2021 proposes to provide a total of $648 million on a cash basis to Employment and Social Development Canada and the Treasury Board Secretariat over the next seven years, starting in 2021-22, to continue implementing Benefit Delivery Modernization, invest in Service Canada's IT systems and related activities, and support service delivery to Canadians going forward.
- Budget 2021 also proposes to provide $300 million on a cash basis to Shared Services Canada over the next three years, starting in 2021-22, to continue work to repair and replace critical IT infrastructure.

millions of dollars

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
10.1. A Tax System that Promotes Fairness	**0**	**-125**	**-1,055**	**-2,064**	**-2,504**	**-2,569**	***-8,317***
Digital Services Tax	0	-200	-700	-800	-800	-900	*-3,400*
Less: Funds Previously Provisioned in the Fiscal Framework	*0*	*200*	*700*	*800*	*800*	*900*	*3,400*
Administrative Costs	0	17	7	4	4	4	*35*
Luxury Tax	0	-34	-140	-140	-145	-145	*-604*
Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners	0	0	-200	-170	-165	-165	*-700*
Limitations on Excessive Interest Deductions[1]	0	-30	-400	-1,330	-1,755	-1,810	*-5,325*
Administrative Costs	0	4	2	1	1	1	*9*
Preventing Cross-border Tax Schemes	0	0	-130	-205	-215	-225	*-775*
Tackling Tax Avoidance and Evasion	0	42	67	68	64	63	*304*
Less: Projected Revenues	*0*	*-64*	*-151*	*-199*	*-198*	*-198*	*-810*
Strengthening the CRA	0	27	38	56	55	55	*230*
Action Against Money Laundering and Terrorist Financing	0	0	2	1	1	1	*5*
Beneficial Ownership Transparency	0	1	1	0	0	0	*2*
Improving Duty and Tax Collection on Imported Goods	0	-88	-150	-150	-150	-150	*-688*
10.2. A Stable and Robust Financial Sector	**5**	**16**	**28**	**29**	**5**	**6**	***88***
Retail Payments Oversight Framework	5	16	28	37	38	37	*160*
Less: Costs to be Recovered	*0*	*0*	*0*	*-8*	*-32*	*-31*	*-71*

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
10.3. Better Services for Canadians	**0**	**99**	**127**	**123**	**77**	**78**	***504***
E-payroll to Help Businesses	0	13	17	14	0	0	*44*
Protecting Taxpayer Information	0	71	75	75	54	55	*331*
Modernizing CRA Services	0	15	14	12	0	0	*42*
Canadian Digital Service	0	0	22	22	22	23	*88*
10.4. Reinforcing Government of Canada Operations	**0**	**-90**	**-5**	**76**	**-1**	**-15**	***-34***
Measuring What Matters	0	3	3	3	2	2	*14*
Reducing Government Travel	0	-222	-222	-222	-222	-222	*-1,112*
Improving and Defending our Cyber Networks	0	63	109	117	78	89	*456*
Modernizing Critical IT Infrastructure	0	66	105	179	142	142	*634*
Less: Projected Revenues	*0*	*0*	*0*	*0*	*0*	*-26*	*-26*
Additional Investments – Responsible Government	**0**	**306**	**212**	**68**	**54**	**47**	***688***
Eliminating the Backlog of Pay Problems	0	23	23	0	0	0	*47*
Funding proposed for Public Services and Procurement Canada to support the workforce dedicated to processing pay transactions. This will help the department achieve its target of eliminating the backlog of Phoenix pay system transactions by December 2022.							
Stabilizing Human Resources, Pay, and Pensions	0	23	23	0	0	0	*45*
Funding proposed for the Treasury Board of Canada Secretariat to ensure that the Office of the Chief Human Resources Officer has the capacity necessary to address human resources, pay, and pension policy matters on behalf of the Government.							
Advancing Public Service Job Classification	0	5	5	0	0	0	*10*
Funding proposed for the Treasury Board of Canada Secretariat to support the Classification Program, which ensures that the relative value of work is recognized and compensated appropriately across the core public administration.							
Modernizing Leave Without Pay Provisions	0	8	11	11	11	11	*52*
Proposed changes to the Public Service Superannuation Regulations to align provisions concerning pensionable service status for periods of absence without pay with enabling legislation.							
Justice Canada Employee Benefit Plan Rate Change	0	0	39	39	39	39	*157*
Less: Costs to be Recovered	*0*	*0*	*-39*	*-39*	*-39*	*-39*	*-157*
Funding proposed for Justice Canada to account for the implementation of comprehensive Employee Benefit Plan rate changes charged to client departments for legal services. This measure is a technical adjustment and there is no fiscal impact.							

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Improving Federal Asset Management	0	2	2	1	0	0	*5*
Funding proposed for the Treasury Board of Canada Secretariat to implement recommendations from its Fixed Asset Review (announced in Budget 2017) and to help departments respond to real property use changes resulting from the COVID-19 pandemic. This will help ensure the Government's real property portfolio is modern, agile, and right-sized, as well as financially and environmentally sustainable.							
Supporting Government Translation and Interpretation Services	0	9	9	0	0	0	*18*
Funding proposed for the Translation Bureau to respond to a higher volume of translation and interpretation requests while continuing to support a remote working environment. This will ensure that Parliamentarians and Canadians receive timely translation and interpretation services in both of our official languages as well as Indigenous languages, sign languages, and other languages spoken across Canada.							
Procurement Workforce	0	7	9	9	9	9	*43*
Funding proposed for Public Services and Procurement Canada to continue to deliver procurement services to client departments and agencies, negotiate increasingly complex high value contracts, and develop and implement a vendor performance management framework.							
Supporting the Office of the Chief Information Officer	0	6	7	7	7	7	*34*
Funding proposed for the Treasury Board of Canada Secretariat to ensure that the Office of the Chief Information Officer has the necessary resources to provide strategic direction and leadership in the areas of information management, information technology, security, privacy, and access to information across the Government of Canada.							
Supporting Efficient, Stable Digital Applications	0	58	98	20	20	20	*215*
Funding proposed for Shared Services Canada to continue to help government departments and agencies assess digital applications and data, then decommission or move them to modern computing facilities. This will reduce service interruptions, loss of data, and security risks for government operations and digital services.							
Public Services and Procurement Canada Program Integrity	0	30	0	0	0	0	*30*
Funding proposed to Public Services and Procurement Canada to continue service delivery to federal departments and agencies, maintain federal employee salaries, and to support employee safety during the pandemic.							
Employment and Social Development Canada Rent Price Adjustment	0	1	1	1	1	1	*4*
Less: Funds From CPP Account	*0*	*0*	*0*	*0*	*0*	*0*	*-1*
Funding proposed for Employment and Social Development Canada to cover rent increases related to its national network of service centres and offices.							
Supporting the Public Service Occupational Health Program	0	4	8	8	0	0	*19*
The Public Service Occupational Health Program is the occupational health service provider of the federal public service, providing specialized occupational health evaluations and technical advice to help departments meet their Canada Labour Code obligations. Proposed funding would allow the program to continue to play this function for departments by addressing program integrity pressures.							

	2020-2021	2021–2022	2022-2023	2023-2024	2024-2025	2025-2026	*Total*
Renewing funding for the Office of Public Service Accessibility	0	3	3	3	0	0	*10*
Funding proposed for the Treasury Board Secretariat to continue its work to improve accessibility in the federal government, including strengthening capacity for implementing an Accessibility Strategy for the Public Service and supporting departments in fulfilling legislative obligations under the Accessible Canada Act.							
Addressing Financial Impacts on Atomic Energy of Canada Limited	0	38	0	0	0	0	*38*
Funding proposed for Atomic Energy of Canada Limited to mitigate the financial impacts of the COVID-19 pandemic, including budget pressures due to supply chain disruptions, delays in the construction schedules of key projects, lost revenues, and additional costs related to increased health and safety protocols.							
Strengthening Capital Markets Stability and Enforcement	0	12	0	0	0	0	*12*
Funding proposed for the Canadian Securities Transition Office to continue supporting federal efforts to advance the Cooperative Capital Markets Regulatory System and to strengthen capital markets stability and enforcement in Canada.							
CRA Administrative Funding for Certain Budget 2019 Measures	0	10	9	8	7	6	*41*
Funding proposed for the Canada Revenue Agency for the administration of certain tax measures announced in Budget 2019. This includes funding associated with the Canadian Journalism Labour Tax Credit, the designation process for Qualifying Canadian Journalism Organizations, the Canada Training Credit, and the permitting of advanced life deferred annuities and variable payment life annuities under certain registered plans.							
Supporting the Ongoing Delivery of Benefits to Canadians	0	77	4	0	0	0	*81*
Less: Funds From CPP Account	*0*	*-9*	*0*	*0*	*0*	*0*	*-9*
Less: Projected Revenues	*0*	*0*	*0*	*0*	*0*	*-6*	*-6*
Funding proposed for Employment and Social Development Canada to continue to support both remote and in-person delivery of services and benefits to Canadians. This will support delivery of Old Age Security, the Canada Pension Plan and Employment Insurance.							
Chapter 10 - Net Fiscal Impact	***5***	***206***	***-692***	***-1,768***	***-2,368***	***-2,453***	***-7,070***

Note: Numbers may not add due to rounding.

[1] An important proportion of the overall projected revenue impact (75%) relates to the expectation that the measure will help in preventing the shifting of debt into Canada.

Annex 1
Details of Economic and Fiscal Projections

Economic Projections

The average of private sector forecasts has been used as the basis for economic and fiscal planning since 1994. This helps ensure objectivity and transparency, and introduces an element of independence into the government's economic and fiscal forecast. The economic forecast presented in this section is based on a survey conducted in March 2021.

The March survey includes the views of 13 private sector economists:

1. BMO Capital Markets,
2. Caisse de dépôt et placement du Québec,
3. CIBC World Markets,
4. The Conference Board of Canada,
5. Desjardins,
6. IHS Markit,
7. Industrial Alliance Insurance and Financial Services Inc.,
8. Laurentian Bank Securities,
9. National Bank Financial Markets,
10. Royal Bank of Canada,
11. Scotiabank,
12. TD Bank Financial Group, and
13. The University of Toronto (Policy and Economic Analysis Program).

Private sector economists expect real gross domestic product (GDP) to rebound from a contraction of 5.4 per cent in 2020 to growth of 5.8 per cent in 2021 and 4 per cent in 2022, a faster recovery than the growth rates of, respectively, 4.8 per cent and 3.2 per cent projected in the November 2020 Fall Economic Statement (FES 2020). This improved outlook reflects stronger-than-expected results in the last quarter of 2020, and higher projected growth starting in the second quarter of this year due to a faster anticipated rollout of vaccines (Table A1.1 below). Real GDP growth is expected to moderate to about 2 per cent on average per year over the remaining years of the forecast horizon, reflecting a return to trend long-run growth rates.

Along with the faster recovery in economic activity, the unemployment rate is expected to decline from its peak of 9.6 per cent in 2020 to 8 per cent in 2021 and 6.5 per cent in 2022, a faster projected decline than in FES 2020. The unemployment rate is expected to reach 5.9 per cent by 2025.

The outlook for GDP inflation (the broadest measure of economy-wide price inflation) in the March 2021 survey has also been revised up for 2021 compared to FES 2020 forecast (from 2.2 per cent to 3.3 per cent) reflecting better-than-expected results in the second half of 2020 and upward forecast revisions in the first quarter of 2021, in part attributable to higher oil prices. Going forward, GDP inflation is expected to stand at about 2 per cent per year.

As a result of these developments, the level of nominal GDP (the broadest measure of the tax base) is projected at $2,408 billion for 2021, $68 billion higher than projected in FES 2020 (but still $75 billion lower than projected in the Economic and Fiscal Update 2019). The nominal GDP level difference with FES 2020 is expected to average about $70 billion per year over the 2020-2025 period.

While the outlook for the short-term interest rate is broadly similar to FES 2020 projection, forecasts for the long-term interest rate have been revised up in the March 2021 survey by about 40 basis points over the 2020-2025 period compared to FES 2020 forecast.

Table A1.1
Average Private Sector Forecasts
per cent, unless otherwise indicated

	2020	2021	2022	2023	2024	2025	2020-2025
Real GDP growth[1]							
Fall Economic Statement 2020	-5.5	4.8	3.2	2.3	2.1	1.9	1.5
Budget 2021	-5.4	5.8	4.0	2.1	1.9	1.8	1.7
GDP inflation[1]							
Fall Economic Statement 2020	0.1	2.2	2.0	2.0	2.1	2.1	1.7
Budget 2021	0.8	3.3	2.0	2.0	2.1	2.0	2.0
Nominal GDP growth[1]							
Fall Economic Statement 2020	-5.4	7.0	5.3	4.4	4.3	4.0	3.3
Budget 2021	-4.6	9.3	6.0	4.0	4.0	3.8	3.8
Nominal GDP level (billions of dollars)[1]							
Fall Economic Statement 2020	2,186	2,340	2,465	2,572	2,682	2,789	
Budget 2021	2,204	2,408	2,553	2,657	2,763	2,869	
Difference between Fall Economic Statement 2020 and Budget 2021	18	68	89	84	81	79	70

	2020	2021	2022	2023	2024	2025	2020-2025
3-month treasury bill rate							
Fall Economic Statement 2020	0.4	0.2	0.3	0.5	1.1	1.5	0.7
Budget 2021	0.4	0.1	0.2	0.5	1.1	1.6	0.7
10-year government bond rate							
Fall Economic Statement 2020	0.7	0.9	1.2	1.6	2.0	2.4	1.5
Budget 2021	0.7	1.5	1.8	2.1	2.5	2.7	1.9
Exchange rate (US cents/C$)							
Fall Economic Statement 2020	74.2	76.1	76.6	77.9	78.9	79.2	77.2
Budget 2021	76.6	79.4	79.8	80.8	81.0	81.0	79.4
Unemployment rate[1]							
Fall Economic Statement 2020	9.8	8.2	7.1	6.4	6.1	6.1	7.3
Budget 2021	9.6	8.0	6.5	6.2	6.0	5.9	7.0
Consumer Price Index inflation							
Fall Economic Statement 2020	0.7	1.7	1.9	2.0	2.1	2.1	1.7
Budget 2021	0.7	2.2	2.0	2.1	2.1	2.1	1.9
U.S. real GDP growth							
Fall Economic Statement 2020	-4.3	3.7	3.3	2.6	2.2	2.0	1.6
Budget 2021	-3.5	6.0	4.3	2.2	1.9	1.8	2.1
West Texas Intermediate crude oil price ($US per barrel)							
Fall Economic Statement 2020	39	46	52	54	58	59	51
Budget 2021	39	60	61	60	60	60	57

Note: Forecast averages may not equal average of years due to rounding. Numbers may not add due to rounding.

[1] Figures have been restated to reflect the historical revisions in the Canadian System of National Accounts and in the Labour Force Survey.

Sources: Statistics Canada; for the Fall Economic Statement 2020, Department of Finance Canada September 2020 survey of private sector economists; for the Budget 2021, Department of Finance Canada March 2021 survey of private sector economists.

Changes to the Fiscal Outlook since the 2020 Fall Economic Statement (FES 2020)

Table A1.2
Economic and Fiscal Developments since FES 2020 and Policy Actions and Investments
billions of dollars

	Projection					
	2020-2021	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
Budgetary balance – FES 2020 (before stimulus)	-381.6	-121.2	-50.7	-43.3	-30.9	-24.9
Economic and fiscal developments since FES 2020 (Table A1.3)	35.2	15.8	19.3	16.0	12.8	10.3
Budgetary balance before policy actions and investments	**-346.4**	**-105.4**	**-31.4**	**-27.3**	**-18.1**	**-14.6**
Policy actions since FES 2020	0.2	0.3	0.9	-1.1	-0.7	-0.3
Investments in Budget 2021 (by chapter)						
1. *Keeping Canadians Healthy and Safe*	-5.0	-1.2	-1.0	-0.9	-0.8	-0.7
2. *Seeing Canadians and Businesses Through to Recovery*	-0.2	-27.0	-4.2	-1.0	-0.7	0.7
3. *New Opportunities for Canadians*	-0.5	-3.9	-9.0	-7.5	-7.6	-8.8
4. *Helping Canadian Businesses Grow and Succeed*	0.0	-3.7	-4.5	-5.0	-2.4	-0.8
5. *A Healthy Environment for a Healthy Economy*	0.0	-1.2	-1.9	-2.0	-1.8	-1.9
6. *Strengthening the Cities and Communities We Call Home*	-2.2	-4.6	-3.3	-2.3	-2.0	-3.1
7. *A More Equal Canada*	0.0	-1.8	-1.6	-2.1	-2.2	-2.4
8. *Strong Indigenous Communities*	0.0	-4.3	-3.5	-3.0	-1.3	-1.0
9. *Protecting Our Shared Values*	-0.1	-1.9	-1.1	-0.7	-0.5	-0.4
10. *Responsible Government*	0.0	-0.2	0.7	1.8	2.4	2.5
Total – Actions since FES 2020 and Budget 2021 Investments	**-7.7**	**-49.3**	**-28.3**	**-23.8**	**-17.7**	**-16.1**

Budgetary balance	**-354.2**	**-154.7**	**-59.7**	**-51.0**	**-35.8**	**-30.7**
Budgetary balance (%GDP)	-16.1	-6.4	-2.3	-1.9	-1.3	-1.1
Federal Debt (%GDP)	49.0	51.2	50.7	50.6	50.0	49.2
Note: FES 2020 Escalated Restrictions Scenario and $100 billion stimulus						
Budgetary balance	*-398.7*	*-166.7*	*-109.6*	*-71.7*	*-39.4*	*-33.4*
Budgetary balance (%GDP)	*-18.2*	*-7.3*	*-4.5*	*-2.9*	*-1.5*	*-1.2*
Federal Debt (%GDP)	*51.4*	*56.4*	*58.1*	*58.5*	*57.6*	*56.6*

Economic and Fiscal Developments since FES 2020

Table A1.3
Economic and Fiscal Developments since FES 2020
billions of dollars

	Projection					
	2020-2021	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
Economic and fiscal developments by component[1]:						
Change in budgetary revenues						
(1.1) Income taxes	11.8	14.5	13.5	11.9	11.9	11.9
(1.2) Excise taxes/duties	0.2	1.5	1.8	1.5	1.3	1.0
(1.3) Proceeds from the pollution pricing framework	0.3	0.4	0.3	0.4	0.3	0.3
(1.4) Employment Insurance premiums	0.7	0.7	1.1	0.9	0.5	-0.5
(1.5) Other revenues	7.9	2.2	2.8	2.6	1.9	2.4
(1) Total budgetary revenues	**20.8**	**19.2**	**19.6**	**17.3**	**15.9**	**15.1**
Change in program expenses						
(2.1) Major transfers to persons	6.3	2.1	0.0	-0.7	-0.9	-1.2
(2.2) Major transfers to other levels of government	0.1	-4.4	-0.4	-1.1	-1.2	-1.1
(2.3) Direct program expenses	8.2	-2.7	0.2	2.4	1.8	1.0
(2) Total program expenses, excluding net actuarial losses	**14.6**	**-5.0**	**-0.2**	**0.6**	**-0.3**	**-1.3**
(3) Net actuarial losses	0.0	3.4	3.3	2.9	2.1	1.5
(4) Public debt charges	-0.1	-1.8	-3.3	-4.8	-4.9	-5.0
(5) Total economic and fiscal developments	**35.2**	**15.8**	**19.3**	**16.0**	**12.8**	**10.3**

[1] A negative number implies a deterioration in the budgetary balance (lower revenues or higher expenses). A positive number implies an improvement in the budgetary balance (higher revenues or lower expenses).

Budgetary revenues, particularly income tax revenues, have been revised up relative to FES 2020. In the near-term, this is driven by the faster-than-expected economic recovery in the second half of 2020. Over the longer-term, an improvement in the outlook for the labour market, personal income and corporate profitability drive revisions to personal and corporate income tax revenues.

- Because more people will be working, and earning more, income tax revenues are projected to be $11.8 billion higher in 2020-21 due to strong year-to-date results, and up on average by more than $12 billion per year over the forecast horizon.
- Excise taxes and import duty revenues have been revised upwards in large part due to an upward revision to Goods and Services Tax (GST) revenues, reflecting a stronger outlook for consumption.
- Proceeds from the federal pollution pricing framework that arise from the provinces and territories that are a part of the federal backstop are projected to be marginally higher reflecting an improved economic outlook. These proceeds will continue to be fully returned: primarily through Climate Action Incentive payments to eligible individuals and families in Alberta, Manitoba, Ontario and Saskatchewan and through a transfer to the governments of Yukon and Nunavut.
- Employment Insurance (EI) premium revenues have been revised up due to better-than-expected labour force participation and an improved outlook for economy-wide wage growth.
- Other revenues, such as those resulting from sales of goods and services, investments and loans, interest and penalties, and Crown corporations' net profits, are projected to be much higher in 2020-21 than expected at the time of FES 2020. This improvement is primarily due to better-than-expected financial performance by enterprise Crown corporations, and lower-than-expected premiums paid by the Bank of Canada in the course of its secondary market purchases of Government of Canada securities to support liquidity in financial markets. Upward revisions in future years largely reflect an improved outlook for enterprise Crown corporations profits, including income on increased asset balances held by the Bank of Canada.

Program expenses, particularly major transfers to persons and direct program expenses, are projected to be significantly lower in 2020-21 relative to FES 2020, largely reflecting the revised timing and re-estimation of the cost of COVID-response programs, such as the Canada Emergency Response Benefit.

- Over the remainder of the forecast horizon, adjustments to major transfers to persons reflect the impact of higher expected inflation, to which children's and elderly benefits rates are indexed.

- Major transfers to other levels of government are higher in 2021-22, reflecting a revised preliminary estimate of potential Fiscal Stabilization payments. In the outer years of the forecast, expenses have been revised upwards, as a result of the stronger economic outlook as the Canada Health Transfer and Equalization payments are indexed to growth in nominal GDP.
- Direct program expenses, which include pollution pricing proceeds returned, other transfer payments administered by departments, and departmental operating expenses, have been adjusted downward in 2020-21 and upward in 2021-22, largely due to the revised timing of COVID program expenses. Over the horizon, direct program expenses are revised downward, driven by lower anticipated pension and benefits current service costs, and slightly lower departmental spending projections.

Net actuarial losses, which represent changes in the measurement of the government's obligations for pensions and other employee future benefits accrued in previous fiscal years, are expected to be lower relative to FES 2020, reflecting upward revisions to projected long term interest rates used to value the obligations.

Public debt charges have increased to reflect higher expected interest costs on interest-bearing debt due to higher interest rates, and a revised financial requirement. Despite these developments, public debt charges remain on a sustainable long-term path and are $1.6 billion lower in 2022-23 than was forecast in the 2019 Economic and Fiscal Update (forecast of $27.3 billion at that time), before the onset of COVID. This is in spite of the substantial increase in federal debt as a result of the pandemic.

Summary Statement of Transactions

Table A1.4
Summary Statement of Transactions
billions of dollars

		Projection					
	2019–2020	**2020–2021**	**2021–2022**	**2022–2023**	**2023–2024**	**2024–2025**	**2025–2026**
Budgetary revenues	**334.1**	**296.2**	**355.1**	**377.9**	**396.4**	**417.9**	**437.7**
Program expenses, excluding net actuarial losses	338.5	614.5	475.6	403.0	409.2	414.4	426.7
Public debt charges	24.4	20.4	22.1	25.7	30.5	35.4	39.3
Total expenses, excluding net actuarial losses	**362.9**	**634.9**	**497.6**	**428.7**	**439.7**	**449.8**	**466.0**
Budgetary balance before net actuarial losses	**-28.8**	**-338.8**	**-142.5**	**-50.9**	**-43.4**	**-31.9**	**-28.3**
Net actuarial losses	-10.6	-15.4	-12.2	-8.9	-7.7	-3.9	-2.4
Budgetary balance	**-39.4**	**-354.2**	**-154.7**	**-59.7**	**-51.0**	**-35.8**	**-30.7**
Financial Position							
Total liabilities	1,248.6	1,648.4	1,799.7	1,858.3	1,928.0	1,983.1	2,025.3
Financial assets[1]	435.7	472.4	466.2	459.6	473.6	488.8	496.8
Net debt	812.9	1,176.0	1,333.6	1,398.8	1,454.4	1,494.3	1,528.6
Non-financial assets	91.5	96.9	99.8	105.3	109.9	114.0	117.6
Federal debt	**721.4**	**1,079.0**	**1,233.8**	**1,293.5**	**1,344.5**	**1,380.3**	**1,411.0**
Per cent of GDP							
Budgetary revenues	14.5	13.4	14.7	14.8	14.9	15.1	15.3
Program expenses, excluding Net Actuarial losses	14.6	27.9	19.7	15.8	15.4	15.0	14.9
Public debt charges	1.1	0.9	0.9	1.0	1.1	1.3	1.4
Budgetary balance	-1.7	-16.1	-6.4	-2.3	-1.9	-1.3	-1.1
Federal debt	31.2	49.0	51.2	50.7	50.6	50.0	49.2

Note: Totals may not add due to rounding.

[1] The projected level of financial assets for 2020-21 includes an estimate of other comprehensive income.

Outlook for Budgetary Revenues

Table A1.5
The Revenue Outlook
billions of dollars

		Projection					
	2019–2020	**2020–2021**	**2021–2022**	**2022–2023**	**2023–2024**	**2024–2025**	**2025–2026**
Income taxes							
Personal income tax	167.6	168.2	180.4	187.5	195.5	204.0	213.5
Corporate income tax	50.1	46.2	50.3	52.8	56.7	62.9	66.8
Non-resident income tax	9.5	8.5	9.9	10.6	11.0	11.3	11.7
Total income tax	227.1	222.9	240.5	251.0	263.2	278.1	291.9
Excise taxes/duties							
Goods and Services Tax	37.4	29.8	41.0	43.6	45.2	46.7	48.2
Customs import duties	4.9	3.7	4.5	4.9	5.1	5.4	5.8
Other excise taxes/duties	11.6	10.5	11.7	12.4	12.7	12.8	12.9
Total excise taxes/duties	53.9	44.0	57.1	60.9	63.0	64.9	66.9
Digital Services Tax		0.0	0.2	0.7	0.8	0.8	0.9
Total tax revenues	281.0	266.9	297.8	312.5	326.9	343.8	359.7
Proceeds from the pollution pricing framework[1]	2.7	4.5	6.4	7.9	8.0	7.9	7.9
Employment Insurance premium revenues	22.2	22.2	23.7	25.4	27.3	29.2	31.2
Other revenues							
Enterprise Crown corporations	5.1	-13.9	7.1	10.2	10.7	11.7	12.5
Other programs	20.8	14.2	18.5	19.9	21.2	22.6	23.4
Net foreign exchange	2.4	2.2	1.7	1.9	2.2	2.6	3.0
Total other revenues	28.3	2.6	27.3	32.0	34.2	36.9	38.9
Total budgetary revenues	**334.1**	**296.2**	**355.1**	**377.9**	**396.4**	**417.9**	**437.7**
Per cent of GDP							
Total tax revenues	12.2	12.1	12.4	12.2	12.3	12.4	12.5
Proceeds from the pollution pricing framework	0.1	0.2	0.3	0.3	0.3	0.3	0.3
Employment Insurance premium revenues	1.0	1.0	1.0	1.0	1.0	1.1	1.1
Other revenues	1.2	0.1	1.1	1.3	1.3	1.3	1.4
Total budgetary revenues	14.5	13.4	14.7	14.8	14.9	15.1	15.3

Note: Totals may not add due to rounding.

[1] This represents those charges applied through the federal backstop, excluding the Output Based Pricing System. All these proceeds will be returned to their province/territory of origin through Climate Action Incentive payments and other climate supports.

Table A1.5 sets out the government's projection for budgetary revenues.

Personal income tax (PIT) revenues – the largest component of budgetary revenues – are projected to increase to $168.2 billion in 2020-21, or 0.4 per cent. This limited growth reflects the negative impact of the COVID-19 crisis on household incomes, partly compensated by measures put in place by the government to support income. PIT revenues are expected to rebound to $180.4 billion in 2021-22 as employment levels recover. For the remainder of the forecast, PIT revenue growth is expected to return to an average of 4.3 per cent, in line with projected nominal GDP growth.

Corporate income tax (CIT) revenues are projected to decrease by 7.6 per cent, to $46.2 billion in 2020-21. The decline is driven by lower corporate profitability and general economic weakness due to the impact of COVID-19. Starting 2021-22, CIT is expected to rebound and grow at an average rate of 7.6 per cent per year through to the end of the forecast horizon, reflecting the outlook for corporate profitability.

Non-resident income tax revenues are income taxes paid by non-residents on Canadian-sourced income, notably dividends and interest payments. These revenues are expected to decrease to $8.5 billion in 2020-21, or 10.7 per cent, as corporate profits and investment income were hit by the economic impacts of the crisis, before rebounding to $9.9 billion in 2021-22. From 2022-23 on, growth is expected to return to an average of 4.3 per cent.

GST revenues are forecast to fall to $29.8 billion in 2020-21, or 20.3 per cent, reflecting the temporary shutdown of large portions of the retail sector and the introduction of the one-time enhanced GST credit payment, before increasing to $41 billion in 2021-22, or 37.4 per cent. Over the remainder of the projection period, GST revenues are forecast to grow by 4.1 per cent per year, on average, reflecting the outlook for taxable consumption.

Customs import duties are projected to fall from $4.9 billion in 2019-20 to $3.7 billion in 2020-21, or 22.8 per cent, due to lower imports and the government's waiver of customs duties on medical goods in order to better combat the spread of COVID-19, before rebounding to $4.5 billion in 2021-22, or 19.8 per cent. Over the remainder of the horizon, customs import duties are projected to grow at an average annual rate of 6.4 per cent due to expected growth in imports.

Other excise taxes and duties (OETD) are projected to decline to $10.5 billion in 2020-21, or 10.2 per cent, primarily reflecting lower air travel security surcharge and excise tax revenue from motive fuels as a result of decreased demand since the onset of the pandemic. OETD revenues are expected to increase to $11.7 billion in 2021-22, or 11.4 per cent, as demand recovers, and over the remainder of the projection period, are expected to grow at an average annual rate of 2.7 per cent, reflecting projected underlying consumption growth.

The new digital services tax (DST) is expected to be in effect as of January 1, 2022. DST revenues are projected to be $0.2 billion in 2021-22, and rise to $0.9 billion by 2025-26.

In 2020-21, EI premium revenues are projected to remain unchanged at $22.2 billion. Over the remainder of the projection horizon, premium revenues are anticipated to grow at an average annual rate of 7.1 per cent, largely due to the current outlook for the labour market, the end of the currently planned two-year freeze in premium rates as of 2023, and the return to a premium rate structure under current legislation that balances accumulated spending in the account over seven years. The current forecast anticipates a gradual increase in premium rates, beginning in 2023, from $1.58 to $1.83 per $100 insurable earnings by the end of the horizon. This would result in a premium rate that is still lower than the peak level of rates at $1.88 following the 2008-09 recession. The government will continue to review premium rates following the results of its consultations on future EI reforms over the course of the next year and where the labour market stands further on in the recovery.

Other revenues consist of three broad components: net income from enterprise Crown corporations; other program revenues from returns on investments, proceeds from the sales of goods and services, and other miscellaneous revenues; and revenues in the Exchange Fund Account.

Enterprise Crown corporation revenues are projected to decrease by $18.9 billion in 2020-21 and increase by $21 billion in 2021-22, before growing thereafter at an average annual rate of 15.2 per cent. These projections reflect the outlooks presented in corporate plans of respective enterprise Crown corporations, including the impact of COVID-19 on profits, and the impact of Bank of Canada programs introduced during COVID-19, including purchases of Government of Canada securities on the secondary market to support liquidity in financial markets.

Other program revenues are affected by consolidated Crown corporation revenues, interest rates, inflation and exchange rate movements (which affect the Canadian-dollar value of foreign-denominated assets). These revenues are projected to decline by 31.5 per cent or $6.6 billion in 2020-21, primarily due to a decline in interest and penalty revenue of $2.7 billion and return on investments of $1.3 billion as a result of lower interest rates and interest and penalty waivers provided as part of the government's COVID-19 response, along with a $1.6 billion projected decline in revenue from sales of goods and services. Over the remainder of the forecast horizon, these revenues are projected to grow at an average annual rate of 10.4 per cent, largely as a result of growth in revenue from return on investments and interest and penalty revenue.

Net foreign exchange revenues, which consist mainly of returns on investments held in the Exchange Fund Account, are volatile and sensitive to fluctuations in foreign exchange rates and foreign interest rates. These revenues are projected to decrease in 2020-21 due mainly to lower interest rates.

Employment Insurance Operating Account

Employment Insurance Operating Account Projections

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026		
EI premium revenues	22.2	22.2	23.7	25.4	27.3	29.2	31.2		
EI benefits[1]	21.8	33.5	41.2	28.1	24.5	24.9	25.6		
EI administration and other expenses[2]	2.0	2.1	2.1	2.2	2.0	1.9	1.9		
	2019[3]	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**(...)**	**2028**
EI Operating Account annual balance	2.1	-6.3	-21.9	-6.1	-0.7	2.2	3.8		6.5
EI Operating Account cumulative balance	5.9	-0.3	-22.2	-28.3	-29.0	-26.8	-22.9		-4.4[4]
Projected premium rate (per $100 of insurable earnings)	1.62	1.58	1.58	1.58	1.63	1.68	1.73		1.83

1 EI benefits include regular EI benefits, sickness, maternity, parental, compassionate care, fishing and work sharing benefits, and employment benefits and support measures. EI benefits exclude EI-Emergency Response Benefit costs as these will not be recovered via EI premiums in line with the Government's commitment to credit the EI Operating Account.

2 The remaining EI costs relate mainly to administration and are included in direct program expenses.

3 Values for 2019 are actual data. Values for 2020 and future years are a projection.

4 The EI Operating Account cumulative balance does not reach exactly zero at the end of the seven-year period as projected EI rates are rounded to the nearest whole cent per $100 of insurable earnings, in accordance with the *Employment Insurance Act*. In addition, the positive deficit amount in 2028 reflects the cost of new support measures that are not fully recovered due to the 5-cent limit on premium rate increases.

The Employment Insurance Operating Account operates within the Consolidated Revenue Fund. As such, EI-related revenues and expenses that are credited and charged to the Account, respectively, in accordance with the Employment Insurance Act, are consolidated with those of the government, and impact the budgetary balance. For consistency with the EI premium rate, which is set on a calendar-year basis with the objective of having the Account break even over time, the annual and cumulative balances of the Account are also presented on a calendar-year basis.

The EI Operating Account is expected to record annual deficits from 2020 to 2023 as a result of the increase in EI benefits (excluding the Emergency Response Benefit) and the temporary freeze on EI premiums through 2022. The Account is then projected to record annual surpluses starting in 2024 due to projected increases in the premium rate until reaching $1.83. The increases reflect the practice of the rate-setting mechanism that started with the setting of the 2017 premium rate.

Outlook for Program Expenses

Table A1.6
The Expense Outlook
billions of dollars

		Projection					
	2019–2020	**2020–2021**	**2021–2022**	**2022–2023**	**2023–2024**	**2024–2025**	**2025–2026**
Major transfers to persons							
Elderly benefits	56.2	58.8	62.5	68.0	72.5	76.7	81.0
Employment Insurance benefits[1]	21.8	59.8	41.2	28.1	24.5	24.9	25.6
Canada Emergency Response Benefit and Canada Recovery Benefits	4.7	57.3	13.9	0.0	0.0	0.0	0.0
Canada Child Benefit[2]	24.3	27.6	27.2	26.3	26.6	27.2	27.9
Total	107.1	203.5	144.8	122.3	123.7	128.7	134.4
Major transfers to other levels of government							
Canada Health Transfer	40.9	45.9	43.1	44.7	47.5	49.8	51.7
Canada Social Transfer	14.6	15.0	15.5	15.9	16.4	16.9	17.4
Equalization	19.8	20.6	20.9	21.7	23.1	24.1	25.1
Territorial Formula Financing	3.9	4.2	4.4	4.6	4.8	4.9	5.1
Canada Community-Building Fund	2.2	4.3	2.3	2.3	2.4	2.4	2.5
Home care and mental health	1.1	1.3	1.5	1.2	1.2	1.2	1.2
Other fiscal arrangements[3]	-3.3	15.5	-1.2	-6.0	-6.3	-6.6	-6.9
Total	79.2	106.7	86.6	84.3	89.1	92.7	96.1
Direct program expenses							
Proceeds from the pollution pricing framework returned[4]	2.6	4.8	6.9	8.1	8.3	7.9	7.9
Canada Emergency Wage Subsidy	0.0	84.6	26.0	0.0	0.0	0.0	0.0
Canada-Wide Early Learning and Child Care[5]	0.0	0.0	3.0	4.5	5.5	6.5	7.7
Other transfer payments	54.4	103.3	85.9	76.1	74.0	70.1	70.5
Operating expenses[6]	95.2	111.6	122.5	107.7	108.6	108.4	110.1
Total	152.2	304.3	244.3	196.4	196.5	193.0	196.2
Total program expenses, excluding net actuarial losses	**338.5**	**614.5**	**475.6**	**403.0**	**409.2**	**414.4**	**426.7**
Net actuarial losses[7]	10.6	15.4	12.2	8.9	7.7	3.9	2.4
Per cent of GDP							
Major transfers to persons	4.6	9.2	6.0	4.8	4.7	4.7	4.7
Major transfers to other levels of government	3.4	4.8	3.6	3.3	3.4	3.4	3.3
Direct program expenses	6.6	13.8	10.1	7.7	7.4	7.0	6.8

		Projection					
	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026
Total program expenses	14.6	27.9	19.7	15.8	15.4	15.0	14.9

Note: Totals may not add due to rounding.

[1] EI benefits include regular EI benefits, sickness, maternity, parental, compassionate care, fishing and work-sharing benefits, and employment benefits and support measures. Remaining EI costs relate mainly to administration and are part of operating expenses. As in FES 2020, this includes the portion of payments for the Emergency Response Benefit charged to the EI Operating Account, totalling $1.8 billion in 2019-20, and an estimated $26.3 billion in 2020-21. These costs are not projected to be recovered with higher EI premiums given the government's commitment to credit the EI Operating account for the costs associated with the Emergency Response Benefit program.

[2] Includes the Children's disability benefits and residual payments for the Universal Child Care Benefit (UCCB), now replaced by the Canada Child Benefit.

[3] Other fiscal arrangements includes the Quebec Abatement (Youth Allowances Recovery and Alternative Payments for Standing Programs); payments under the Canada-Nova Scotia Arrangement on Offshore Revenues; Fiscal Stabilization payments; and established terms for repayable floor loans. In 2020-21 this also includes COVID-19 response measures.

[4] This includes the return of charges applied through the federal backstop, excluding those through the Output Based Pricing System, which are returned to their province/territory of origin through Climate Action Incentive payments and other climate supports.

[5] Amounts exclude funding for Indigenous Early learning and Child Care which are included in the other transfer payments line.

[6] This includes capital amortization expenses.

[7] Actuarial gains and losses were previously reported as "Losses (gains) from employee future benefit plans" and as a part of Direct program expenses, but are now presented in a new line item titled Net actuarial losses since FES 2020.

Table A1.6 provides an overview of the projection for program expenses by major component. Program expenses consist of three main categories: major transfers to persons, major transfers to other levels of government, and direct program expenses.

Major transfers to persons consist of elderly, Employment Insurance (EI) and children's benefits, as well as the Canada Emergency Response Benefit and Recovery Benefits.

Elderly benefits are projected to reach $58.8 billion in 2020-21, up 4.6 per cent, due to an increase in the population of seniors. Over the remainder of the horizon, elderly benefits are forecast to grow by $4.4 billion per year, on average, reflecting the ongoing demographic change, and projected consumer price inflation, to which benefits are fully indexed, as well as the planned 10 per cent increase to regular Old Age Security payments for pensioners 75 and over on an ongoing basis as of July 2022 announced in this budget.

EI benefits are projected to increase to $59.8 billion in 2020-21, largely reflecting the cost of Emergency Response Benefits ($26.3 billion) and higher unemployment resulting from the crisis. The government has committed to crediting the EI Operating Account for costs resulting from the Emergency Response Benefit, which means that they will not result in higher future EI

premiums. EI benefits are expected to fall to $24.5 billion by 2023-24 as a result of the projected improvement in the labour market. After which, EI benefits are forecast to grow at an average of 2.3 per cent annually, as the unemployment rate is projected to stabilize at around 6 per cent after 2023.

The Canada Emergency Response Benefit (CERB) was introduced as part of Canada's COVID-19 Economic Response Plan to provide immediate assistance to Canadians not eligible for EI benefits. The government is committed to continuing to support all Canadians and has introduced the Canada Recovery Benefit (CRB), the Canada Recovery Sickness Benefit (CRSB) and the Canada Recovery Caregiving Benefit (CRCB). The CERB and the Canada Recovery Benefits (CRB, CRSB and CRCB) are expected to cost $57.3 billion in 2020-21, decreasing to $13.9 billion in 2021-22 as the economy recovers and temporary programs end.

Canada Child Benefit (CCB) payments are projected to increase 13.3 per cent to $27.6 billion in 2020-21, largely reflecting temporary top up transfers. These benefits will stay close to this level for 2021-22, mainly due to the temporary support for families with young children introduced in the 2020 Fall Economic Statement, before decreasing to $26.3 billion in 2022-23 as temporary supports expire. For the period 2022-23 to 2025-26, CCB payments are expected to grow at an average annual rate of 2 per cent, reflecting forecasted consumer price inflation to which the benefits are indexed.

Major transfers to other levels of government, which include the Canada Health Transfer (CHT), the Canada Social Transfer (CST), Equalization, Territorial Formula Financing and the Canada Community-Building Fund (formerly known as the Gas Tax Fund), among others, are expected to increase by 34.8 per cent to $106.7 billion in 2020-21, reflecting the unprecedented level of support provided to provinces and territories during the pandemic. The increase in 2020-21 is driven by previously announced COVID-19 response measures, including $4 billion for a one-time increase to the Canada Health Transfer, the $2.2 billion top-up to the Canada Community-Building Fund, and $1 billion that is being provided to assist provinces and territories with immunization campaigns.

As a result of the one-time, $4 billion increase to the CHT in 2020-21, total CHT support is $5 billion higher than in 2019-20. Beginning in 2021-22, the CHT is projected to grow from $43.1 billion to $51.7 billion in 2025-26, as it grows in line with a three-year moving average of nominal GDP growth, with funding guaranteed to increase by at least 3 per cent per year. The CST is legislated to grow at 3 per cent per year. Canada Community-Building Fund payments are indexed at 2 per cent per year, with increases applied in $100 million increments. Home care and mental health transfers are projected to be $1.3 billion in 2020-21, stabilizing at $1.2 billion starting in 2022-23.

Direct program expenses, which include proceeds from the pollution pricing framework returned, the Canada Emergency Wage Subsidy, the Canada-Wide Early Learning and Child Care plan, other transfer payments administered by departments, and operating expenses, are expected to increase about 100 per cent to $304.3 billion in 2020-21. The projected increase in direct program expenses is largely driven by COVID-19 response measures, including the wage subsidy, with an estimated cost of $84.6 billion in 2020-21. Direct program expenses are projected to fall to $193 billion in 2024-25. This fall is partially offset in the outer years by the new Canada-Wide Early Learning and Child Care System, which is expected to cost $3 billion in 2021-22 growing to $7.7 billion by 2025-26.

Other transfer payments administered by departments are projected to increase about 90 per cent to $103.3 billion in 2020-21, reflecting investments made to help Canadian families and businesses through the crisis. This includes the expected cost of the loan repayment incentive for the Canada Emergency Business Account $12.6 billion, and $3 billion for the Canada Emergency Student Benefit. Also contributing to the increased costs are supports for seniors through a one-time payment ($2.5 billion) provided in July 2020, and to small businesses through the Canada Emergency Commercial Rent Assistance ($1.9 billion), and through the Canada Emergency Rent Subsidy ($4.1 billion). Other transfer payments are projected to fall to $76.1 billion by 2022-23, as the economy recovers and support measures are lifted, after which they are projected to stabilize around $71.5 billion per year, on average.

Operating expenses reflect the broad range of day-to-day costs of government operations for more than 100 government departments, agencies and Crown corporations. Operating expenses are projected to increase to $111.6 billion in 2020-21, and to $122.5 billion in 2021-22. This includes spending related to the procurement of vaccines and personal protective equipment in response to the crisis. Operating expenses are projected to decrease to $107.7 billion by 2022-23, after which they are projected to grow at an average of 0.7 per cent, annually.

Net actuarial losses, which represent changes in the measurement of the government's obligations for pensions and other employee future benefits accrued in previous fiscal years, are expected to increase to $15.4 billion in 2020-21. This increase reflects losses stemming from the 2019-20 actuarial valuations of the government's pension and benefit plans, which are amortized to expense starting in 2020-21. These 2019-20 losses were due mainly to lower long-term interest rates used to value the obligations, as well as increased costs associated with the utilization of disability and other future benefits provided to veterans. Over the horizon, net actuarial losses are forecasted to decline reflecting the increase in projected long-term interest rates.

Financial Source/Requirement

The budgetary balance is presented on a full accrual basis of accounting, recording government revenues and expenses when they are earned or incurred, regardless of when the cash is received or paid. In contrast, the financial/source requirement measures the difference between cash coming in to the government and cash going out. This measure is affected not only by the budgetary balance, but also by the government's non-budgetary transactions. These include changes in federal employee pension liabilities; changes in non-financial assets; investing activities through loans, investments and advances; and changes in other financial assets and liabilities, including foreign exchange activities.

Table A1.7

The Budgetary Balance, Non-Budgetary Transactions and Financial Source/Requirement

billions of dollars

		Projection					
	2019–2020	**2020–2021**	**2021–2022**	**2022–2023**	**2023–2024**	**2024–2025**	**2025–2026**
Budgetary balance	**-39.4**	**-354.2**	**-154.7**	**-59.7**	**-51.0**	**-35.8**	**-30.7**
Non-budgetary transactions							
Pensions and other accounts	10.3	15.8	11.0	8.7	7.3	3.4	1.8
Non-financial assets	-4.9	-5.4	-2.9	-5.5	-4.6	-4.1	-3.6
Loans, investments and advances							
Enterprise Crown corporations	-13.5	1.0	-0.3	-5.5	-4.7	-5.8	0.9
Other	-1.7	-32.7	-10.6	19.1	-1.8	-1.1	-1.3
Total	-15.1	-31.7	-10.9	13.6	-6.6	-6.9	-0.4
Other transactions							
Accounts payable, receivable, accruals and allowances	7.1	26.9	-30.3	-4.3	-3.5	-2.8	-2.5
Foreign exchange activities	-5.2	7.9	-2.8	-3.9	-4.0	-4.1	-3.4
Total	1.8	34.8	-33.1	-8.2	-7.5	-6.9	-5.9
Total	**-7.8**	**13.5**	**-36.0**	**8.6**	**-11.3**	**-14.4**	**-8.1**
Financial source/requirement	**-47.2**	**-340.6**	**-190.7**	**-51.1**	**-62.4**	**-50.2**	**-38.8**

As shown in Table A1.7, a financial requirement is projected in each year over the forecast horizon, largely reflecting financial requirements associated with the projected budgetary balance.

A financial source is projected for pensions and other accounts for 2020-21 to 2025-26. Pensions and other accounts include the activities of the Government of Canada's employee pension plans and those of federally appointed judges and Members of Parliament, as well as a variety of other employee future benefit plans, such as health care and dental plans, and disability and other benefits for veterans and others. The financial source for pensions and other accounts largely reflects adjustments for pension and benefit expenses not funded in the period.

Financial requirements for non-financial assets mainly reflect the difference between cash outlays for the acquisition of new tangible capital assets and the amortization of capital assets included in the budgetary balance. They also include disposals of tangible capital assets and changes in inventories and prepaid expenses. A net cash requirement of $2.9 billion is projected for 2021-22.

Loans, investments and advances include the government's investments in enterprise Crown corporations, including Canada Mortgage and Housing Corporation, Export Development Canada, the Business Development Bank of Canada, and Farm Credit Canada. They also include loans, investments and advances to national and provincial governments and international organizations, and under government programs, including the Canada Emergency Business Account (CEBA). The projected financial requirements for 2020-21 and 2021-22 mainly reflect the disbursement of loans under CEBA and loans advanced to enterprise Crown corporations under the consolidated borrowing framework. A financial source is projected for 2022-23, largely reflecting the expected repayment of CEBA loans. Financial requirements are projected from 2023-24 to 2025-26, reflecting retained earnings of enterprise Crown corporations, as well loans provided to Crown corporations and third-parties.

In general, loans, investments and advances are expected to generate additional revenues for the government in the form of interest or additional net profits of enterprise Crown corporations, which partly offset debt charges associated with these borrowing requirements. These revenues are reflected in projections of the budgetary balance.

Other transactions include the payment of tax refunds and other accounts payable, the collection of taxes and other accounts receivable, the conversion of other accrual adjustments included in the budgetary balance into cash, as well as foreign exchange activities. A financial source is projected for 2020-21, primarily reflecting adjustments for accrued expenses not paid in the period and non-cash exchange rate impacts. Projected cash requirements over the remainder of the forecast horizon mainly reflect the payment of accounts payable, forecast increases in the government's official international reserves held in the Exchange Fund Account, as well as projected growth in accounts receivable, in line with historical trends.

Alternative Economic Scenarios

There is still a large amount of uncertainty regarding the ultimate path of the recovery and the eventual return to normal economic activity. The outlook continues to be shaped by the path of the virus and its variants as well as by the vaccination rollout.

At the same time, Canada's performance through the second wave over the winter was stronger than projected in the *Fall Economic Statement*. Indeed, the Canadian economy was more resilient during the second wave than the initial wave, suggesting that Canadian households and businesses have adapted to operating under public health restrictions.

To illustrate the consequences of different health outcomes and the associated responses of households and businesses, the Department of Finance has considered two alternative scenarios to the projections of the private sector economists which reflect downside and upside risks to the outlook.

Scenario: Slower Recovery

In this scenario, new and more contagious variants of the virus broaden their circulation in Canada, leading to tighter restrictions on businesses vulnerable to social distancing and a delay in the reopening of borders (e.g. restaurants, shopping malls, hairdressers and other personal care) until progress on vaccination can help bring down cases more sustainably. While these restrictions would be less severe than those assumed in previous downside scenarios, activity restrictions induce Canadians to consume less and add further to their accumulated savings.

Further, this scenario assumes that vaccine supply disruptions delays the projected roll out, and assumes vaccines have less efficacy against new variants. In this scenario, getting a critical mass of Canadians vaccinated would take until the end of the year either due to the rise of new variants or some delay in getting the second dose for the two-dose vaccines, resulting in delays of the return to normality.

Overall, the downside risks scenario suggests a reduced pace of growth over the second and third quarters compared to the March survey outlook, with the recovery accelerating in the final quarter of 2021. This reduces the rebound in real GDP to around 5.4 per cent in 2021 but slightly increases the growth outlook for 2022 to around 4.1 per cent, compared to growth rates of, respectively, 5.8 per cent and 4 per cent expected in the March 2021 survey (Chart A1.1 and Table A1.8, below). This is still faster than the baseline forecast for 2021 of the Fall Economic Statement, which expected growth of 4.8 per cent of GDP.

Scenario: Faster Recovery

In this scenario, Canada's diversified portfolio of vaccines allows vaccination rollout to progress faster than expected and most Canadians are vaccinated by the summer. Most importantly, COVID-19 related deaths and hospitalizations plummet rapidly as vulnerable populations are vaccinated. With hospital capacity restored, provinces are able to quickly lift the most stringent public health and border restrictions (e.g. restaurant and retail closures). Public fears of the virus

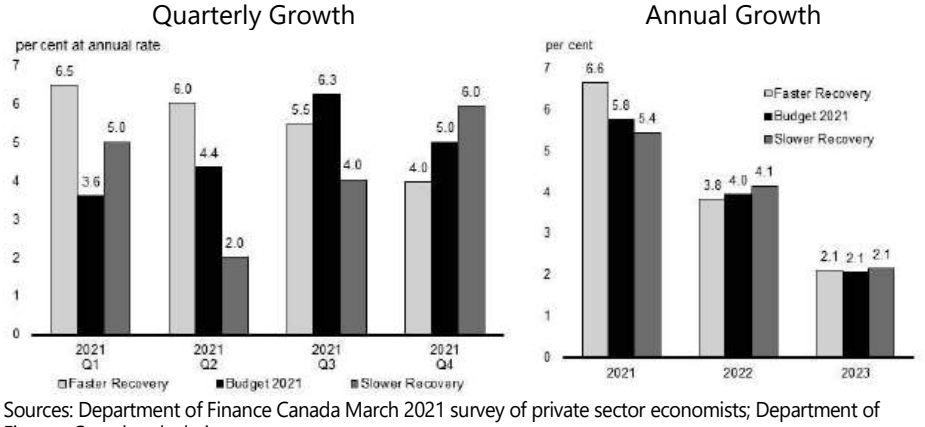
start to recede by the spring and a more robust rebound occurs in the hospitality sector, quickly lifting employment and economic activity.

Further, the prospect of significant fiscal stimulus and a faster vaccination rollout in the U.S. drives demand for Canadian exports and provides upward support to global commodity prices, helping to close the remaining gaps in activity in manufacturing, mining, and energy.

Overall, the upside risks scenario suggests much faster growth in the first half of this year compared to the March survey forecast, with growth slowing thereafter, resulting in a rebound of about 6.6 per cent in 2021 followed by slightly slower growth of around 3.8 per cent in 2022.

Chart A1.1

Real GDP Growth Outlook



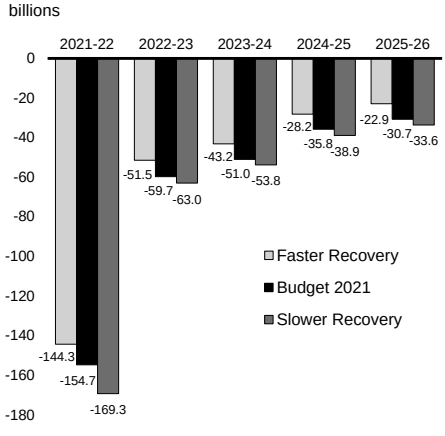
Sources: Department of Finance Canada March 2021 survey of private sector economists; Department of Finance Canada calculations.

The potential impact of these alternative scenarios on the projected federal deficit and debt-to-GDP ratio is shown in Chart A1.2 below. The relative change in economic activity under both scenarios would be expected to affect tax revenues, and expenses such as Employment Insurance benefits and the government's COVID emergency response programs including the Canada Recovery Benefit, and Canada Emergency Wage Subsidy, and, in the downside scenario, may require the government to delay the scaling down of those programs. Notably, in a slower growth scenario, the federal government's business and income supports would need to be extended further.

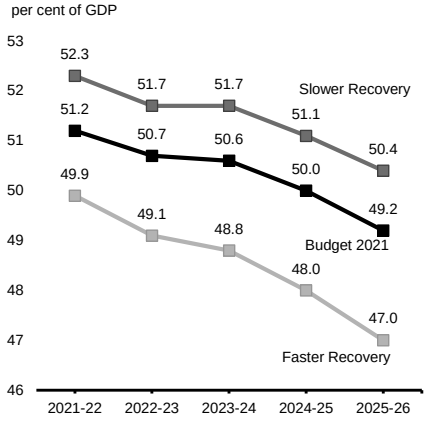
In total, the downside scenario could be expected to add about $15 billion to the deficit in 2021-22, and 1.2 percentage points to the federal debt-to-GDP ratio by the end of the forecast horizon. In the upside scenario, the deficit would be reduced by approximately $10 billion in 2021-22 and the federal debt-to-GDP ratio would fall to 47 per cent by 2025-26. Under this scenario, inflation is expected to reach a peak of 2.3 per cent in 2023, within the Bank of Canada's inflation-control target range of 1 to 3 per cent, inducing a faster normalization in policy rates.

Chart A1.2

Deficit under alternative economic scenarios



Federal Debt-to-GDP under alternative economic scenarios



Source: Department of Finance Canada calculations.

Notably, in all cases, the debt-to-GDP ratio forecasted here is lower across the planning horizon than the upper limits projected in the Fall Economic Statement, including the impact of planned stimulus. This reflects a generally better economic environment against which the recovery may unfold faster or slower.

Table A1.8

Department of Finance Alternative Scenarios

per cent, unless otherwise indicated

	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022	2023	2024	2025
Real GDP Growth									
Budget 2021	3.6	4.4	6.3	5.0	5.8	4.0	2.1	1.9	1.8
Scenario: Slower Recovery	5.0	2.0	4.0	6.0	5.4	4.1	2.1	1.9	1.8
Scenario: Faster Recovery	6.5	6.0	5.5	4.0	6.6	3.8	2.1	1.9	1.8
GDP Inflation									
Budget 2021	2.9	1.9	2.6	2.1	3.3	2.0	2.0	2.1	2.0
Scenario: Slower Recovery	2.5	1.1	2.1	2.2	3.1	2.1	1.9	2.0	2.0
Scenario: Faster Recovery	7.0	2.8	2.2	2.1	4.5	2.1	1.9	2.0	2.0
Nominal GDP Growth									
Budget 2021	6.6	6.3	9.0	7.2	9.3	6.0	4.0	4.0	3.8
Scenario: Slower Recovery	7.6	3.2	6.2	8.3	8.6	6.3	4.1	3.9	3.8
Scenario: Faster Recovery	13.9	9.0	7.8	6.2	11.4	6.0	4.1	3.9	3.8
Nominal GDP Level ($ billions)									
Budget 2021					2,408	2,553	2,657	2,763	2,869
Scenario: Slower Recovery					2,394	2,545	2,650	2,754	2,859
Scenario: Faster Recovery					2,455	2,603	2,709	2,815	2,923
Difference between Budget 2021and Scenario: Slower Recovery					-14	-8	-7	-9	-9
Difference between Budget 2021and Scenario: Faster Recovery					47	49	52	52	54
Unemployment Rate									
Budget 2021	9.1	8.4	7.6	7.0	8.0	6.5	6.2	6.0	5.9
Scenario: Slower Recovery	8.4	8.3	7.9	7.4	8.0	6.7	6.3	6.0	5.9
Scenario: Faster Recovery	8.4	7.9	7.2	6.7	7.6	6.2	6.0	5.9	5.9

	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022	2023	2024	2025
3-month Treasury Bill Rate									
March 2021 Survey	0.1	0.1	0.2	0.2	0.1	0.2	0.5	1.1	1.6
Scenario: Slower Recovery	0.1	0.2	0.2	0.2	0.2	0.2	0.3	1.0	1.5
Scenario: Faster Recovery	0.1	0.2	0.2	0.2	0.2	0.2	0.5	1.2	1.7
10-Year Government Bond Rate									
March 2021 Survey	1.3	1.5	1.6	1.6	1.5	1.8	2.1	2.5	2.7
Scenario: Slower Recovery	1.2	1.4	1.5	1.6	1.5	1.8	2.0	2.3	2.5
Scenario: Faster Recovery	1.2	1.6	1.7	1.8	1.6	2.0	2.3	2.6	2.9

Sources: Statistics Canada; for the Budget 2021, Department of Finance Canada March 2021 survey of private sector economists; Department of Finance Canada calculations.

Supplementary Information

Sensitivity of Fiscal Projections to Economic Shocks

Changes in economic assumptions affect the projections for revenues and expenses. The following tables illustrate the sensitivity of the budgetary balance to a number of economic shocks:

- A one-year, 1-percentage-point decrease in real GDP growth driven equally by lower productivity and employment growth.
- A decrease in nominal GDP growth resulting solely from a one-year, 1-percentage-point decrease in the rate of GDP inflation (assuming that the Consumer Price Index (CPI) moves in line with GDP inflation).
- A sustained 100-basis-point increase in all interest rates.

These sensitivities are generalized rules of thumb that assume any decrease in economic activity is proportional across income and expenditure components, and are meant to provide a broad illustration of the impact of economic shocks on the outlook for the budgetary balance. The sensitivity analysis conducted in this section has been presented routinely in budgets since 1994, and is separate from the scenarios for a faster or slower recovery presented earlier in this Annex. Actual economic shocks may have different fiscal impacts. For example, they may be concentrated in specific sectors of the economy or cause different responses in key economic variables (e.g. GDP inflation and CPI inflation may have different responses to a given shock).

Table A1.9

Estimated Impact of a One-Year, 1-Percentage-Point Decrease in Real GDP Growth on Federal Revenues, Expenses and Budgetary Balance

billions of dollars

	Year 1	Year 2	Year 5
Federal revenues			
Tax revenues			
Personal income tax	-2.9	-3.0	-3.4
Corporate income tax	-0.5	-0.5	-0.6
Goods and services tax	-0.4	-0.4	-0.4
Other	-0.1	-0.1	-0.2
Total tax revenues	-3.9	-4.0	-4.6
Employment Insurance premiums	-0.1	-0.1	0.8
Other revenues	-0.1	-0.1	-0.1
Total budgetary revenues	-4.1	-4.2	-3.9
Federal expenses			
Major transfers to persons			
Elderly benefits	0.0	0.0	0.0
Employment Insurance benefits	1.3	0.9	1.1
Canada Child Benefit	0.0	0.0	0.0
Total major transfers to persons	1.3	0.9	1.1
Other program expenses	-0.2	-0.3	-0.5
Public debt charges	0.0	0.1	0.5
Total expenses	1.1	0.8	1.0
Budgetary balance	-5.2	-5.0	-4.9

A 1-percentage-point decrease in real GDP growth proportional across income and expenditure components reduces the budgetary balance by $5.2 billion in the first year, $5 billion in the second year and $4.9 billion in the fifth year (Table A1.9).

- Tax revenues from all sources fall by a total of $3.9 billion in the first year. Personal income tax revenues decrease as employment and the underlying tax base fall. Corporate income tax revenues fall as output and profits decrease. GST revenues decrease as a result of lower consumer spending associated with the fall in employment and personal income.

- EI premium revenues are relatively unchanged in the first two years due to the 2021 premium rate already being in effect, and the 2022 rate being frozen. EI revenues increase in the fifth year as the EI premium rate increases, which, under the seven-year break-even mechanism, adjusts to offset the increase in benefits such that the EI Operating Account balances over time.
- Expenses rise, mainly reflecting higher EI benefits (due to an increase in the number of unemployed) and higher public debt charges (reflecting a higher stock of debt due to the lower budgetary balance). This rise is partially offset by lower other program expenses (as certain programs are linked to growth in nominal GDP).

Table A1.10
Estimated Impact of a One-Year, 1-Percentage-Point Decrease in GDP Inflation on Federal Revenues, Expenses and Budgetary Balance
billions of dollars

	Year 1	Year 2	Year 5
Federal revenues			
Tax revenues			
Personal income tax	-2.9	-2.5	-2.5
Corporate income tax	-0.5	-0.6	-0.7
Goods and services tax	-0.4	-0.4	-0.4
Other	-0.1	-0.1	-0.2
Total tax revenues	-3.9	-3.6	-3.7
Employment Insurance premiums	0.0	-0.1	-0.2
Other revenues	-0.1	-0.1	-0.1
Total budgetary revenues	-4.0	-3.8	-4.0
Federal expenses			
Major transfers to persons			
Elderly benefits	-0.4	-0.7	-0.8
Employment Insurance benefits	0.1	0.1	0.2
Canada Child Benefit	0.0	-0.1	-0.3
Total major transfers to persons	-0.3	-0.7	-0.8
Other program expenses	-0.6	-0.6	-1.4
Public debt charges	-0.6	0.1	0.3
Total expenses	-1.5	-1.2	-2.0
Budgetary balance	-2.4	-2.6	-2.1

A 1-percentage-point decrease in nominal GDP growth proportional across income and expenditure components resulting solely from lower GDP inflation (assuming that the CPI moves in line with GDP inflation) lowers the budgetary balance by $2.4 billion in the first year, $2.6 billion in the second year and $2.1 billion in the fifth year (Table A1.10).

- Lower prices result in lower nominal income and, as a result, personal income tax revenues decrease. As the parameters of the personal income tax system are indexed to inflation, the fiscal impact is smaller than under the real shock. For the other sources of tax revenue, the negative impacts are similar under the real and nominal GDP shocks.
- EI premium revenues decrease in response to lower earnings.
- Other revenues decline slightly as lower prices lead to lower revenues from the sales of goods and services.
- Partly offsetting lower revenues are the declines in the cost of statutory programs that are indexed to inflation, such as elderly benefit payments, which puts downward pressure on federal program expenses. In addition, other program expenses are also lower as certain programs are linked directly to growth in wages and nominal GDP.
- Public debt charges decline in the first year due to lower costs associated with Real Return Bonds, then rise due to the higher stock of debt.

Table A1.11
Estimated Impact of a Sustained 100-Basis-Point Increase in All Interest Rates on Federal Revenues, Expenses and Budgetary Balance
billions of dollars

	Year 1	Year 2	Year 5
Federal revenues	2.1	2.7	3.6
Federal expenses	-3.1	-5.3	-8.2
Of which: public debt charges	-3.1	-5.3	-8.2
Budgetary balance	-1.0	-2.5	-4.6

A one per cent increase in interest rates decreases the budgetary balance by $1 billion in the first year, $2.5 billion in the second year and $4.6 billion in the fifth year (Table A1.11). Higher interest rates directly impact estimated public debt charges on marketable debt in two ways. First, interest costs increase as existing debt matures and is refinanced at higher rates. Second, rising rates increase the expected cost of future borrowing needs. Public debt charges are estimated based on the current expectations for future changes in interest rates, which are subject to change based on economic conditions.

It is important to note that interest rates also directly affect other government revenue and expenses and that they typically do not change in isolation. That is, with higher interest rates, the government would realize some offsetting benefits, including:

- Higher revenues from the government's interest-bearing assets, which are recorded as part of other revenues;
- Corresponding downward adjustments that reduce public sector pensions and employee benefits obligations, which are not incorporated in the table above; and,
- Higher government tax revenues if interest rate increases were due to stronger economic growth (also not included in the table above).

Short-term Economic Impacts of Government Support and Investment

There are two primary channels through which government spending can affect short-term output and employment. First, governments can invest in infrastructure or purchase goods and services, which translates into an immediate, dollar-for-dollar increase in final domestic expenditure. Second, governments can induce spending increases by households and businesses through tax measures or transfers. The extent to which these measures boost domestic expenditure and production will be determined by changes in saving and imports.

To estimate the economic impacts of fiscal measures, the Department of Finance allocates spending into expenditure categories, which correspond to those used in the Department's macroeconomic and fiscal model: infrastructure investment, personal income tax and transfer measures, measures for modest- and low-income households, government spending measures (such as government support for research, training, and innovation), and corporate income tax measures. Each of these categories has a different fiscal multiplier, a summary measure that takes into account the channels by which spending affects economic activity, including direct, indirect and induced impacts, and leakages to saving and imports.

Table A1.12 shows the total value of support and investments included in the economic impact assessment. It is expected that support and investments will raise the level of real GDP by 2 per cent by the second year (Table A1.13). This is expected to translate into an increase in employment of more than 330 thousand jobs created or maintained by 2022-2023.

Table A1.12

Value of Recovery Plan for Economic Impact Assessment

$ billions

	2021-2022	2022-2023	2023-2024
Fall Economic Statement 2020[1]	21.6	1.3	1.8
Actions since FES 2020 and Budget 2021 Investments	**49.3**	**28.3**	**23.8**
Recovery Plan Total (accrual basis)	70.9	29.6	25.6
Recovery Plan Total (cash basis)	81.7	35.6	32.1
Measures excluded from impact assessment[2]	-6.6	-1.3	-1.7
Total Value for Economic Impact Assessment	75.1	34.3	30.4

Note: Totals may not add due to rounding.

[1] Includes investments in FES 2020 Chapter 3 and the extension of CEWS/CERS to June 2021.

[2] Actions that have no impact on GDP (e.g., contingencies, international initiatives) are excluded.

Table A1.13

Impacts on Real GDP and Employment

per cent, unless otherwise indicated

	2021–2022	2022–2023	2023–2024
Real GDP (per cent)	1.6	2.0	1.9
Employment (jobs created or maintained, thousands)	315	334	280

Policy Actions Taken since the 2020 Fall Economic Statement

Since 2016, the government has provided a transparent overview of all off-cycle spending. The investments (Table A1.14) ensure that Canadians are continually well served by the programs they rely on and that government operations carry on as usual.

Table A1.14
Policy Actions Since the 2020 Fall Economic Statement
millions of dollars

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026
Government Operations, Fairness and Openness	**92**	**476**	**170**	**149**	**149**	**150**
Global Affairs Canada Adjustments for Non-Discretionary Cost Fluctuations	26	89	92	74	74	74
Funding provided to Global Affairs Canada for non-discretionary cost increases affecting missions abroad, such as changes in exchange rates and inflation. This will allow Canada's missions to continue delivering a high standard of services to support the needs of Canadians.						
Establish Pandemic-related safety measures in Elections[1]	0	110	0	0	0	0
Temporary amendments to the Canada Elections Act to ensure the health and safety of electors and election workers during a general election if it takes place during the pandemic, including introducing a 3-day polling period.						
Price and Volume Inflation Protection for Federal Banking and Postage	0	6	0	0	0	0
Funding for Public Services and Procurement Canada for credit and debit card and postage costs incurred when mailing cheques to Canadians on behalf of the federal government.						
Public Inquiry into the Tragedy in Nova Scotia	2	12	8	1	0	0
Less: Costs to be Recovered	-1	-6	-4	0	0	0
Less: Funds Sourced From Existing Departmental Resources	-1	0	0	0	0	0
Funding for the Privy Council Office, to support a joint federal-provincial public inquiry into the April 2020 tragedy in Nova Scotia.						
Price and Volume Inflation Protection for Federal Real Property	1	14	14	14	14	14
Funding for Public Services and Procurement Canada to maintain current office, common use accommodation, and related real property service levels for federal departments and agencies.						
CRA administration costs to deliver the COVID recovery benefits.	63	199	0	0	0	0

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026
Less: Funds Previously Provisioned in the Fiscal Framework	-45	0	0	0	0	0
Funding for the CRA to administer COVID recovery benefits including the Canada Recovery Benefit, Sickness Benefit, and Caregiving Benefit.						
Resolving Complex Tax Disputes and Litigation	47	52	59	60	61	61
Funding to bolster legal resources at the Department of Justice and the CRA. These resources will support the government's efforts to recover tax revenue in high-complexity cases and protect the integrity of the tax system.						
Growth, Innovation, Infrastructure and the Environment	**12**	**650**	**999**	**1,300**	**784**	**403**
***A Healthy Environment and a Healthy Economy* Climate Plan Measures – Announced December 11, 2020[2]**						
Creating the Strategic Innovation Fund Net Zero Accelerator	0	267	398	780	785	404
Funding for Innovation, Science and Economic Development Canada of $3 billion (cash basis) over five years to create a Net Zero Accelerator within the Strategic Innovation Fund. The Net Zero Accelerator will help Canada meet its climate change goals by supporting projects that will rapidly expedite decarbonization projects, scale-up clean technology and accelerate Canada's industrial transformation.						
Integrating Climate Considerations in Government Decision-Making	0	2	0	0	0	0
Funding for Environment and Climate Change Canada to develop an analytical lens to integrate climate mitigation and adaptation considerations into federal decisions on policies, programs and proposals.						
Green and Inclusive Community Buildings	0	400	600	500	0	0
Year-over-year reallocation of funding[3]	0	0	-150	0	75	75
Funding for Infrastructure Canada to support retrofits, repairs or upgrades of existing public buildings and the construction of new public buildings that serve communities across Canada.						
Net-Zero Challenge for Large Industrial Emitters	0	1	1	1	1	1
Funding for Environment and Climate Change Canada to launch a Net-Zero Challenge for large industrial emitters to encourage companies to develop and implement plans to transition their facilities to net-zero greenhouse gas emissions by 2050.						
Returning Carbon Pricing Proceeds	0	37	74	73	74	74
Less: Funds Sourced From Existing Departmental Resources	0	-2	0	0	0	0
Less: Fuel Charge Proceeds Booked in the Fiscal Framework	0	-5	0	0	0	0

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026
Less: Estimates of OBPS Proceeds Not Yet Booked in the Fiscal Framework	0	-108	-159	0	0	0
Funding for Environment and Climate Change Canada to continue to administer the Low Carbon Economy funds and return federal carbon pricing proceeds to provinces that do not meet federal carbon pricing benchmark stringency requirements as well as funding for the Canada Revenue Agency to return a portion of carbon fuel charge proceeds collected in New Brunswick directly to the Government of New Brunswick.						
Advancing Smart Renewable Energy and Grid Modernization	0	85	293	293	293	0
Funding to Natural Resources Canada to support renewable power generation projects such as wind and solar, and the deployment of grid modernization technologies such as power storage. This will support emissions reduction and the electrification of the economy.						
Supporting the Net Zero Advisory Body	1	6	4	1	1	1
Funding for Environment and Climate Change Canada to support the Net-Zero Advisory Body, which is an independent expert group that will provide advice to the Government of Canada on the best pathways to achieve net-zero greenhouse gas emissions by 2050.						
Promoting the Demonstration of Clean Technologies	0	60	130	160	175	225
Funding to Sustainable Development Technology Canada to support start-ups and to scale-up companies to enable pre commercial clean technologies to successfully demonstrate feasibility as well as to support early commercialization efforts.						
Transitioning Diesel-Reliant Indigenous Communities onto Clean Energy	0	0	60	60	60	60
Funding to advance the Government's commitment to ensure that rural, remote and Indigenous communities that currently rely on diesel have access to clean and reliable energy by 2030.						
Supporting the Adoption of Clean Technologies in the Agriculture Sector	0	16	34	34	34	34
Funding to support the agriculture industry in developing transformative clean technologies and help farmers adopt commercially available clean technology.						
Less: Funds Provisioned in the 2020 Fall Economic Statement for Climate Plan	-1	-92	-437	-622	-638	-395
Other Measures						
Federal Carbon Pricing Backstop and Litigation	20	18	0	0	0	0
Less: Funds Sourced From Existing Departmental Resources	-8	-8	0	0	0	0
Funding for Environment and Climate Change Canada to further develop and implement the Output-Based Carbon Pricing System and for legal costs associated with defending the Greenhouse Gas Pollution Pricing Act against various legal challenges.						
Wood Buffalo National Park Action Plan	0	17	23	21	0	0

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026
Less: Funds Previously Provisioned in the Fiscal Framework	0	-5	-5	0	0	0
Less: Funds Sourced From Existing Departmental Resources	0	-12	-18	-21	0	0
Less: Year-Over-Year Reallocation of Funding	0	-26	2	21	0	0
Funding for the Parks Canada Agency and Environment and Climate Change Canada to continue to implement federal commitments under the Wood Buffalo National Park World Heritage Site Action Plan.						
Labour Markets, Health, Safety and Economic Prosperity of Canadians	**0**	**654**	**0**	**0**	**0**	**0**
Enhanced Border and Quarantine Measures	0	1,059	0	0	0	0
Less: Funds Previously Provisioned in the Fiscal Framework	0	-165	0	0	0	0
Funding of $895 million in 2021-22 to the Public Health Agency of Canada to support strengthened border health and quarantine measures in response to the COVID-19 pandemic.						
Canada Emergency Wage Subsidy Parameters From March 14 to June 5, 2021	0	13,860	0	0	0	0
Less: Funds Previously Provisioned in the Fiscal Framework	0	-14,100	0	0	0	0
Canada Emergency Rent Subsidy and Lockdown Support Parameters From March 14 to June 5, 2021	0	2,125	0	0	0	0
Less: Funds Previously Provisioned in the Fiscal Framework	0	-2,125	0	0	0	0
To provide certainty and continued support for workers, businesses and other affected organizations in the face of ongoing challenges presented by the pandemic, this measure extended the existing rate structures for the wage subsidy, the rent subsidy and Lockdown Support from March 14 to June 5, 2021. In particular, the maximum wage subsidy rate for active employees was kept at 75%; the maximum rent subsidy rate was kept at 65%; and Lockdown Support was kept at 25%.						
Tax Policy	**242**	**43**	**2**	**1**	**0**	**0**
Adjust Certain Deductions for Employment Insurance and COVID-19 Benefits	2	3	2	1	0	0
Temporarily allow Employment Insurance and Quebec Parental Insurance Plan benefit recipients to deduct eligible expenses for the Child Care Expense Deduction and the Disability Supports Deduction against this benefit income, to align with the treatment of CERB and other COVID-19 emergency income.						

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026
CERB Repayment for Self-employed Individuals and Interest Relief on 2020 Tax Debt	240	40	0	0	0	0
In February 2021, the Government of Canada announced that self-employed individuals who applied for the CERB and would have qualified based on their gross income will not be required to repay the benefit, provided they also met all other eligibility requirements. The Government of Canada also announced targeted interest relief on income tax debt for the 2020 tax year for Canadians who received COVID-related income support benefits.						
Trade, International Relations and Security	**1**	**4**	**4**	**4**	**4**	**4**
Renewal of Operating Funding for the National Security and Intelligence Committee of Parliamentarians	0	4	4	4	4	4
Funding for the National Security and Intelligence Committee of Parliamentarians to continue its mandate to review national security and intelligence matters in Canada.						
Support for the Office of the Intelligence Commissioner	1	0	0	0	0	0
Funding for the Office of the Intelligence Commissioner to enable it to meet the legislated requirements of the Intelligence Commissioner Act.						
(Net) Fiscal Impact of Measures Discussed in Tax Measures: Supplemental Information (Annex 6)	2	7	-5	0	-10	-20
(Net) Fiscal Impact of Non-Announced Measures in this Budget	-509	-2,102	-2,109	-317	-269	-243
The net fiscal impact of measures that are not announced is presented at the aggregate level, and would include provisions for anticipated Cabinet decisions not yet made (including the use of such provisions from previous budgets or updates) and funding decisions related to national security, commercial sensitivity, contract negotiations and litigation issues.						
Net Fiscal Impact – Total Policy Actions Taken Since the 2020 Fall Economic Statement	**-160**	**-268**	**-939**	**1,138**	**659**	**295**

Note: Totals may not add due to rounding.

1. Timing of estimated costs is notional and would depend on timing of federal election.

2. Supporting the Production and Use of Clean Fuels was also announced as part of the Climate Plan on December 11, 2020 and is included in Chapter 5.

3. Recent year-over-year reallocation shown for information. Not included in totals.

COVID-19 Economic Response Plan

Since March 2020, the government has committed over $345 billion – 15.7 per cent of 2020 GDP – to support Canadians through the pandemic, with major investments in health care, procuring vaccines and personal protective equipment, in income support and responding to businesses' urgent needs. Altogether, these investments by the federal government represent more than 8 out of every 10 dollars spent in Canada to fight COVID-19 and support Canadians.

Table A1.15 below updates the overview of Canada's COVID-19 Response Plan detailed in Chapters 1 and 2 of the *Fall Economic Statement 2020*, with new COVID response measures included in this Budget.

Table A1.15
Canada's COVID-19 Economic Response – Detailed Overview

	Impact Value[1]	Net Fiscal Impact (Accrual)			
		2019–2020	2020–2021	2021–2022	Future Years[2]
Protecting Health and Safety					
Safe Restart Agreement	19,909	-	19,909	-	0
Safe Return to Class	2,000	-	2,000	-	0
Vaccines and Therapeutics	14,340	-	7,520	6,530	826
PPE and Medical Equipment	5,352	200	3,331	1,821	289
Long-Term Care	1,340	-	824	516	1
Other Public Health Support	9,579	382	6,830	2,025	308
Helping Health Care Systems Recover[3]	4,000	-	4,000	-	0
Canada's COVID-19 Immunization Plan[3]	1,000	-	1,000	0	0
Supporting the Mental Health of Those Most Affected by COVID-19	140	-	-	140	118
Supporting Indigenous Communities in the Fight Against COVID-19	1,239	-	-	1,225	6
Safe Return to School on Reserve	112	-	-	112	0
International COVID-19 Response and Recovery	375	-	-	375	0
Total - Protecting Health and Safety	**59,385**	**582**	**45,414**	**12,744**	**1,547**
Of which:					
Policy Actions in FES 2020	*52,520*	*582*	*40,414*	*10,892*	*1,424*
Measures in Budget 2021	*7,040*	*-*	*5,000*	*1,852*	*124*
Direct Support Measures					
Canada Emergency Wage Subsidy	110,545	-	84,590	25,955	-
Canada Emergency Rent Subsidy and Lockdown Support	8,405	-	4,065	4,340	-
Canada Emergency Recovery Benefit	73,056	6,505	66,551	-	-
Enhancements to Employment Insurance[4]	13,046	-	3,240	9,806	2,905
Canada Recovery Benefit[4]	26,794	-	14,462	12,332	69
Canada Recovery Sickness Benefit[4]	738	-	456	282	15
Canada Recovery Caregiver Benefit[4]	3,546	-	1,953	1,593	22

	Impact Value[1]	Net Fiscal Impact (Accrual)			
		2019–2020	2020–2021	2021–2022	Future Years[2]
Canada Emergency Business Account - Incentive	13,822	-	12,618	1,205	-
Other Direct Support Measures (FES 2020)	34,460	106	31,276	1,715	812
Additional Direct Support Measures in Budget 2021	1,829	-	-	1,879	1,104
Total - Direct Support Measures	**286,242**	**6,611**	**219,141**	**59,117**	**4,926**
Of which:					
Policy Actions in FES 2020	*269,797*	*6,611*	*226,873*	*34,960*	*1,515*
Impact of Re-estimated Costs	*-10,014*	*-*	*-7,974*	*-2,040*	*-*
Measures in Budget 2021	*26,459*	*-*	*241*	*28,224*	*3,411*
Total - Protecting Health and Safety and Direct Support Measures	**345,628**	**7,193**	**264,555**	**71,861**	**6,473**
Tax and Customs Duty Payment Liquidity (in FES 2020)	85,050	56	2,938	15	-5
Business Credit Availability Program and Other Credit Liquidity Support	81,889	-	5,989	4,453	2,592
Of which:					
Policy Actions in FES 2020	*83,400*	*-*	*6,355*	*4,689*	*2,424*
Impact of Re-estimated Costs	*-1,511*	*-*	*-366*	*-236*	*168*
Total - COVID-19 Economic Response Plan	**512,516**	**7,249**	**272,129**	**76,329**	**9,060**
Of which:					
Policy Actions in FES 2020[5]	*490,716*	*7,249*	*275,227*	*50,556*	*5,358*
Impact of Re-estimated Costs	*-11,525*	*-*	*-8,340*	*-2,276*	*168*
Measures in Budget 2021	*33,325*	*-*	*5,241*	*28,049*	*3,534*

Note: Numbers may not add due to rounding.

[1]The impact value reflects projected cash expenditures and liquidity support primarily in 2020-21 (some measures also include projected expenditures in 2019-20, and 2021-22). The fiscal (budgetary) impact on an accrual basis is lower, owing to cash-accrual accounting differences and the fact that some of these measures relate to loans and tax deferrals, for which only provisions for potential losses, and forgone interest and penalties would affect the budgetary balance, respectively.

[2]2022-2023 to 2025-2026.

[3]Announced in March 2021.

[4]Includes the cost of extensions and changes announced in February 2021.

[5]Net fiscal impact, after amounts provisioned in the 2020 Economic and Fiscal Snapshot for Anticipated Decisions.

Annex 2
Debt Management Strategy

Introduction

The 2021-22 *Debt Management Strategy* sets out the Government of Canada's objectives, strategy, and borrowing plans for its domestic debt program and the management of its official reserves.

The *Financial Administration Act* (FAA) requires that the Minister of Finance table, in each House of Parliament, a report on the anticipated borrowing to be undertaken in the fiscal year ahead, including the purposes for which the money will be borrowed and the management of the public debt, no later than 30 sitting days after the beginning of the fiscal year. The 2021-22 *Debt Management Strategy* fulfills this requirement.

This year's Debt Management Strategy takes an important step forward in continuing to implement the government's approach, first outlined last summer in the 2020 *Economic and Fiscal Snapshot*, by issuing long-term debt to finance the emergency support to Canadians and Canadian businesses through the pandemic. As a result of these actions, and the path forward outlined in this year's strategy, the government has a plan to more than double, compared to 2019, the share of its annual bond issuance dedicated to long-term debt. Over the next several years, these actions will result in the government's average term to maturity for its domestic market debt to reach a level not seen in over 40 years. Despite the significant increase in total debt the government has taken on as a result of COVID-19, total public debt charges are projected to be lower both in 2021-22 and 2022-23, than was forecast in December 2019 in the 2019 *Economic and Fiscal Update*.

Objectives

The fundamental objectives of debt management are to raise stable and low-cost funding to meet the financial requirements of the Government of Canada and to maintain a well-functioning market for Government of Canada securities.

For 2021-22, the government will seek to maximize the financing of COVID-19-related debt through long-term issuance. This is a fiscally prudent approach that provides security by lowering debt rollover and providing more predictability in the cost of servicing debt. It involves maintaining a shift towards long-term debt issuance, which began in 2020-21, re-opening the ultra-long 50-year bond in 2021-22, and continuing to issue in this sector in coming years. The government will closely monitor financial markets and may issue more long-term debt if

market conditions are favourable. Having access to a well-functioning government securities market contributes to lower costs and less volatile pricing for the government, ensuring that funds can be raised efficiently over time to meet the government's financial requirements. Moreover, to support a liquid and well-functioning market for Government of Canada securities, the government strives to promote transparency and consistency.

The government plans to update financial markets on the debt program in the fall.

Outlook for Government of Canada Debt

Canada entered the pandemic in a position of fiscal strength which enabled the government to provide extraordinary support to Canadians and Canadian businesses to weather the impact of the pandemic, and better position the economy for recovery. The cost of inaction in the face of this pandemic would have been much higher than that of not doing enough.

Prudent fiscal management means Canada continues to have an enviable fiscal position relative to international peers, with the lowest net debt-to-GDP ratio in the G7. Furthermore, the government has already issued an unprecedented level of long-term bonds, at historically low interest rates, to ensure Canada's debt is sustainable and will not weigh on future generations.

Rating agencies have indicated that Canada's effective, stable, and predictable policymaking and political institutions, economic resilience and diversity, well-regulated financial markets, and its monetary and fiscal flexibility contribute to Canada's strong current credit ratings: Moody's (Aaa), S&P (AAA), DBRS (AAA), and Fitch (AA+).

Planned Borrowing Activities for 2021-22

The projected sources and uses of borrowings for 2021-22 are presented in Table A2.1. Actual sources and uses of borrowings compared with the projections will be reported in the *Debt Management Report for 2021-22*. This document will be released soon after the *Public Accounts of Canada 2022*, which provides detailed accounting information on the government's interest-bearing debt.

Sources of Borrowings

The aggregate principal amount of money to be borrowed by the government in 2021-22 is projected to be $523 billion.

This is consistent with the borrowing limits previously proposed by the government in December 2020, with the tabling of Bill C-14, the *Economic Statement Implementation Act, 2020*.

Uses of Borrowings

The government's borrowing needs are driven by the refinancing of debt and projected incremental financial requirements. The size of the program reflects both requirements to refinance debt of $332 billion, including the large maturing stock of short-term debt issued in 2020-21 in response to the COVID-19 pandemic, as well as the projected financial requirement of $191 billion to support the recovery in 2021-22. All borrowings will be sourced from domestic and foreign wholesale markets (Table A2.1). The long-term outlook of the government's cash balances is not expected to change since new borrowings are expected to meet all financing requirements.

Despite record borrowings to support Canadians and the economy during the COVID-19 pandemic, public debt charges are projected to remain sustainable at $22.1 billion for 2021-22, representing 0.9 per cent of GDP. Even though interest rates are forecasted to increase throughout the forecast horizon, public debt charges are projected to only rise to 1.4 per cent of GDP by 2025-26 to a level of $39.3 billion. This is still substantially lower than the average cost of financing debt over the last two decades, even with a significantly higher public debt load because of COVID-19.

Public debt charges remain on a sustainable long-term path and are still projected to be $1.6 billion lower in 2022-23 than forecast in the December 2019 *Economic and Fiscal Update* (forecast of $27.3 billion at that time), before the onset of COVID. This is in spite of a substantial increase in federal debt as a result of the pandemic.

Throughout 2021-22, the government will closely monitor conditions and issue more long-term debt if market conditions are favourable. In addition, actual borrowings for the year may differ due to uncertainty associated with economic and fiscal projections, the timing of cash transactions, and other factors such as changes in foreign reserve needs and Crown corporation borrowings. To adjust for these unexpected changes in financial requirements, debt issuance can be altered during the year, typically through changes in the issuance of treasury bills.

Table A2.1

Planned/Actual Sources and Uses of Borrowings for Fiscal Year 2021-22

$ Billions

Sources of borrowings		
Payable in Canadian Currency		
Treasury bills[1]		226
Bonds		286
Total payable in Canadian currency		512
Payable in foreign currencies		10
Total sources of borrowings		**523**
Uses of borrowings		
Refinancing needs		
Payable in Canadian Currency		
Treasury bills		219
Bonds		105
Retail debt		0
Total payable in Canadian currency		324
Payable in foreign currencies		8
Total refinancing needs		**332**
Financial requirement		
Budgetary balance		155
Non-budgetary transactions		
Pension and other accounts		-11
Non-financial assets		3
Loans, investments and advances		11
Of which:		
Loans to enterprise Crown corporations	0	
Other	11	
Other transactions[2]		33
Total financial requirement		191
Total uses of borrowings		**523**
Change in other unmatured debt transactions[3]		0
Net increase or decrease (-) in cash		0

Source: Department of Finance Canada calculations.

Notes: Numbers may not add due to rounding. In the uses of borrowings section, a negative sign denotes a financial source.

1 Treasury bills are rolled over, or refinanced, a number of times during the year. This results in a larger number of new issues per year than the stock of outstanding at the end of the fiscal year, which is presented in the table.

2 Other transactions primarily comprise the conversion of accrual transactions to cash inflows and outflows for taxes and other accounts receivable, provincial and territorial tax collection agreements, amounts payable to taxpayers and other liabilities, and foreign exchange accounts.

3 Includes cross-currency swap revaluation, unamortized discounts on debt issues, obligations related to capital leases and other unmatured debt, where this refers to in the table.

2021-22 Borrowing Program

As Canada moves towards economic recovery, the shift towards long-term debt issuance, which began in 2020-21, will continue. Funding more COVID-19-related debt through long-term issuance will help provide security and stability to the government balance sheet by lowering debt rollover while remaining fiscally prudent. Issuances with a maturity of 10 years or greater will be higher in 2021-22 than 2020-21 in both relative and absolute terms (Table A2.2). As part of this move towards longer-term issuance, the government will re-open issuance of the ultra-long 50-year bond for 2021-22.

Before the pandemic, 15 per cent of the bonds issued by the government were issued at maturities of 10 years or greater. Over the course of 2020, federal government allocations of long bonds rose to about 29 per cent. The government is now proposing to increase that proportion to 42 per cent. This will result in the longest average term to maturity in four decades, and will protect Canada from rollover risks.

Table A2.2
Gross Bond Issuances by Maturity
$ Billions, end of fiscal year

	2020-21 Previous Year		2021-22 Planned	
	Issuance	**Share of Bond Issuance**	**Issuance**	**Share of Bond Issuance**
Short (2, 3, 5-year sectors)	267	71%	160	56%
Long (10-year+)	107	29%	121	42%
Green bonds	-	-	5[1]	2%
Gross Bond Issuance	**374**	**100%**	**286**	**100%**

Note: Numbers may not add due to rounding.
[1]Target issuance, subject to market conditions.

The government also plans to issue its first ever green bond in 2021-22 to support the environment and climate change plan. The inaugural green bond issuance will target $5 billion, subject to market conditions, and will be the first of many issuances. More details are provided in Chapter 5 of this budget.

In addition, the government proposes to explore, through Debt Management Strategy consultations this fall, the potential for the issuance of social bonds. More details are provided in Chapter 6. Social bonds can support investments in a variety of areas that promote greater social inclusion and broad-based economic prosperity, such as the historic investments in early learning and child care proposed in Budget 2021.

Composition of Market Debt

The total stock of market debt is projected to reach $1,305 billion by the end of 2021-22 (Table A2.3)

Table A2.3

Change in Composition of Market Debt

$ Billions, end of fiscal year

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Estimated	2021-22 Projected
Domestic bonds[1]	576	569	597	879	1,062
Treasury bills	111	134	152	219	226
Foreign debt	16	16	16	15	18
Retail debt	3	1	1	0	0
Total market debt	**705**	**721**	**765**	**1,114**	**1,305**

Sources: Bank of Canada; Department of Finance Canada calculations.

Note: Numbers may not add due to rounding.

[1] Includes additional debt that accrues during the fiscal year as a result of the inflation adjustments to Real Return Bonds.

Over the next three years, the average term to maturity for outstanding domestic marketable bonds and treasury bills is expected to increase to nearly 8 years, a level that is significantly higher than the historical average of 5.9 years seen in the period from 1981-82 to 2019-20.

Gross debt issuance will fall in 2021-22 compared to 2020-21, reflecting lower financial requirements. However, as illustrated in Table A2.4, the total level of issuance of bonds with a term to maturity of 10 years or more is planned to be higher than in 2020-21.

Table A2.4

Projected Gross Issuance of Bonds and Bills for 2021-22

$ Billions, end of fiscal year

	2019-20 Actual	2020-21 Estimated	2021-22 Planned	Change from 2020-21
Treasury bills	**152**	**219**	**226**	**3%**
2-year	53	129	76	-41%
3-year	19	56	36	-36%
5-year	33	82	48	-41%
10-year	13	74	84	14%
30-year	4	32	32	0%
Real Return Bonds	2	1	1	0%
Ultra-long	-	-	4	-
Green bonds	**-**	**-**	5[1]	-
Total bonds	**124**	**374**	**286**	**-23%**
Total gross issuance	**276**	**593**	**512**	**-14%**

Sources: Bank of Canada; Department of Finance Canada calculations.

Notes: Numbers may not add due to rounding. The share of issuance per bond sector is relative to total bond issuance.

[1]Target issuance, subject to market conditions

Treasury Bill Program

Bi-weekly issuance of 3-, 6-, and 12-month maturities are planned for 2021-22, with auction sizes planned to be largely within the $12 billion to $32 billion range. As financial requirements in 2021-22 and following years are expected to be lower than 2020-21, the government will target a year-end stock of treasury bills of $226 billion for 2021-22. This approach is intended to support a liquid and well-functioning market for Canadian federal government treasury bills, which helps investors, as a whole, who need access to short-term, interest-bearing securities in lieu of cash. This approach is also informed by consultations with market participants held in September and October 2020. Market participants indicated that treasury bills were currently in high demand due to excess cash in the financial markets, both from domestic and international investors. Further highlights from these consultations are outlined in the 2020 *Fall Economic Statement*.

Cash management bills (i.e., short-dated treasury bills) help manage government cash requirements in an efficient manner. These instruments will also be used in 2021-22 when needed.

2021-22 Bond Program

Annual gross bond issuance is planned to be about $286 billion in 2021-22, $88 billion lower than the $374 billion issued for 2020-21 (Table A2.4), and the total stock of bonds is projected to be $1,062 billion by the end of 2021-22. The reduction in annual bond issuance reflects the decrease in expected financial requirements over the next few years as the economy recovers from the COVID-19 pandemic. The approach balances liquidity requirements in both the treasury bill and core benchmark bond sectors, while also satisfying the government's objective of placing COVID-19-related debt in long-term sectors.

Throughout 2021-22, the government will closely monitor financial markets and, subject to favourable market conditions, will seek opportunities to issue more long-term debt. Along with treasury bills, issuance in the 3-year sector may be adjusted to address potential larger issuance in long-term issuances or unexpected changes in financial requirements. Given the Bank of Canada's purchases of Government of Canada bonds in the secondary market, regular, switch, and cash management bond buyback operations are not planned for 2021-22.

Maturity Date Cycles and Benchmark Bond Target Range Sizes

For 2021-22, benchmarks in core sectors will be lower in many sectors relative to 2020-21, reflecting the decreased overall issuance in bonds (A2.5).

Table A2.5
Maturity Date Patterns and Benchmark Size Ranges[1]
$ Billions

	Feb.	Mar.	Apr.	May	June	Aug.	Sept.	Oct.	Nov.	Dec.
2-year	16-22			16-22		16-22			16-22	
3-year			16-20					16-20		
5-year		22-26					22-26			
10-year					38-44					38-44
30-year[2]										46-58
Real Return Bonds[2,3]										8-12
Ultra-long[4]										N/A

Source: Department of Finance Canada calculations.

Note: These amounts do not include coupon payments.

1 Actual annual issuance may differ.

2 The 30-year nominal bond and Real Return Bond do not mature each year or in the same year as each other.

3 Benchmark size range includes estimate for inflation adjustment, while planned annual issuance does not.

4 There is currently no benchmark size set for the 50-year ultra-long bond, which matures on December 1, 2064.

Bond Auction Schedule

In 2021-22 there will be quarterly auctions of 2-, 3-, 5-, 10-, 30-, and 50-year bonds. Some of these bonds may be issued multiple times per quarter. The number of planned auctions in 2021-22 for each sector is shown in Table A2.6. The actual number of auctions for 2021-22 may be different from the planned number due to unexpected changes in borrowing requirements. In addition, the government may increase the number of long-term bond auctions if market conditions are favourable for more long-term issuance.

Table A2.6
Number of Planned Auctions for 2021-22
$ Billions

Sector	Planned Bond Auctions
2-year	16
3-year	12
5-year	12
10-year	16
30-year	10
Real Return Bonds	4
Ultra-long[1]	4

Source: Department of Finance Canada

Note: These amounts do not include coupon payments.

[1] Issuances for ultra-long bonds will take the format of a modified auction.

The dates of each auction will continue to be announced through the *Quarterly Bond Schedule*, which is published on the Bank of Canada's website prior to the start of each quarter (www.bankofcanada.ca/stats/cars/results/bd_auction_schedule.html).

Management of Canada's Official International Reserves

The Exchange Fund Account (EFA), which is held in the name of the Minister of Finance, represents the largest component of Canada's official international reserves. It is a portfolio of Canada's liquid foreign exchange reserves and special drawing rights (SDRs)[1] used to aid in the control and protection of the external value of the Canadian dollar and provide a source of liquidity to the government. In addition to the EFA, Canada's official international reserves include Canada's reserve position held at the International Monetary Fund.

[1] SDRs are international reserve assets created by the International Monetary Fund whose value is based on a basket of international currencies.

The government borrows to invest in liquid reserves, which are maintained at a level at or above three per cent of nominal GDP. Net funding requirements for 2021-22 are estimated to be around US$15 billion, but may vary as a result of movements in foreign interest rates and exchange rates.

Foreign debt is used exclusively to provide funding for Canada's official international reserves. The anticipated rise in foreign funding in fiscal year 2021-22 is due to swap and bond maturities that need to be financed.

The mix of funding sources used to finance the liquid reserves in 2021-22 will depend on a number of considerations, including relative cost, market conditions, and the objective of maintaining a prudent foreign-currency-denominated debt maturity structure. Potential funding sources include a short-term US-dollar paper program (Canada bills), medium-term notes, cross-currency swaps involving the exchange of Canadian dollars for foreign currency to acquire liquid reserves, and the issuance of global bonds.

Further information on foreign currency funding and the foreign reserve assets is available in the *Report on the Management of Canada's Official International Reserves* (https://www.canada.ca/en/department-finance/services/publications/official-international-reserves.html) and in *The Fiscal Monitor* (https://www.canada.ca/en/department-finance/services/publications/fiscal-monitor.html).

Cash Management

The core objective of cash management is to ensure that the government has sufficient cash available at all times to meet its operating requirements.

Cash consists of money on deposit with the Bank of Canada, chartered banks, and other financial institutions. Cash with the Bank of Canada includes operational balances and balances held for prudential liquidity. Periodic updates on the liquidity position are available in *The Fiscal Monitor* (https://www.canada.ca/en/department-finance/services/publications/fiscal-monitor.html).

Prudential Liquidity

The government holds liquid financial assets in the form of domestic cash deposits and foreign exchange reserves to safeguard its ability to meet payment obligations in situations where normal access to funding markets may be disrupted or delayed. The government's overall liquidity levels are managed to normally cover at least one month of net projected cash flows, including coupon payments and debt refinancing needs.

Owing to the government's ample fiscal capacity and continued access to funding markets, the government did not need to access liquidity from its Prudential Liquidity Plan.

Annex 3
Legislative Measures

This annex includes a number of measures (other than tax-related measures) that would be implemented through legislation.

Subject of the Measure	Proposed Legislative Action
Strengthening Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime	In Budget 2021 the government proposes to strengthen Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regime by introducing amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* to enable the Financial Transactions and Reports Analysis Centre of Canada to recover its compliance costs, clarify its ability to obtain information from reporting entities and expand the information that it can disclose; strengthen criminal penalties and the registration framework for money services businesses; regulate armoured car services for AML/ATF purposes; amend certain disclosure recipients and definitions; and make other technical amendments to the Act. The government also proposes to introduce amendments to reduce the administrative burden for financial institutions filing reports under the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*.
Financial Stability Measures	In Budget 2021 the government proposes to introduce amendments to the *Canada Deposit Insurance Corporation Act* to: (i) clarify the scope of, and support, the cross-border enforceability of the stay provisions applicable to eligible financial contracts; and (ii) clarify how investors, creditors and other participants may be compensated as a result of actions taken by financial sector authorities to sell, wind-down or restore to viability a failing bank. The government also proposes to introduce amendments to the *Payment Clearing and Settlement Act* to clarify how investors, creditors and other participants may be compensated as a result of actions taken by financial sector authorities to sell, wind-down or restore to viability a failing financial market infrastructure.

Subject of the Measure	Proposed Legislative Action
Payment System Measures	In Budget 2021 the government proposes to clarify the Bank of Canada's authority to oversee payment exchanges under the *Payment Clearing and Settlement Act*.
Unclaimed Assets Regime	In Budget 2021 the government proposes to modernize the federal unclaimed assets regime, by increasing the information available and use of electronic communication to match Canadians with their unclaimed assets, and expand the scope of the regime to include unclaimed balances from terminated federally regulated pension plans and foreign denominated bank accounts by proposing amendments the *Bank of Canada Act*, the *Bank Act*, the *Trust and Loans Companies Act*, and *the Pension Benefits Standards Act*, *1985*.
Clarifying the Consumer Protection Framework	In Budget 2021 the government proposes to introduce legislative amendments to clarify that application of the statutory right to cancel a contract with a bank under the *Bank Act* only applies to retail consumers, which are individuals and small and medium-sized businesses, and excludes large businesses.
Financial Institution Restructuring Powers (FIRP) Extension	In Budget 2021 the government proposes to amend the *Canada Deposit Insurance Corporation Act* to provide the Canada Deposit Insurance Corporation with greater flexibility to facilitate a transaction in circumstances where it takes control of a failed member institution.
Strengthening the Canadian Deposit Insurance Framework	In Budget 2021 the government proposes to introduce technical legislative amendments to the *Canada Deposit Insurance Corporation Act* to provide the Canada Deposit Insurance Corporation with a targeted expansion of its authorities to improve the timeliness and efficiency of the deposit insurance payout process.
2023 Sunset Date of Financial Institutions Statutes	In Budget 2021 the government proposes legislative amendments to the *Bank Act*, the *Insurance Companies Act*, and the *Trust and Loans Companies Act* to extend the sunset dates by two years to 2025. Extending the sunset dates will enable full consideration of the impacts of the pandemic on the financial sector as part of the next legislative review.

Subject of the Measure	Proposed Legislative Action
Revised Framework for Negotiated Contribution Pension Plans	In Budget 2021 the government proposes to introduce amendments to the *Pension Benefits Standards Act, 1985* to establish a revised framework for multi-employer negotiated contribution pension plans that strengthens plan governance, transparency, and sustainability of benefits.
Retail Payments Oversight Framework	To continue to promote growth and innovation in digital payment services, such as digital wallets, while ensuring that these payments services are safer and more secure, the government proposes to introduce legislation to implement a new retail payments oversight framework.
Strengthening Capital Markets Stability and Enforcement	Increase the statutory limit in the *Canadian Securities Regulation Regime Transition Office Act* to ensure additional funding for the Canadian Securities Transition Office to continue supporting federal efforts to advance the Cooperative Capital Markets Regulatory System and to strengthen capital markets stability and enforcement in Canada.
Credit Cards Acceptance Fees	The government will engage with key stakeholders to work towards three objectives: • Lower the average overall cost of interchange fees for merchants • Ensure that small businesses benefit from pricing that is similar to large businesses • Protect existing rewards points of consumers Following consultations with stakeholders, detailed next steps will be outlined as part of the 2021 *Fall Economic Statement*, including legislative amendments to the *Payment Card Networks Act* that would provide authority to regulate interchange fees, if necessary.
Better Supports for Exporters	Budget 2021 announces the government's intention to work with Export Development Canada to enhance supports to small and medium-sized exporters and to strengthen human rights considerations in export supports. To do so, the government may propose amendments to the *Export Development Act*.
Science and Technology	Budget 2021 proposes to provide additional funding of $10 million over five years, starting in 2021-2022, and

Subject of the Measure	Proposed Legislative Action
Collaboration with Israeli Firms	$2 million per year ongoing, to expand opportunities for Canadian small and medium-sized enterprises (SMEs) to engage in research and development partnerships with Israeli SMEs. This will be sourced from existing Global Affairs Canada resources. The government also intends to implement an enhanced delivery model for this program, including possible legislation.
Improving Duty and Tax Collection on Imported Goods	Budget 2021 proposes changes to the *Customs Act* that would improve duty and tax collection. • These changes would ensure that goods are valued in a fair and consistent manner by all importers. • In support of ongoing efforts to digitize payment of duty and tax, the changes would also modernize the payment process for commercial importers, to minimize administrative burden.
Strengthening Canada's Trade Remedy System	Budget 2021 announces the government's intention to launch public consultations on measures to strengthen Canada's trade remedy system and to improve access for workers and small and medium-sized enterprises. Following these consultations, the government may propose amendments to the *Special Import Measures Act* and the *Canadian International Trade Tribunal Act*. Budget 2021 also proposes to amend the *Canada-United States-Mexico Agreement Implementation Act* to clarify processes for the selection of trade remedy dispute settlement panels and committees under the agreement.
Canada Community-Building Fund	On March 25, 2021, the government tabled a bill that proposes to provide $2.2 billion for a one-time top-up to the federal Gas Tax Fund, which would double the government's commitment to municipalities and First Nations communities in 2020-21. The bill also proposes to rename the fund as the Canada Community-Building Fund. The government intends to proceed with this proposal.
Canada Small Business Financing Program	Budget 2021 proposes to amend the *Canada Small Business Financing Act*, including broader eligibility and increased loan limits to help facilitate greater access to financing through the Canada Small Business Financing Program.

Subject of the Measure	Proposed Legislative Action
Public Service Employment Act	The public sector workforce should be representative of the communities it serves. In the 2020 Speech from the Throne, the government committed to implementing an action plan to increase representation in hiring and appointments within the Public Service. The government is committed to diversity and inclusion and will review key aspects of the staffing process in hopes of removing conscious and unconscious bias and systemic barriers, with the goal of increasing representation in hiring and appointments within the Public Service. To this end, the government will propose amendments to the *Public Service Employment Act* to reaffirm the importance of a diverse and inclusive workforce and to strengthen provisions to address potential bias and barriers in the staffing processes.
Amendments to the *Canada Elections Act*	Budget 2021 proposes to introduce amendments to the *Canada Elections Act* to specify that making or publishing a false statement in relation to a candidate, prospective candidate, or party leader would be an offence only if the person or entity knows that the statement is false.
Modernizing the Fiscal Stabilization Program	As indicated in the *Fall Economic Statement 2020*, the government intends to introduce legislative amendments to reform the Fiscal Stabilization Program to provide a more effective backstop to provinces that face an extraordinary drop in revenues. The modernization of the program would index the maximum payment of $60 per capita, which was set in 1987, to total Canadian economic growth per person since that time, nearly tripling it to $170 per person in 2019-20 and 2020-21. The higher cap would apply to 2019-20 Stabilization claims and onward. In addition, technical changes would modernize and simplify the program, effective for 2021-22 Stabilization claims and onward.
Enhancing the Capacity of Superior Courts	Budget 2021 proposes to amend the *Judges Act*, the *Federal Courts Act*, and the *Tax Court of Canada Act* to add 13 new superior court positions, which includes 1 Associate Chief Justice position.
Establishing a Canada-wide Early Learning and Child Care System	Budget 2021 proposes to include in legislation a financial authority for the transfer of funding to provinces and territories in support of new bilateral

Subject of the Measure	Proposed Legislative Action
	agreements, including an asymmetrical agreement with Québec, towards a Canada-wide Early Learning and Child Care system, for the year 2021-22.
Extending Temporary Support for Seasonal Workers Who Continue to be Affected by the Pandemic	Budget 2021 proposes legislative changes to ensure that all self-employed fishers who submit an Employment Insurance (EI) claim for the winter 2021 fishing benefit period are treated equally, by extending temporary eligibility changes for the entire benefit period. Budget 2021 proposes legislative changes to extend the rules of an existing EI seasonal pilot project for an additional year, until October 2022.
Reforming Student Financial Assistance	The government proposes to introduce legislation that would extend the waiver of interest accrual on Canada Student Loans and Canada Apprentice Loans until March 31, 2023.
Support to the Government of Quebec to align the Quebec Parental Insurance Plan with Temporary EI Changes	Budget 2021 proposes funding through a statutory appropriation to support the Government of Quebec in ensuring that benefits offered under the Quebec Parental Insurance Plan reflect the temporary changes in place between September 2020 and September 2021 that have made Employment Insurance maternity and parental benefits more generous for some claimants.
Establishing a $15 Federal Minimum Wage	The Government of Canada is committed to help Canadians in low-wage jobs by announcing its intention to introduce amendments to the *Canada Labour Code* that will establish a federal minimum wage of $15 per hour, rising with inflation, with provisions to ensure that where provincial or territorial minimum wages are higher, that wage will prevail.
Legislative Authority for the Hibernia Dividend Backed Annuity Agreement	The government is proposing to introduce legislation to satisfy Canada's obligations under the Hibernia Dividend Backed Annuity Agreement with the Government of Newfoundland and Labrador.
Amendment of the *Government Annuities Improvement Act*	The government is proposing amendments to the *Government Annuities Improvement Act* to reduce duplicative audit requirements. Canadians and annuitants would continue to have access to information on the program through the Public Accounts and the actuarial reports published by the Office of the Chief Actuary.

Subject of the Measure	Proposed Legislative Action
Social Security Tribunal Reforms	The government is proposing amendments to the *Department of Employment and Social Development Act* to improve the recourse process for Income Security programs, which include the Canada Pension Plan and Old Age Security.
Extending Temporary Provisions Related to the Employment Insurance (EI) Emergency Response Benefit (ERB)	To ensure that workers who accessed the Canada Emergency Response Benefit through Service Canada continue to have access to training and skills development programs and to allow integrity activities over a longer time frame, the government announces its intention to introduce amendments to the *Employment Insurance Act* to extend the application of certain provisions related to the Canada Emergency Response Benefit.
Annual Regulatory Modernization Bill (ARMB)	The government intends to introduce a second annual cleanup legislation to concurrently amend multiple acts to improve regulations and remove outdated or duplicative regulatory requirements that will strengthen Canada's economic competitiveness.
Enhancing Protections for Contract Workers in the Air Transportation Sector	To better protect these employees, the government is announcing its intention to introduce amendments to the *Canada Labour Code* that will extend equal remuneration protection to more employees in the air transportation sector. This would ensure that, when a service contract changes hands, affected employees are not paid less if they are laid off and rehired to do the same work.
Parents of Young Victims of Crime	The Government of Canda is announcing its intention to amend the *Canada Labour Code* to ensure that employees in the federally regulated private sector have job protection when they avail themselves of this new benefit.
Labour Program Authority to use the Social Insurance Number	The Government of Canda is announcing its intention to amend the *Department of Employment and Social Development Canada Act* to provide the Minister of Labour with the authority to collect, use and retain the Social Insurance Number, for program administration.
Freezing Judicial Pension Entitlements	Budget 2021 proposes to amend the *Judges Act* to freeze a judge's pension entitlements, as of the date the Canadian Judicial Council recommends a judge's removal from office.

Subject of the Measure	Proposed Legislative Action
Streamlining Express Entry	The Government of Canada intends to propose amendments to the *Immigration and Refugee Protection Act* to provide the Minister of Immigration, Refugees and Citizenship Canada with authority to use Ministerial Instructions to help select those candidates who best meet Canada's labour market needs from among the growing pool of candidates who wish to become permanent residents through the Express Entry System.
Assignment of revenues from the Crown for the purposes of pooled borrowing	The Government of Canada proposes to amend the *First Nations Fiscal Management Act* (FNFMA) to allow First Nations who are borrowing members of the First Nations Finance Authority to assign their rights to certain revenues payable by Her Majesty in right of Canada, for the purpose of securing financing under the FNFMA pooled borrowing regime.
First Nations Election Cancellation and Postponement Regulations	The government proposes to introduce legislation that would ensure that the *First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)* are deemed to have been validly made since April 7, 2020.
Amendments to the *Telecommunications Act* to Facilitate Broadband Delivery	The government proposes to amend the *Telecommunications Act* to allow the Canadian Radio-television and Telecommunications Commission (CRTC) to share more information with federal, provincial, and territorial broadband partners and to take steps to avoid unnecessary delays in respect of CRTC decisions to allocate funding to recipients to expand access to telecommunications services in underserved areas.
Helping Health Care Systems Recover	On March 25, 2021, the government tabled a bill that proposes to amend the *Federal-Provincial Fiscal Arrangements Act* to provide $4 billlion to help provinces and territories through the Canada Health Transfer to support clearing health care system backlogs caused by the pandemic. The government intends to proceed with this proposal.
Enabling National Research Council Canada Medical Production and Partnership-Building	The government proposes to introduce amendments to enable the National Research Council to manufacture and produce medical products such as vaccines on a large scale to respond to public health needs and to establish and take interests in corporations to facilitate new partnership operating models.

Subject of the Measure	Proposed Legislative Action
Clarifying the Suspension of Interest on Student Loans Announced in the *Fall Economic Statement*	The government is announcing its intention to introduce legislation that will clarify the changes made to the *Canada Student Loans Act, Canada Student Financial Assistance Act* and *Apprentice Loans Act* as part of Bill C-14 in order to ensure they reflect what was announced in the *Fall Economic Statement*.
Additional Fiscal Equalization Offset Payments to Nova Scotia	On February 3, 2021, the government tabled a bill to amend the *Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act* to authorize the Minister of Finance to make an additional fiscal equalization offset payment to Nova Scotia for 2020-21 and to extend the Arrangement on Offshore Revenues with Nova Scotia to 2022-23. The government intends to proceed with this proposal.
Providing Additional Weeks of Recovery Benefits	The government proposes to provide up to 12 additional weeks of income support for claimants who will start exhausting their 38 weeks of Canada Recovery Benefit (CRB) on June 19, 2021. The first four of these additional 12 weeks will be paid at $500 per week and the remaining 8 weeks will be paid at a lower amount of $300 per week. All new Canada Recovery Benefit claimants after July 17, 2021 would also receive the lower rate of $300 per week. The government also proposes to provide an additional 4 weeks, up to a maximum of 42 weeks, for the Canada Recovery Caregiver Benefit. The government will also seek legislative authorities to make further extensions, as necessary, past September 25, 2021 and until no later than November 20, 2021, to both the Canada Recovery Benefit suite of supports, including caregiving and sickness benefits, as well as Employment Insurance regular benefits. Corresponding amendments to the Canada Labour Code are also proposed.
Canada's COVID-19 Immunization Plan	Provinces and territories will face significant financial pressures as immunization campaigns accelerate. On March 25, 2021, the government tabled a bill that proposes to establish an appropriation authority of up to $1 billion to provinces and territories, in support of Canada's COVID-19 immunization plan. Payments would be allocated to provinces and territories on a per-capita basis, and could be used for a variety of vaccine-related

Subject of the Measure	Proposed Legislative Action
	costs. The government intends to proceed with this proposal.
Increasing Old Age Security for Canadians 75 and Over	Budget 2021 proposes to provide a taxable grant payment of $500 to Old Age Security pensioners who will be age 75 or older as of June 2022 through statutory appropriations and to amend the *Old Age Security Act* to exempt this payment from the definition of income for the Guaranteed Income Supplement. Budget 2021 also proposes to amend the *Old Age Security Act* to increase by 10 per cent the maximum benefits payable to Old Age Security pensioners age 75 or older effective July 1, 2022.
Labour protection for gig workers in the federally regulated sector	Budget 2021 reiterates the government's commitment to making legislative changes to improve labour protection for gig workers in the federally regulated sector, including those who work through digital platforms. These legislative changes will be informed by the outcomes of online consultations recently launched by the Minister of Labour.
Protecting Canada's Historic Places	In Budget 2021 the government proposes to introduce legislation to establish a framework for the transparent designation and sustainable protection of federally-owned historic places.
Maintaining Flexible Access to Employment Insurance Benefits	Budget 2021 proposes amendments to the *Employment Insurance Act* to maintain common entrance requirements, and to simplify eligibility rules around contentious reasons for separation and the allocation of monies on separation for a period of one year, from September 2021 to September 2022.
Extending Employment Insurance Sickness Benefits to Better Support Canadians Suffering From Illness or Injury	Budget 2021 proposes amendments to the *Employment Insurance Act* to extend the maximum duration of Employment Insurance sickness benefits from 15 weeks to 26 weeks. In addition, Budget 2021 proposes to make corresponding changes to medical leave under the *Canada Labour Code*.

Annex 4
Gender, Diversity, and Quality of Life Statement

Gender equality and diversity are fundamental to creating a thriving and successful country that reflects Canadian values and achieves its potential. When every Canadian has the opportunity to succeed, all Canadians benefit.

Gender Equality and Diversity as Means to a Stronger Society

The past half century has seen major advancements in gender equality and diversity in Canada, but the COVID-19 pandemic has put that progress at risk. Canada's challenge now is to ensure an inclusive, intersectional recovery that builds a truly equitable society.

> *"Now is the time to make sure that every voice is heard. Now is the time to teach our children so that human rights, and gender equality become part of who they are and how they will live. Our lives are better thanks to the efforts of the women who came before us. If we are to honour their legacy and our daughters' futures, we must continue the fight for gender equality in our communities, our workplaces, our schools and our homes."*
>
> —Marie-Claude Landry, Ad.E., Chief Commissioner, Canadian Human Rights Commission

Progress over the last half century has been real. Women have broken barriers in positions of leadership, taking on roles as entrepreneurs, scientists, educators, and CEOs. LGBTQ2, Indigenous, and minority rights have also been greatly expanded, enshrined in the *Canadian Charter of Rights and Freedoms* and the *Canadian Human Rights Act*. But there remains a range of gaps and barriers that threatened equality even before the pandemic.

The government's recovery plan is feminist and intersectional, and makes targeted investments to support those most affected by the pandemic and address long-standing inequities. In laying out its plan, the government remains committed to Canada's broad gender equality goals and to a decision-making process that considers the impacts of policy proposals on Canadians from all angles, as enshrined in the *Gender Budgeting Act*. The Task Force on Women in the Economy has been established to advise the government on priorities for gender equality.

Two important gender budgeting tools have also helped to guide the preparation of Budget 2021: the Gender Results Framework (GRF), which helps to identify policy gaps and priorities, and the process of factoring gender and diversity considerations into decision making (gender-based analysis plus, or GBA Plus, which encompasses numerous identity factors such as ethnicity, region of residence, age, biological sex, income level, gender, educational attainment, sexual orientation, race, immigrant status, and mental or physical ability).

Figure A4.1
Gender Equality Goals for Canada



The Gender Results Framework is aligned with the Government of Canada's policy of GBA Plus, ensuring that gender is considered in relation to other intersecting identity factors. Wherever possible, and with a view to collecting better data, intersecting identity factors will be considered in the above indicators.

Canada's Gender Results Framework (GRF) was introduced in Budget 2018 as a whole-of-government articulation of gender equality priorities and goals with matching indicators to track developments toward these goals. This statement includes a summary of where Canada stands on these priorities.

Reflecting that gender is only one aspect of identity, and that systemic discrimination, racism, ableism, and ageism, among other many factors, compound the impacts of gender issues, this section also presents statistics on additional identity characteristics to enable a deeper understanding of the experiences of diverse groups of people, such as Indigenous peoples, people with disabilities, racialized peoples, and members of LGBTQ2 communities. By reporting on indicators in the GRF, Canadians and the government can see where Canada was, where it is now, and where it can be in relation to gender equality and diversity.

As in previous years, this statement also highlights some of the key actions the government is taking in this budget to improve fairness and inclusion within each priority area, and provides a summary of the aggregate gender and diversity impacts of all new and renewed measures in this budget.

Budget 2021's Impacts Report, which follows this Statement, includes an assessment of the impact of every budget measure included in Budget 2021. To support the government's efforts to address existing inequalities and make more inclusive decisions, this budget makes significant investments in Statistics Canada to improve the availability of data.

Note on Terminology

In this section, the term "visible minorities" is occasionally used because it is the official demographic category defined by the *Employment Equity Act* and used by Statistics Canada in their surveys. With the commitment to support a task force on modernizing the *Employment Equity Act*, the question of appropriate terminology will be taken up by the members.

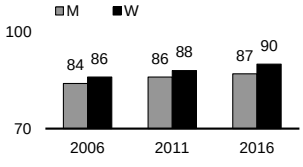
Gender Results Framework

Education and Skills Development

Equal opportunities and diversified paths in education and skills development

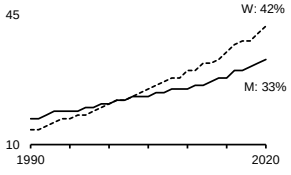
Education and skills development are critical for participation in the job market, and a key source of opportunities for Canadians to pursue a better life. Educational paths should be chosen based on interests and aptitudes, free from gendered expectations and stereotypes.

Educational attainment



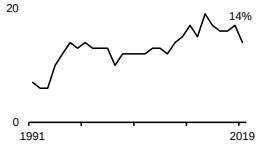
Share aged 25-64 with a certificate, diploma or degree.

University degree



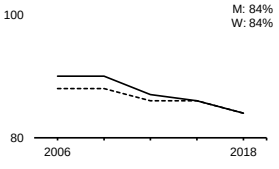
Share aged 25-54 with a university degree.

Tradeswomen



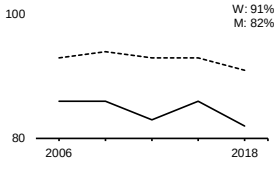
Share of newly certified tradespeople who are women.

High school math



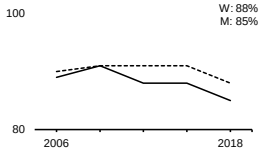
Share aged 15 at proficiency level 2 or above in mathematics.

High school reading



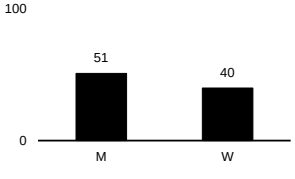
Share aged 15 at proficiency level 2 or above in reading.

High school science



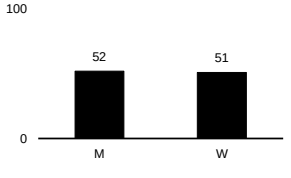
Share aged 15 at proficiency level 2 or above in science.

Adult numeracy



Share aged 16-65 at proficiency level 3 or above in 2012.

Adult literacy



Share aged 16-65 at proficiency level 3 or above in 2012.

Field of study

Education	76
Health	76
Math and comp. science	27
Arch. and engineering	25

Share enrolled in a Bachelor's in 2018-19 who were women.

Sources: 2016 Census, Labour Force Survey, Registered Apprenticeship Information System, 2018 Programme for International Student Assessment, 2012 Programme for International Assessment of Adult Competencies, and Post-Secondary Student Information System, 2018-19.

Prior to the COVID-19 pandemic, many significant gender gaps in education and skills development had narrowed. Women exceeded men in terms of high school graduation and university education, and many fields of study that were once male-dominated in the past had become far more equal. For example, women represented around one in 20 students in law and medicine in 1950, but now represent over one-half of students in these fields. Despite marked improvements, women were still significantly under-represented in some fields of study, like engineering, math, and computer science, and were much less likely to pursue high-paying jobs in the trades. For example, only about 1 in 4 engineering students and about 1 in 7 newly certified registered apprentices are women. There were also a number of important education and skills development gaps from a diversity perspective, such as lower rates of educational attainment among people with disabilities, and lower literacy and numeracy skills among Indigenous peoples.

Diversity Focus	
Indigenous identity	• 26 per cent of Indigenous people had no educational credentials in 2016 compared to 11 per cent of non-Indigenous people. Inuit men were the most likely to report none. • Off-reserve Indigenous peoples had lower literacy and numeracy skills than non-Indigenous people in 2012.
Visible minority status	• University attainment varied substantially among racialized people in 2016. Canadians of Korean descent were the most likely to be university educated (57 per cent), while Southeast Asian Canadians were the least likely to have obtained a university degree (24 per cent). Gender gaps were the largest for Canadians of Filipino descent, where 47 per cent of women had completed a university degree, compared to 38 per cent of men.
LGBTQ2 member	• Between 2015 and 2018, gay men and lesbian women were more likely to have a post-secondary qualification than heterosexual men and women, while bisexual men and women were less likely to have a post-secondary qualification.
Disability status	• Persons with disabilities, especially those with severe disabilities and men, were less likely to have obtained an educational credential in 2017 than those without disabilities.
Income	• High school students' socio-economic status was a weaker predictor of academic performance in Canada in 2018 than in other OECD countries, and disadvantaged students in Canada were more likely to be academically resilient.

Given that many postsecondary degrees or diplomas require at least one year or more to complete, the impact of COVID-19 and related public health restrictions on lifelong educational attainment is hard to measure in the short term. But it is clear that the pandemic has had large negative impacts on racialized women and youth, with both students and non-students seeing significant job losses, particularly young women, and many young people returning to school or staying in school longer in light of weaker job prospects. There is strong evidence that the effects of a recession on young people are long lasting and that the scarring effects of unemployment can reduce earnings for years after the economy has recovered. When young people experience periods of unemployment, or are forced to work at jobs for which they are overqualified, they miss out on opportunities to acquire valuable skills that help them advance, and decrease their connection to the labour market during formative years. All these challenges will be compounded for more vulnerable youth.

There is no silver bullet to address these challenges. Governments provide extensive supports aimed at helping youth achieve their full potential. Major federal investments in recent years have focused on making postsecondary education more affordable, including enhancements to the Canada Student Loans and Canada Student Grants programs, and improving skills development and job opportunities, including funding to assist provincial and territorial training and employment supports such as work-integrated learning placements. Countries whose youth perform better in the school-to-work transitions, such as Germany, tend to have a strong apprenticeship culture. In recent years, the government has made many investments in these areas — such as through Canada Apprentice Loans, Apprenticeship Incentive and Completion Grants.

The Task Force on Women in the Economy members have emphasized the opportunities for women to enter high paying fields in the trades and other well-paying jobs in the innovation sector. They also emphasized the importance of providing opportunities for up-skilling for mid-career women and training and employment opportunities to groups who systemically face fewer opportunities. The 2020 *Fall Economic Statement* provided funding to bolster training supports for those most affected by the pandemic, including marginalized women, Indigenous peoples, youth, persons with disabilities, and recent newcomers to Canada.

In an effort to build on that momentum and tackle long-standing gaps in education and skills development, and encourage lifelong learning and retraining among all groups of Canadians, the government has introduced a number of Budget 2021 measures, including:

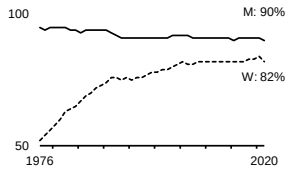
- Additional funding and a pilot expansion of the **Supports for Student Learning Program**.
- Strengthening **elementary and secondary education on reserve,** including helping adults finish high school.
- Additional funding for **Aboriginal Head Start programs**.
- Enhancements to **federal skills and employment training programs**, including to strengthen foundational skills through Skills for Success.
- Providing **enhanced student financial assistance** and **expanded student debt relief**.
- Supporting **Indigenous post-secondary students and institutions** during COVID-19.
- Opportunities for businesses and young workers through **Mitacs** to expand work-integrated learning opportunities for post-secondary students.

  Helping youth and students build job skills and connect with employers through additional funding towards the Youth Employment and Skills Strategy, the Student Work Placement Program, and the Canada Summer Jobs program.

For the details of the impacts of these and more Budget 2021 measures which advance the Education and Skills Development Pillar, please see the Impacts Report.

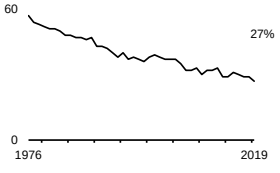
Ensuring that every person has the opportunity and the support to participate fully in the economy will raise the incomes of Canadian families and benefit the country as a whole.

Labour force



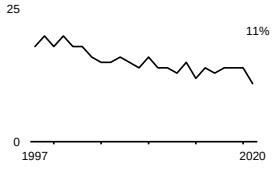
Share aged 25-54 in the labour force.

Gender earnings gap



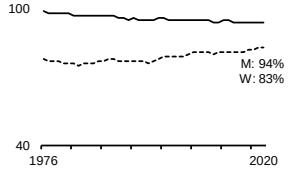
Gender gap in median employment income for those aged 25-54.

Gender wage gap



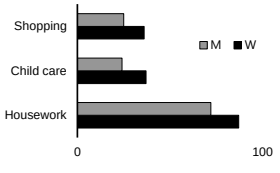
Median hourly full-time wage gap for those aged 25-54 years.

Full-time workers



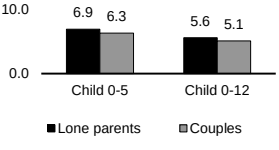
Share of employed aged 25-54 working full-time.

Unpaid work



Share aged 25-54 engaging in unpaid work activities in 2015.

Child care costs



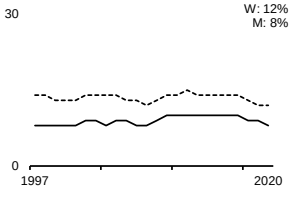
Average proportion of after-tax income spent on child care in 2019.

Career choice

Nursing	89
Office support	87
Front-line public protection services	20
Industrial, electrical and construction trades	5

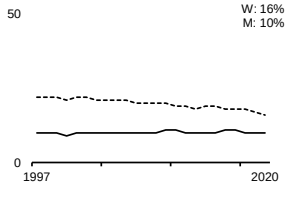
Share of employed who are women by occupation in 2020.

Temporary or involuntary part-time work



Share of employed aged 25-54 in temporary or involuntary PT work.

Low-wage jobs



Share aged 25-54 with hourly pay less than two-thirds of the median.

Sources: Labour Force Survey, Survey of Consumer Finances, Survey of Labour and Income Dynamics, Canadian Income Survey, 2015 General Social Survey, and 2017 General Social Survey.

Fifty years ago, only half of Canadian women participated in the labour market and women's annual income was almost 60 per cent lower than men's. Today, over 8 in 10 women participate in the labour market and the gender gap in annual employment income has fallen to 27 per cent. These changes represent major progress toward gender equality in the labour market. However, persistent social norms mean that women continue to spend more time on caregiving and

household responsibilities, and this unpaid work is not valued in traditional economic terms and cuts into the number of hours that women can spend in the paid workforce. Balancing work and family responsibilities may also lead some women to trade off more secure, high-paying jobs, for lower-paying, but more flexible positions. In addition, occupational segregation continues to limit career choices for women, making women more likely to work in low-wage jobs. Women from underrepresented groups, including Indigenous, Black, racialized and newcomer women, often face even greater barriers to equal and full participation in the labour market. Where women do succeed in predominantly male fields, there remain diparities between their compensation relative to their male counterparts.

Diversity Focus	
Indigenous identity	• Indigenous women earned 44 per cent less than white men in 2015. Even after adjusting for differences in demographic and job characteristics, a large gap of over 30 per cent remained. • Indigenous men and women had higher unemployment rates than non-Indigenous men and women in 2019.
Visible minority status	• In 2015, visible minority women earned 17 per cent less than white men. Demographic and job characteristics, like industry, occupation, age, and education, did not explain this gap. • Unemployment rates were higher among racialized Canadians, but the rates varied significantly across groups. For example, in May 2016, about 1 in 7 Arab Canadian women were looking for work, compared to 1 in 25 Filipino Canadian women. Black Canadian men and women, Arab Canadian men, West Asian Canadian women and South Asian Canadian women, also had particularly high rates.
Immigrant status	• In 2019, immigrant women, especially recent immigrant women (i.e. those who landed in Canada 5 or less years earlier), were less likely to work than women born in Canada. Compared to recent immigrant men, newcomer women from Africa and Asia experienced the largest gender gaps in employment. • Visible minority newcomer women earned $26,600 in 2015, compared to $30,100 for non-visible minority newcomer women, $35,600 for visible minority newcomer men, and $42,600 for non-visible minority newcomer men.

Diversity Focus	
LGBTQ2 member	• Between 2015 and 2018, lesbian women were more likely to work than heterosexual women, while gay men were slightly less likely to work than heterosexual men. Bisexual men and women had the lowest employment rates.
Disability status	• Persons with disabilities were less likely to work than those without disabilities. Severity negatively impacts employment, with only 31 per cent of people with severe disabilities working in 2016.

In part reflecting these pre-existing inequalities, the COVID-19 pandemic and related public health measures have disproportionately affected women, especially women from underrepresented groups. As outlined in the *Overview of Economic and Social Foundations*, women's jobs were affected earlier and more severely, and continue to recover more slowly, with especially notable negative employment impacts for Black and racialized women, newcomer women, low-wage women and young women. Even when women were not at risk of losing their jobs, the essential nature of the services they provide – e.g. nursing, child care – put them at a greater risk of transmission of COVID-19. Although the overrepresentation of women in low-wage work has been a long-standing contributor to gender inequity in Canada, COVID-19 has highlighted the essential nature of many of these jobs, especially front-line care work. For women who are mothers, the closure of schools and child care centres exacerbated work-life balance challenges and increased barriers to labour market entry.

The Task Force on Women in the Economy has been clear in advising the government that this pandemic requires a stimulus and recovery response tailored to the unique nature of this crisis on women. Members placed a high priority on investments in the care economy to address the burden of unpaid work on women, to facilitate women's participation in the paid labour force, and to create good jobs in sectors of the economy where women work. This includes investments in early learning and child care, and in supportive care, where the pandemic exposed inadequacies in the quality of care being provided to seniors and in the wages and working conditions of care workers.

> *"Any job can be a great job. The social infrastructure on which we all depend will be a growing driver of GDP for decades, the result of population aging and the needs of a shrinking but increasingly valuable working-age cohort. The caring economy could power a better life, not just a bigger economy, if we address issues revealed by the pandemic. Just as manufacturing generated Canada's middle class from the 1950s to the 1970s, the care sector could be the source of our next middle class."*
>
> –Armine Yalnizyan, Economist, Atkinson Fellow on the Future of Workers and Task Force on Women in the Economy Member

In recognition of these challenges, Budget 2021 is investing in a feminist and inclusive recovery and working toward tackling gender inequities and systemic discrimination in the labour market in a number of ways, some of which include:

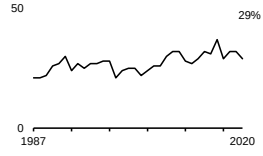
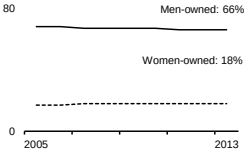
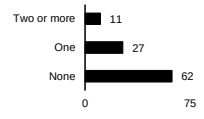
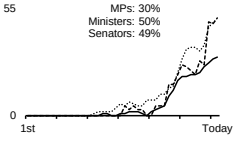
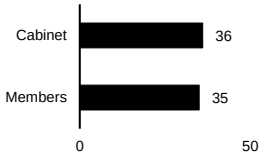
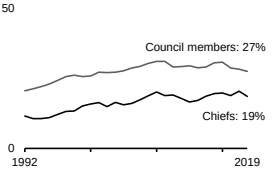
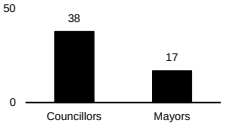
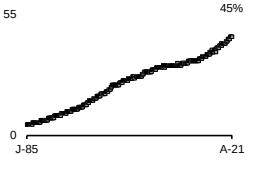
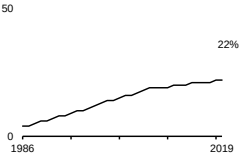
- Establishing a Canada-wide **Early Learning and Child Care** system.
- Supporting **Black Canadian communities** through additional investments for Black-led non-profit organizations and establishing a Black-led Philanthropic Endowment Fund.
- Strengthening **long-term and supportive care** across Canada by investing to support the implementation of standards for long-term care, improved access to quality palliative care and improved data infrastructure to lay a better foundation for coordinated action across the sector.
- Also see actions listed under Poverty Reduction, Health and Well-Being to raise the federal minimum wage and enhance the Canada Workers Benefit.
- Investing in distinctions-based, **culturally appropriate child care for Indigenous children**.
- Deploying the **Social Finance Fund** to mobilize private capital and grow the social finance market in order to create thousands of new jobs in this women-dominated sector, provide much-needed services for vulnerable Canadians, and drive positive social change.
- Renewing the **Investment Readiness Program** to continue helping charities, non-profits, and other social purpose organizations to develop the necessary skills and capacity to access social finance opportunities.
- Funding to **my65+** by the Service Employees International Union Healthcare to provide incentives for worker participation.

For the details of the impacts of these and more Budget 2021 measures which advance the Economic Participation and Prosperity Pillar, please see the Impacts Report.

Leadership and Democratic Participation

Gender equality in leadership roles and at all levels of decision-making

Gender equality and diversity in leadership positions in economic, political and judicial spheres is essential to a fair and democratic society.

Senior management	Business ownership	Board members
		
Share of senior management positions filled by women.	Share of private enterprises by majority-ownership.	Share of boards by number of women directors in 2018.
Federal	**Provincial and territorial**	**First Nations Bands**
		
MPs, Ministers and Senators who are women by Parliament.	Share in PT governments who are women as of Feb. 16, 2021.	Share in First Nations Band Councils who are women.
Municipal	**Federal judges**	**Police officers**
		
Share of city councillors who are women as of Feb. 16, 2021.	Federal judges who are women by month and year, Jan. 85 to Apr. 21.	Share of full-time equivalent police officers who are women.

Sources: Labour Force Survey, Canadian Employer-Employee Dynamics Database, Corporation Returns Act, Parliament of Canada, Indigenous Services Canada, municipal, provincial and territorial websites, Office of the Commissioner of Federal Judicial Affairs, and Police Administration Survey.

Since most women won the right to run as candidates in the federal elections in 1920, there have been gradual improvements in gender representation in Canadian politics. For example, the number of women elected to Parliament has increased to 100 out of 338, and in 2015, Canada saw its first ever gender balanced Cabinet.

At the same time, there have been significant improvements in the judicial sphere, in part due to recent reforms to the superior courts' judicial appointment process that emphasize transparency, merit, and the diversity of the Canadian population, while continuing to ensure the appointment of jurists who meet the highest standards of excellence and integrity. This process has helped to increased the share of federally appointed judges who are women from 34 per cent in 2015 to 45 per cent in 2020. It has also resulted in the appointment of 16 judges identifying as LGBTQ2 and 30 judges identifying as belonging to a visible minority group since October 2016.

However, the power gap persists. Business continues to be heavily male dominated, with only 1 out of every 3 senior management positions filled by a woman, and diversity is severely lacking in many leadership and decision-making roles. For example, Black, racialized people, Indigenous peoples and people with disabilities are much less likely to be business owners and serve on corporate boards. Racialized Canadians are also less likely to serve in law enforcement.

Diversity Focus	
Indigenous identity	• Few small- and medium-sized enterprises (SMEs) were majority-owned by Indigenous people in 2017 (1 per cent). • There are currently 5 First Nations, 2 Inuit, and 4 Métis Members of Parliament (MPs), representing 3 per cent of the House, compared to 5 per cent of the population. Of the 11 Indigenous MPs, 4 are women. Concurrently, the Senate has 5 First Nations, 1 Inuit, and 4 Métis Senators (10 per cent). Of these Indigenous Senators, 6 were female. • Overall, 4 per cent of police officers and 3 per cent of recruits identified as Indigenous in May 2019. Within First Nation police services, 63 per cent of officers identified as Indigenous. • Among the 403 distributing corporations that disclosed diversity information in 2020 to meet the new *Canada Business Corporations Act* (CBCA) regulations, only 0.3 per cent of 2,411 board directors were Indigenous and only 0.2 per cent of 2,158 individuals in senior management positions were Indigenous.
Visible minority status	• While over 1 in 5 people reported belonging to a visible minority group in Canada in 2016, only about 1 in 8 SMEs were majority-owned by visible minorities in 2017. • In mid-May 2019, visible minorities were underrepresented as police officers (8 per cent) and recruits (11 per cent). • Members of visible minorities held 4 per cent of board seats and 9 per cent of senior management positions among the 403 distributing corporations that disclosed diversity data in 2020.

Diversity Focus	
LGBTQ2 member	• According to the Annual Report Card 2018, published by the Canadian Board Diversity Council, only 1 per cent of board directors self-identified as LGBTQ2.
Disability status	• Although over 1 in 5 people reported a disability in 2016, SMEs were rarely majority-owned by persons with a disability (1 per cent) in 2017. • Only 0.3 per cent of board seats and 0.6 per cent of senior management positions among the 403 distributing corporations that disclosed data in 2020 were held by persons with disabilities.

COVID-19 has had a disproportionate impact on women, especially racialized women. Beyond all the direct impacts, their underrepresentation in politics, business, and justice has meant that their voices are muted in many political and economic discussions. This has created additional challenges in securing the change needed to help women and diverse groups overcome systemic barriers and discrimination.

Women, however, have taken a leading role in the charitable and non-profit sector. According to a recent report by the YWCA, organizations in this sector employ over 2.4 million people in Canada, 70 per cent of whom are women. Of that, Canada's human and community service organizations employ approximately 315,000 people.

Governments play a key role in facilitating and encouraging improved gender equality in politics, business, and justice. To support and build toward gender equality and diversity in Canada's public institutions, the federal government introduced a commitment to selecting Governor in Council appointees that are reflective of Canada's diversity in terms of linguistic, regional, and employment equity groups in open, transparent and merit-based processes in February 2016. And, more recently, to support gender equality and diversity in business, the federal government launched the 50-30 Challenge, an initiative that asks that organizations aspire to gender parity on their boards and in senior management and to significant representation of other underrepresented groups. As of April 13, 2021, there were 1,172 participating organizations. For similar reasons, the federal government also recently introduced new disclosure requirements for gender and diversity concerning director and senior manager positions and diversity policies in corporations governed by the *Canada Business Corporations Act*.

Since women's entrepreneurship reflects broader industrial gender segregation patterns in the economy, business owners who are women have also been particularly negatively affected by the pandemic, as have business owners who are racialized Canadians. Structural barriers for many women entrepreneurs amplified the greater impacts of the pandemic.

Reflecting that the needs of women entrepreneurs are unique, the Women Entrepreneurship Strategy was introduced to increase women-owned businesses' access to the financing, talent, networks and expertise they need to start up, scale up and access new markets. The Task Force on Women and the Economy and other stakeholders have emphasized that the support networks and financing needs of women entrepreneurs are often different from those of men, with women valuing wraparound supports and smaller amounts of funding.

Recognizing that there continue to be challenges for women and diverse groups in attaining and maintaining positions of leadership, the government has introduced a number of Budget 2021 measures, including:

- Accelerating the **Women's Entrepreneurship Strategy**.
- Providing additional funding to support the **Black Entrepreneurship Program.**
- Consultations on **corporate governance diversity** in federally regulated financial institutions.
- Supporting small and medium-sized businesses including non-profit and charitable social enterprises through enhancements to the Canada **Small Businesses Financing Program**.
- Legislative amendments to the **Public Service Employment Act** to address potential bias and barriers in staffing processes
- Investing in companies led by Canadians from typically underrepresented groups through a new **Inclusive Growth Stream** of the Venture Capital Catalyst Initiative..
- Additional **Indigenous Business Supports** to increase opportunities for Indigenous entrepreneurs to start and grow their businesses, and increase the proportion of Indigenous businesses owned and operated by Indigenous women.
- Strengthening Indigenous voices in federal decision-making by supporting their capacity to engage in federal consulations and engagements.
- Supporting **Indigenous Governance and Capacity** for First Nations communities with the most acute needs, resulting in better administration and access to services and programs.
- Supporting entrepreneurs, including underrepresented entrepreneurs through the **Small Business and Entrepreneurship Development Program**.

For the details of the impacts of these and more Budget 2021 measures that advance the Leadership and Democratic Participation Pillar, please see the Impacts Report.

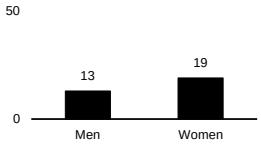
Gender Results Framework

Gender-Based Violence and Access to Justice

Eliminating gender-based violence and harassment, and promoting security of the person and access to justice

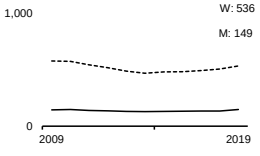
Gender-based violence has long-lasting, negative health, social, and economic effects that span generations, often leading to cycles of violence within families and potentially whole communities. All Canadians should be safe and free from physical, emotional or sexual violence, discrimination, and harassment, regardless of where they live.

Workplace harassment



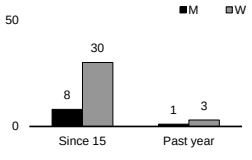
Share self-reporting harassment in the workplace in past year in 2016.

Intimate partner violence



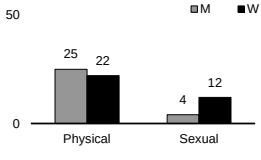
Police-reported intimate partner violence, rate per 100K population.

Sexual assault



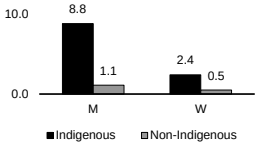
Share self-reporting sexual assault in 2018.

Childhood abuse



Share aged 15+ self-reporting childhood abuse in 2018.

Homicide rate



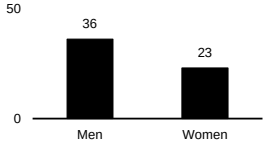
Homicide rates per 100K population in 2019.

Homicide relationship

	M	W
Intimate partner	6	47
Other family member	15	26
Other relationship	52	13
Stranger or unknown	26	13

Share of homicides by relationship to perpetrator in 2019.

Violent victimization



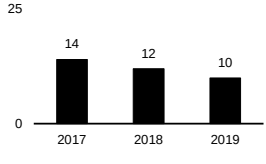
Share of violent victimization reported to police in 2014.

Indigenous women

	Sexual	Physical
First Nations	48	45
Métis	40	44
Inuit	25	26
Non-Indigenous	26	30

Share self-reporting assault since age 15 years in 2018.

Unfounded sexual assault



Per cent of incidents of sexual assault deemed to be unfounded.

Sources: 2016 General Social Survey, Uniform Crime Reporting Survey, 2018 Survey of Safety in Public and Private Spaces, Homicide Survey, 2014 General Social Survey.

Gender-based violence is defined as violence that is committed against someone based on their gender identity, gender expression, or perceived gender and includes a range of behaviours from unwanted sexual attention, harassment, and neglect, to physical and sexual assault, and homicide. Experiences of gender-based violence are quite common in Canada, with women reporting about 536 incidents of police-reported intimate partner violence per 100,000 population in 2019 and about 1 in 3 women reporting in 2018 that they had experienced at least one incident sexual assault since the age of 15 years.

Some groups of women and girls are disproportionately affected by gender-based violence, including Indigenous women and girls, Black women, and LGBTQ2 community members. For example, in 2018, 43 per cent of Indigenous women reported experiencing sexual assault since the age of 15 years, compared to 26 per cent of non-Indigenous women. Those living in northern, rural, and remote communities and people with disabilities are also at an elevated risk of experiencing gender-based violence.

Diversity Focus	
Indigenous identity	• In 2016, Indigenous women were more likely to report workplace sexual harassment in the past 12 months (10 per cent) than non-Indigenous women (4 per cent). • In a 2018 survey, more First Nations and Métis adults reported experiences of childhood abuse than Inuit and non-Indigenous people. • Compared to non-Indigenous women, Indigenous women were more than three times as likely to self-report an experience of spousal violence between 2009 and 2014. Indigenous victims of spousal violence were also more likely to report the most severe forms of spousal violence.
Visible minority status	• When surveyed in 2018, visible minority men and women were slightly less likely to report experiences of childhood abuse. In this same survey, they were much less likely to report adult experiences of physical or sexual assault. • In 2014, recent experiences of spousal violence were reported slightly less often by people belonging to a visible minority group than by those that did not.
Immigrant status	• Immigrants reported adult experiences of physical or sexual assault since age 15 years less often than non-immigrants when asked in 2018, but were only marginally less likely to report experiences of childhood abuse.

Diversity Focus	
LGBTQ2 member	• In a 2016 survey, lesbian and bisexual women reported elevated rates of sexual harassment at work compared to heterosexual women. • Transgender individuals reported inappropriate workplace behaviour (69 per cent) in a 2018 survey at three times the rate of cisgender individuals (23 per cent). • Gay, lesbian, and bisexual people reported higher rates of childhood abuse than heterosexual people when surveyed in 2018. They were also more like to report experiences of physical or sexual assault since age 15 years. • In this same 2018 survey, transgender people were significantly more likely to report having had experiences of physical or sexual assault since age 15 years (59 per cent) than cisgender people (37 per cent).
Disability status	• When asked in 2018, persons with disabilities were more likely to report having experienced physical or sexual assault as adults than persons without disabilities, with women with disabilities reporting sexual assault since age 15 years at three times the rate of men with disabilities. People with disabilities were also more likely to report experiencing childhood abuse.

COVID-19 and the resulting financial stresses and self-isolation has created conditions that led to a rise in intimate partner and family violence. Increased call volume at violence help lines and a rise in the number of calls for police services related to domestic disturbances and disputes indicate that gender-based violence was exacerbated by the public health crisis. Recognizing that many Canadians' safety was at risk during the pandemic, the Government of Canada acted quickly to ensure that front-line organizations that support women and families facing violence had the resources they needed to keep their doors open and continue providing their vital services, with dedicated funding for those organizations serving Indigenous women both on and off reserve.

Like many of the other structural challenges faced by women, eliminating gender-based violence will take sustained efforts over the long-term, as it is firmly grounded in gender and social norms around femininity and masculinity, including patriarchal views of the family, sexism, and gendered expectations regarding behaviour.

Knowing that many women and girls continue to face violence, the government has made significant investments towards eliminating gender-based violence and supporting victims and survivors, including through the It's Time: Canada's Strategy to Prevent and Address Gender-Based Violence. Federal government actions have

also included introducing a National Framework to Prevent Gender-Based Violence on Campus, changes to the treatment of unfounded sexual assault cases, and legislation to ensure that federally regulated workers are protected from workplace harassment. In 2019, the federal government also introduced its National Strategy to Combat Human Trafficking.

Improving access to and confidence in the justice system is also key to supporting survivors of gender-based violence and other acts of physical, sexual, or psychological harm or suffering, such as race-based hate crimes. And it is vital to a safe and secure Canada.

Recent federal government actions and investments to improve access to justice and build confidence in the justice system have included boosting legal aid to support victims of sexual harassment in the workplace, amending legislation to increase access to family justice in the official language of one's choice, investing in an assessment of the impact of race and culture on sentencing, and supporting the growing demand for Public Legal Education and Information Services.

To continue to address the ongoing challenges related to gender-based violence in Canada, and the structural and systemic barriers that limit access to justice for many disadvantaged groups, the government has introduced a range of Budget 2021 measures, some of which include:

- Expanding the work of the Department of National Defence and Veterans Affairs Canada to **eliminate sexual misconduct and gender-based violence in the military and support survivors**.
- Increasing funding for provinces and territories to **divert youth away from the justice system**.
- Supporting Indigenous policing and community safety.
- Improving access to justice for Indigenous peoples.
- Addressing systemic racism in institutions.
- Supporting a range of measures to **end the national tragedy of missing and murdered Indigenous women and girls**.
- Supporting community-based organizations and the LGBTQ2 Secretariat to advance **greater equality for LGBTQ2 communities**.
- Enhancing **access to legal support for racialized communities**.
- **Advancing a National Action Plan to End Gender-Based Violence** to support at-risk populations and survivors and ensure that victims have reliable and timely access to protection and services.

For the details of the impacts of these and more Budget 2021 measures which advance the Gender-Based Violence and Access to Justice Pillar, please see the Impacts Report.

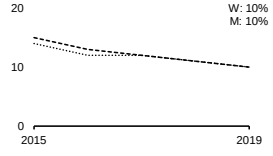
Gender Results Framework

Poverty Reduction, Health and Well-Being

Reduced poverty and improved health outcomes

All Canadians should have their basic needs met, access to good quality health care, and know that action is being taken to reduce poverty and create new opportunities for a better quality of life.

Poverty



Share below the Official Poverty Line.

Food insecurity

	M	W
Living alone	12	12
Lone parent	16	25
All households	9	
Couple, no kids	3	
Couple, with kids	7	

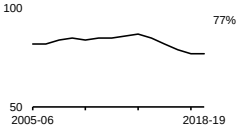
Share of households in moderate or severe food insecurity in 2017-18.

Core housing need

	M	W
All Canadians	9	10
Living alone	19	19
Lone parent family	17	30
Seniors	8	11

Share living in core housing need by family type in 2018.

Support orders



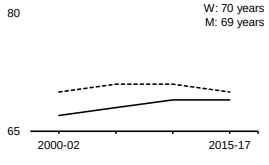
Spousal and child support order payment collection rate.

Causes of death

	M	W
Cancer	1	1
Heart diseases	2	2
Accidents	3	5
Chronic lower respiratory	4	4
Cerebrovascular	5	3

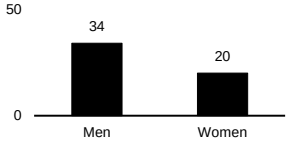
Rank of five leading causes of death by gender in 2019.

Life expectancy



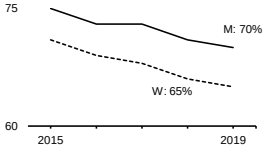
Health-adjusted life expectancy at birth.

Sports participation



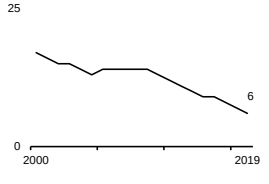
Share aged 15+ participating in sports regularly in past year in 2016.

Psychological well-being



Share aged 12+ reporting very good or excellent mental health.

Adolescent birth rates



Number of live births per 1,000 females aged 15-19 years.

Sources: Canadian Income Survey, Canadian Community Health Survey, Survey of Maintenance and Enforcement Programs, Vital Statistics Death and Birth Databases, 2016 General Social Survey.

Poverty, especially long-term poverty, has deep and wide-ranging impacts. Individuals living with low income have a lower life expectancy, higher rates of suicide, as well as higher rates of heart disease, chronic conditions, and mental health issues. Poor mental and physical health – whether as a result of poverty or not – may affect an individual's well-being and earnings potential, and result in economic losses for individuals, families, and society.

In Canada, poverty and poor health are challenges faced by many, but some subgroups are at greater risk than others. For example, poverty is more prevalent among recent immigrants and racialized people, while poor mental health is more prevalent among Indigenous peoples and LGBTQ2 Canadians.

The prevalence of low wage, low quality jobs in certain sectors of the economy can also contribute to the incidence of poverty, and these low wage, low quality jobs are themselves the result of a number of factors, including the absence of bargaining power among workers, as evidenced by the decline of private sector unions, low or limited growth in real minimum wages, a rising return to investments in education and skills, and increased automation and globalization. Since women are more likely than men to be employed in low wage, part time, and precarious jobs, women are more at risk of being among the working poor.

Diversity Focus

Indigenous identity	• Indigenous people faced higher poverty rates (20 per cent) than non-Indigenous people (10 per cent) in 2018. • Off-reserve Indigenous people reported lower levels of mental health in 2017-18 than non-Indigenous people. • In 2016, Indigenous men reported regularly participating in sports less often than non-Indigenous men, but there were no notable differences for women.
Visible minority status	• In 2017-18, people belonging to a visible minority group reported similar levels of positive (very good or excellent) mental health as those not belonging to a visible minority group. • Poverty rates were higher among the visible minority population in 2016. West Asian Canadians had the highest poverty rates, but rates were also elevated among Arab, Korean, Black, and Chinese Canadians. • Visible minority women regularly participated in sports less often than their counterparts in 2016, while visible minority men participated slightly more.
Immigrant status	• Recent immigrants faced higher poverty rates (20 per cent) than non-recent immigrants in 2018. • Immigrants and those born in Canada were nearly equally likely to report very good or excellent mental health in 2017-18. • Compared to people born in Canada, immigrant individuals were less likely to regularly participate in sports in 2016.

Diversity Focus	
LGBTQ2 member	• Bisexual women had the lowest rates of positive mental health in 2017-18, followed by bisexual men. Gay men and lesbian women had higher rates than bisexual men and women, but lower rates than heterosexual women, who themselves had lower rates than heterosexual men. • In 2016, gay men and bisexual women reported regularly participating in sports less often than heterosexual men and heterosexual women. • Transgender individuals had higher rates of negative mental health in 2018 and were significantly more likely to report having seriously contemplated suicide (45 per cent) than cisgender individuals (16 per cent).
Disability status	• Persons with a disability had elevated poverty rates in 2017 (17 per cent), especially if they simultaneously belonged to another at-risk group.
Income	• Babies born into the lowest income quintile in 2015-17 could expect to live about eight years less than those born into the highest income quintile. • Mental health was worse among low-income people in 2017-18.
Education	• People with less than a high school diploma had worse mental health in 2017-18 than those with a Bachelor's degree or higher.

The economic and health crisis brought on by COVID-19 and related public health measures has had devastating impacts on the physical and mental health and financial well-being of huge numbers of Canadians. As public health restrictions reduced social contacts, mental health declined and many Canadians increased their use of substances. Even for those Canadians fortunate enough to avoid COVID-19, physical health has still been negatively impacted as sports were cancelled and gyms were closed. And, although Canadians have been supported by strong and responsive income programs, like the Canada Response Benefit, which helped offset the income and employment effects of the pandemic, many Canadians continue to suffer from unemployment or face challenges meeting their essential needs.

While the Government has supported a comprehensive response to the pandemic, it has long been committed to policies aimed at reducing poverty, providing access to affordable housing and making investments in healthy communities. For example, recent investments in the Canada Child Benefit helped lift more than 400,000 children out of poverty, while an expansion of the Rental Construction Financing Initiative helped to increase the supply of affordable rental housing, and a redesigned federal homelessness program, called Reaching Home, helped to support people without access to safe and secure housing. Federal government actions also included supporting a Pan-Canadian Suicide Prevention Service with bilingual, 24/7 crisis support from trained responders and enhancing the response to the opioid crisis.

To support Canadians at risk of or facing poverty, food insecurity and core housing need as a result of the pandemic, the federal government has introduced a Canada Child Benefit and special GST Credit top-up payment, enhanced funding for the Reaching Home initiative, and supported food banks and other organizations providing hunger relief to affected individuals. Other actions have included additional investments for Distress Centres and the introduction of the Wellness Together Canada Portal to support Canadians struggling with mental health or a substance use disorder.

In the context of future actions to support a pandemic recovery, members of the Task Force on Women in the Economy have emphasized the issue of precarious work and the importance of policies to support better wages and working conditions, such as changes to minimum wage laws and paid sick leave. They also stressed the need over the long term for modernization of Canada's income support programs, such as Employment Insurance, the Canada Workers Benefit, and disability supports.

> *"The economic, health and social impacts of COVID-19 have been devastating for the communities we work with. From the loss of steady jobs to child care shortages to addressing discrimination, hate and violence in all its forms, we are seeing we can't go back to the old ways of doing things. We need a fresh approach that thinks about the economy and gender equity together."*
>
> —Maya Roy, CEO of YWCA Canada and Task Force on Women in the Economy Member

To respond to immediate and ongoing challenges related to poverty, health and well-being, the government has introduced a number of Budget 2021 measures, including:

- Establishing a **$15 federal minimum wage**.
- Maintaining flexible access to **Employment Insurance** benefits as the labour market begins to improve.
- Emergency funding for **homelessness programs** to protect vulnerable Canadians experiencing – or at risk of – homelessness.
- Continued funding to emergency hunger relief organizations supporting **food security** for vulnerable Canadians.
- Supporting community organizations to improve access to sexual and reproductive health care information and services.
- **Addressing the opioid crisis and problematic substance use** by supporting a range of innovative approaches to harm reduction, treatment, and prevention.
- Extending the **Racialized Newcomer Women Pilot**.
- Enhancing the **Canada Workers Benefit**, which could provide about $1,000 more a year to low-wage, full-time workers and lift close to 100,000 Canadians out of poverty.
- Increasing funding for **public health** measures and the **Indigenous Community Support Fund** to respond to the immediate needs of Indigenous communities.
- Supporting communities in providing services for Indigenous peoples dealing with mental health issues through a **distinctions-based mental wellness strategy**.
- **Investments in mental health** to support populations disproportionately impacted by COVID-19 and to develop national mental health standards.
- Establishing a **National Institute for Women's Health Research.**
- **Extending Employment Insurance Sickness Benefits** to better support Canadians suffering from illness or injury

For the details of the impacts of these and more Budget 2021 measures which advance the Poverty Reduction, Health and Well-Being Pillar, please see the Impacts Report.

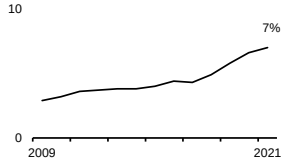
Gender Results Framework

Gender Equality Around the World

Promoting gender equality to build a more peaceful, inclusive, rules-based and prosperous world

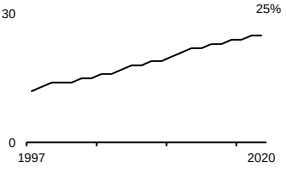
Full and equal access to resources, opportunities and security for women and girls around the world can lead to greater prosperity, improved quality of life, and peace and security for everyone. Women and girls are powerful agents of change and can improve their own lives and the lives of their families, communities and countries.

Peace and security



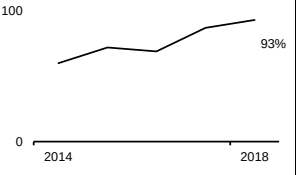
Share of UN peacekeeping personnel who are women.

Leadership



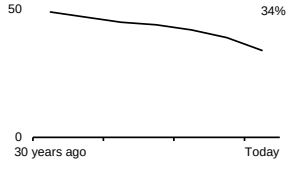
Share of seats held by women in national parliaments globally.

Women's rights



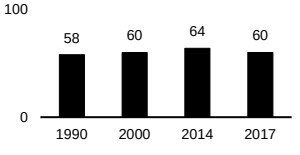
Screened bilateral allocable aid targeted toward gender equality.

Sexual health



Share of girls in 31 countries who experienced genital mutilation.

Reproductive health



Share of women aged 15-49 years using contraceptives.

Gender in trade agreements

Canada-United States-Mexico Agreement

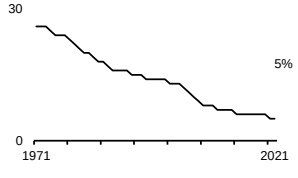
Comprehensive and Progressive Agreement for Trans-Pacific Partnership

Canada-EU Comprehensive Economic and Trade Agreement

Canada-Chile FTA

Canada-Israel FTA

Resource equity



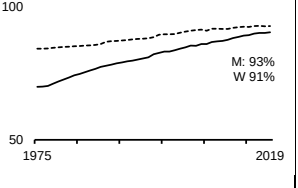
Countries without equal spousal administrative authority over assets.

Gender-based violence

Low- and middle-income countries	
Americas	30
Africa	37
Europe	25
Eastern Mediterranean	37
South-East Asia	38
Western Pacific	25
High-income countries	23

Share of women with experiences of intimate partner violence in 2010.

Education and skills



Literacy rate of youth aged 15-24 years.

Sources: United Nations, Inter-Parliamentary Union, OECD, UNICEF, World Bank, WHO.

Gender equality around the world has continued to improve as international organizations and governments recognize the importance of the empowerment of women and girls. Not only is gender equality a fundamental human right but there is significant evidence that unlocking the potential of all women and girls is the most effective way to reduce poverty and create a world that is more inclusive, more peaceful and more prosperous.

Although significant progress has been made in many countries around the world over the last two decades, there are still millions of women and girls who continue to be held back from achieving their full potential due to unequal access to resources, opportunities, and security. These inequalities start at birth and follow women throughout their lives. For example, in many countries, boys receive access to health care, nutrition, and education to the detriment of girls. All combined, the impact of a preference for boys and men over girls and women has led to an estimated 100 million women missing due to excessive mortality. In addition, in 41 countries, inheritance laws do not treat daughters and sons equally; in 38 countries, there are no laws prohibiting the dismissal of pregnant workers; and in 32 countries, there is no legislation specifically addressing domestic violence.

Gender-based violence and sexual exploitation also continue to act as significant barriers to women and girls around the world. For example, 12 million girls are married before reaching adulthood each year, almost one in three women has experienced intimate partner violence, and over 200 million women and girls in 31 countries have experienced female genital mutilation.

To help in the fight for global gender equality and women's rights, the federal government undertook a number of important actions, including supporting the implementation of Canada's Feminist International Assistance Policy through the International Assistance Envelope, welcoming an extra 1,000 vulnerable women and girls from various conflict zones around the world as government-assisted refugees, launching Her Voice, Her Choice, to enable the fight against sexual and gender-based violence, and helping women's organizations and networks in over 30 developing countries through the Women's Voice and Leadership Program. Canada also took to the world stage as a leader in advancing gender equality by creating the G7's first Gender Equality Advisory Council and leading G7 partners in committing to meaningful action to help improve the lives of women and girls around the world, co-hosting the first formal Women Foreign Ministers' Meeting, and leading trade missions supporting women-owned businesses through the Business Women in International Trade program, as well as launching a new Partnership for Gender Equality, bringing together the Government of Canada, the philanthropic community, the private sector and civil society.

During the COVID-19 pandemic, the challenges that women around the world were already facing have been amplified. Unpaid care work – predominantly carried out by women – increased as schools and child care services closed, more meals needed to be cooked at home, and public health authorities recommended more cleaning and disinfecting. Access to modern contraceptives and family planning diminished due in part to the diversion of resources away from sexual and reproductive health services and in part due to public health restrictions that limited access to or temporarily cancelled certain services, leading to a rise in unintended pregnancies and maternal mortality. Job losses and economic hardships have been felt across the globe but are particularly affecting women as

40 per cent of all working women, globally, are in the sectors that have been most impacted by the pandemic. And, crucially, job loss impacts have the potential to be particularly traumatizing for women, who traditionally earn less, save less, and have less financial independence than men. Poor working conditions in many women-dominated health-care related jobs, such as nursing, have also put many women at greater risk of transmission. Finally, shortfalls in humanitarian aid funding amid the COVID-19 pandemic may have placed millions of women and children fleeing violence at risk of starvation. Recognizing the uneven impact of COVID-19 on women, the government has committed to ensuring that international efforts to fight the pandemic are invested in line with the Feminist International Assistance Policy.

As long as gender equality around the world remains elusive, Canada will have a role to play in eliminating barriers to equality and helping to create better opportunities for women and girls. Recognizing this, Budget 2021 proposes the following measures:

- **Extending the Middle East Strategy** for another year.
- Addressing growing **international humanitarian assistance** needs around the world.
- Additional funding for the **Canadian Ombudsperson for Responsible Enterprise (CORE)**.
- Further enhancing Canada's contribution to the **International COVID-19 Response.**
- Supporting Canada's response to the **Rohingya crisis and the situation in Myanmar**.
- Sustaining Canada's effort on the **Venezuelan migrant and refugee crisis.**

For the details of the impacts of these Budget 2021 measures, please see the Impacts Report.

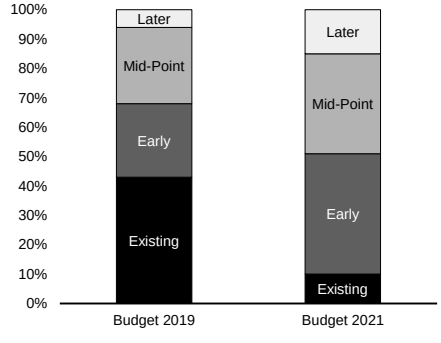
Summary of Budget 2021 Gender and Diversity Impacts

This year's budget is about securing the recovery and building a strong, more inclusive and more resilient economy. This government is committed to evidence-based decision making and taking into account impacts on people from a variety of perspectives. This approach has guided all decisions taken on the COVID-19 Economic Response Plan as well as all investments made in this budget.

Following the approach introduced in Budget 2019, the remainder of this chapter provides a summary of the impacts of the budget as a whole. This analysis is complemented by the comprehensive analysis of the impacts of individual budget measures in terms of gender, diversity and other factors as found in the *Budget 2021 Impacts Report*.

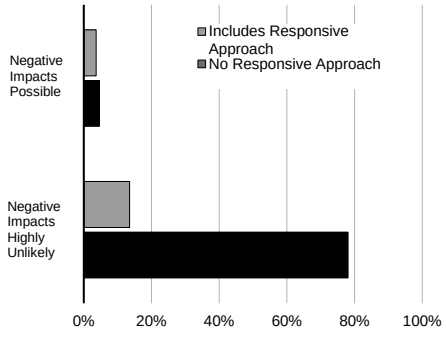
Timing of GBA+ and Responsive Approaches

Chart A4.1 When GBA+ was First Performed



Budget 2021 saw a greater proportion of GBA+ being performed in earlier stages, which is indicative of the continuous efforts the government is making to integrate gender and diversity considerations in policy development. There remains room for further improvement, however, considering the number of measures that are still reporting this analysis being performed at the later stages.

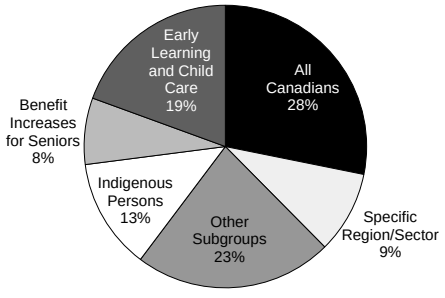
Chart A4.2 Responsive Approaches



A key purpose of conducting a GBA+ is to identify barriers to access or unintended negative impacts for specific groups so that mitigation strategies or responsive approaches can be developed to respond to these. Just under 10 per cent of measures identified a possible negative impact on some groups. For roughly half of these measures, a responsive approach was developed. Where negative impacts were identified as unlikely, over 15 per cent of measures incorporated a proactive approach to reduce potential barriers to access, up from 8 per cent in Budget 2019. Other measures were explicitly targeted at vulnerable groups.

Target Population

Chart A4.3 Share of Budget 2021 Investments ($ value of measures*)

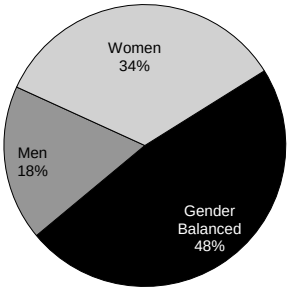


*Excluding Tax Fairness and Savings Measures.

While many measures in the budget are aimed at all Canadians (28 per cent of the budget), some measures target support to a specific group of the population or region/ sector (9 per cent). Targeted support is aimed at challenges or opportunities unique to subgroups of Canadians. For example, this year's budget includes significant support for Indigenous communities and businesses (13 per cent of the budget) and beneficiaries of two specific measures: early learning and child care i.e. women and families with young children (19 per cent) and benefit increases for seniors i.e. seniors age 75+ (8 per cent).

Expected Benefits: Gender

Chart A4.4 Share of Budget 2021 Investments ($ value of measures*)

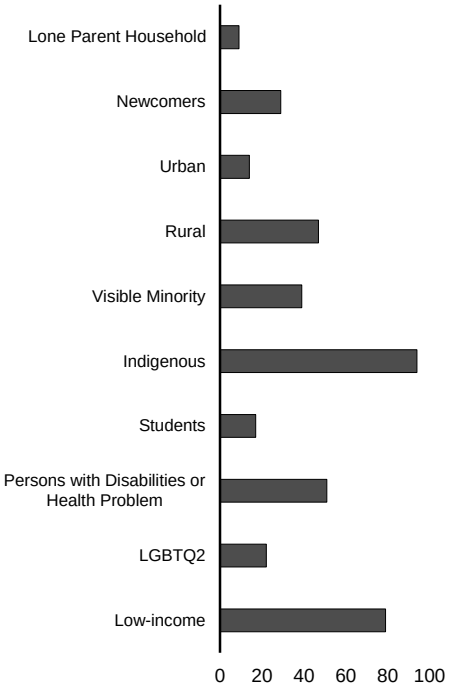


*Excluding Tax Fairness and Savings Measures.

A large percentage of Budget 2021 directly benefits women and men in equal proportions (48 per cent), while others carry benefits that are likely to disproportionately benefit women or men. A significant proportion (34 per cent) of this year's budget is expected to directly benefit women. In particular this reflects up to $30 billion in investments to *Establish a Canada-Wide Early Learning and Child Care System* which will directly create jobs for women and will support women's labour market participation and their responsibilities as caregivers. Other measures in Budget 2021 will address challenges faced more by men, for example *Ending Homelessness* (men represent 72 per cent of shelter users).

Expected Benefits: Additional Characteristics

Chart A4.5 Expected Benefits by Subgroup, Number of Measures



Budget measures were assessed in terms of expected direct and indirect benefits by various subgroups of Canadians. A number of measures in this budget are identified as helping Indigenous peoples, rural Canadians, and visible minorities. For example, *Indigenous Early Learning and Child Care* is expected to benefit Indigenous women, children and families while efforts to strengthen the *Canadian Race Relations Foundation* are expected to benefit racialized communities. Budget measures can also carry benefits for more than one group – for instance, improving *Food Security of Vulnerable Canadians* is expected to benefit Black, Indigenous and northern communities as well as low-income Canadians and lone-parent families.

Expected Benefits: Intergenerational and Income Distribution Impacts

Chart A4.6 Expected Intergenerational Impacts, Share of Budget 2021 Investments ($ value of measures*)

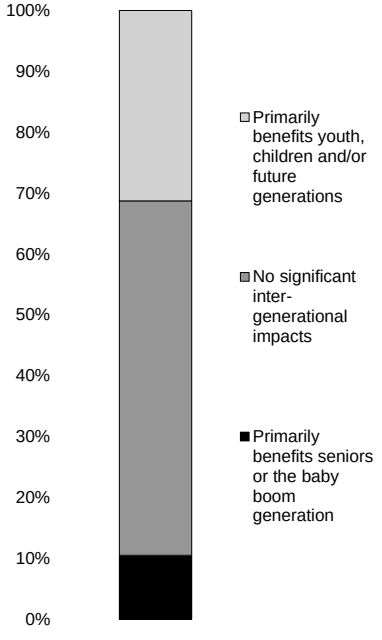
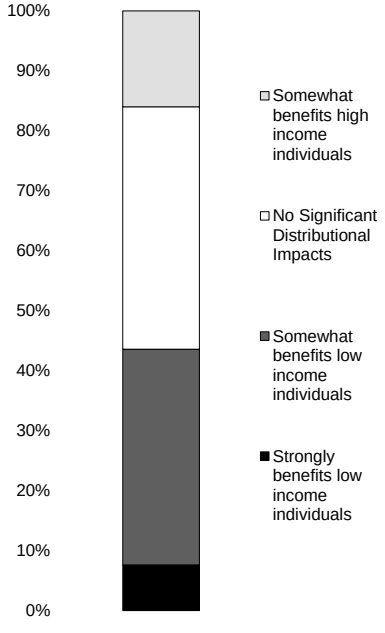


Chart A4.7 Expected Income Distribution Impacts, Share of Budget 2021 Investments ($ value of measures*)



*Excluding Tax Fairness and Savings Measures.

Budget 2021 measures were also evaluated with respect to how they affected Canadians at different generational and income levels. More than half of Budget 2021 investments are expected to benefit Canadians broadly equally across generations. A significant share (30 per cent) are expected to particularly benefit youth or future generations. For example, *Supporting Internships and Growing Businesses through Mitacs* directly benefits youth entering the labour market by expanding access to work-integrated learning opportunities for post-secondary students. This category in part also reflects many of the environmental budget measures, such as *Historic Investments in Canada's Natural Legacy* which are designed to benefit all Canadians, but assessed as particularly benefitting youth and future generations given that the ultimate impacts of climate change and loss of biodiversity will not be felt for several years.

A large proportion of the budget benefits lower-income Canadians. For example, enhancements to the *Canada's Workers Benefit* will benefit three million low-and modest-income workers through direct income support and by promoting longer term attachment to the labour force. A smaller portion of the budget is expected to benefit higher income Canadians. For example, *Growing Zero-emission Technology Manufacturing* will benefit all Canadians in the long term but immediate benefits will accrue to higher income technology manufacturers as these groups receive disproportionately large amounts of investment income.

Measuring What Matters: Quality of Life

The Government of Canada is working to better incorporate quality of life measurements into decision-making and budgeting based on international best practice, expert engagement, evidence on what shapes well-being, and public opinion research on what matters to Canadians.

The Government of Canada has made important progress over the years in understanding how societal trends and budget investments affect people differently. A logical next step is to focus more on the *nature* of these impacts. This means assessing progress on multiple fronts so decisions about priorities and investments are based on evidence of what will most improve Canadians' quality of life.

The COVID-19 pandemic has affected many dimensions of Canadians' quality of life, from health impacts and job losses to mental health and social isolation. Inequalities in our society and gaps in our social safety net have been revealed, and many Canadians are reflecting on what they value most. Governments are also assessing how best to promote recovery and build back better.

The experience of the pandemic in Canada and around the world has highlighted the importance of thinking "beyond GDP." It has long been understood that standard measures of economic progress like GDP do not capture the full range of the factors that, evidence shows, determine a good quality of life. GDP tells us how overall economic activity is growing, but little about how growth is distributed across our society. It fails to account for non-market economic activity, like care responsibilities, and environmental harms.

Recognizing the importance of factors beyond GDP does not imply a reduced focus on investing in a strong economy or prudent fiscal management; in fact these are critical to achieving and sustaining quality of life. Increasing Canada's GDP through productivity growth, labour market participation, and investment is crucial for raising Canada's national standard of living now and into the future.

> *"One in two Canadians (53%) feel that stronger growth in Canada's GDP is important to their day-to-day life. However, far more (82%) feel that measures beyond economic growth such as health and safety, access to education, access to clean water, time for extracurricular and leisure activities, life satisfaction, social connections, and equality of access to public services are important to their day-to-day life. In fact, nearly three quarters (71%) of respondents feel it is important that the government move past solely considering traditional economic measurements like levels of economic growth, and also consider other factors like health, safety, and the environment when it makes decisions."*
>
> Public Opinion Research by Earnscliffe
> Commissioned by the Department of Finance Canada, August 2020

Figure A4.2
Objectives of the Quality of Life Framework for Canada



While economic growth is important, there is now growing international interest in adopting broader measures of progress for decision-making. Building on the OECD's ''Better Life Initiative," more than half of its member countries now have "quality of life" or "well-being" policy initiatives. These differ in design and application, but share a common ethos: 1) a well-functioning society should focus on the well-being of its citizens, 2) the distribution of outcomes across society matters, and 3) governments should aim to achieve sustainable outcomes over time.

Governments have generally developed frameworks that track a set of indicators to monitor how the country is faring from a quality of life standpoint, using this evidence inform better policy and funding decisions based on the greatest opportunities for cost-effective interventions.

With renewed attention on what Canadians value most, the pandemic offers an opportunity to "build back better" toward a society that is more prosperous, inclusive, and sustainable. Canada has been working towards these objectives prior to the pandemic, making important investments in long-term economic growth, poverty reduction and housing, and taking action on the climate crisis.

The **OECD**'s **Better Life Initiative** develops statistics that capture aspects of life that matter to people and that help shape the quality of their lives

In 2019, **New Zealand** released the world's first **Well-being Budget** based on the NZ Treasury's Living Standards Framework, setting well-being priorities at the outset of the annual budget cycle.

Scotland's National Performance Framework articulates outcomes related to quality of life and sustainability, aligning the efforts of the public, private and not-for-profit sectors to achieve them.

In 2020, **France** announced its **green budgeting initiative**, evaluating its national budget against its Paris Agreement objectives.

A quality of life framework can bring together these and other objectives, such as social cohesion and resilience. This integrated approach can serve as a north star for policy development and budgeting; articulating priorities based on what matters most for Canadians' quality of life. Work to do this is well underway. In December 2019, the Minister of Middle Class Prosperity and Associate Minister of Finance was tasked with better integrating quality of life measurements into decision-making and budgeting. Guided by conversations with experts, nations that are advanced in their thinking about well-being, provinces and territories, Indigenous partners, and feedback from Canadians themselves, officials across the government have teamed up to create a draft "made-in-Canada" approach.

Figure A4.3
Architecture of the Quality of Life Framework for Canada



The Quality of Life Framework is based on evidence about the factors that matter most to Canadians: prosperity, health, environment, social cohesion, and good governance. It uses disaggregated data to look at the distribution of these outcomes through a "Fairness and Inclusion" lens, and considers long-term dynamics through a "Sustainability and Resilience" lens. You can learn more about the proposed framework in this discussion paper on the Department of Finance Canada website. Dialogue will continue on the framework and its evergreen set of indicators.

This framework is already beginning to inform decisions. Consideration of how each budget proposal affects the various dimensions and indicators of this framework helped achieve the right mix of measures with an appropriate focus on building a strong, inclusive and sustainable recovery. Moving forward, the framework will continue to underpin how we monitor progress in "building back better" to improve Canadians' quality of life now and into the future.

> *"Last but not least, hard-wiring well-being into policymaking could make an important contribution to "building back better". Our forthcoming Economic Survey looks at how measures of well-being can be used in policymaking. Canada's commitment to developing a well-being framework can help to ensure that the slogan of "building back better" is translated into an actionable set of outcomes and concrete measures."*
>
> – Angel Gurría, Secretary-General, OECD,
> Address to the Empire Club of Canada, February 2021

Annex 5
Budget 2021 Impacts Report

This section considers how each Budget 2021 measure affects Canadians—both *who* is most affected and the *nature* of the impacts at a high level.

The *Canadian Gender Budgeting Act* was passed by Parliament in December 2018, enshrining the government's commitment to decision-making that takes into account the impacts of policies on all types of Canadians. The Act legislated the government's commitment to publish information on the gender and diversity impacts of all new budget measures. Starting in Budget 2019, the government's budget documents have included analysis of the impacts of individual budget measures, providing transparency into the analysis that is performed as part of the policy development and budgeting processes. This analysis continues to be a work in progress, and is often limited by the availability of data, especially for certain identity factors such as race, gender identity, and disability. But under the leadership of the Minister for Women and Gender Equality and Rural Economic Development, the Minister of Diversity and Inclusion and Youth, the Minister of Employment, Workforce Development and Disability Inclusion, and the Minister of Middle Class Prosperity and Associate Minister of Finance, departments continue to work at modernizing and improving the quality of this analysis, with particular attention to the intersectional analysis of race, Indigeneity, disability, and gender identity. These insights were instrumental in informing the development and evolution of the COVID-19 Economic Response Plan. Going forward, new Budget 2021 investments in Statistics Canada should help improve Canadians' access to disaggregated data.

Reflecting the feedback of experts who have been advising the Department of Finance Canada on its gender budgeting practices on a periodic basis, this report devotes more space to measures that are more relevant from a gender and diversity standpoint, while ensuring a basic level of coverage for all budget measures. Budget 2021 measures which are expected to advance the Gender Results Framework are placed at the beginning of this report.

This report is also expanded this year to contain additional information on the *nature* of the impacts expected from each budget measure, reflecting the government's commitment to better incorporate quality of life measurements into decision-making and budgeting. As outlined in *Measuring what Matters*, the government is beginning to track progress on a range of fronts to ensure that priorities and decision-making are based on evidence of what will most improve current and future Canadians' quality of life. As an illustration of initial steps in that direction, this report includes information on how individual budget measures advance various dimensions and indicators of the draft quality of life framework.

Notes on Terms and Fields

Title and Context: Each title is linked with its corresponding entry in the budget text. Click the title of a GBA+ to view the description of the measure.

Text section: contains information on the key impacts of the measures from a gender and diversity and quality of life perspective, including direct and indirect impacts, both positive and negative, where applicable. Key facts and data sources are included in this section.

GBA+ Timing: GBA+ can be conducted at various stages throughout the development of a government policy, program, or initiative. High-quality GBA+ requires early attention to develop effective options and strategies for delivering programs and services to Canadians. For GBA+ to be most valuable, it is ideally built directly into the early stages of the policy development process. This section identifies when the GBA+ was conducted.

■□□	Early in the idea development phase (when proposals are being developed)
□■□	Mid-point (as proposals are being finalized)
□□■	Later stage (after proposals are finalized, prior to submission of proposal)
■ *Existing*	GBA+ was previously performed on the existing program (in cases where an existing program is seeking a renewal of funding). If the proposal is for an existing program, it was either modified to reflect the changes to the program or was confirmed to reflect that the program hasn't changed since the GBA+ was last conducted.

Quality of Life Impacts: Describes the primary domains of the framework each budget measure is expected to advance and lists relevant indicators. Primary domains for each measure are indicated through a darker "active" icon.



Prosperity – the economic domain, encompassing income and growth, employment and skills and learning and economic security.



Health – physical and mental health, and care systems that enable people to thrive through all stages of life.



Environment – natural and built environments that meet human needs such as clean air and water, as well as ecological integrity and stewardship dimensions such as greenhouse gas emissions.



Society – includes culture and identity, inclusion, social cohesion and connection, and time use.



Good Governance – includes democracy and institutions, safety and security and justice and human rights.

Target Population: Describes the group whom the measure is intended to benefit. This section is not intended to describe the expected impacts, but rather the motivation and policy intent behind the measure.

Expected Benefits

Gender: This section collects information on the expected gender characteristics of the benefitting group. The scale is explained as follows:

Predominantly men (e.g. 80 per cent or more men)


60 per cent - 79 per cent men


Broadly gender-balanced


60 per cent - 79 per cent women

Predominantly women (e.g. 80 per cent or more women)

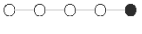
Income Distribution: This indicator describes expected impacts of the measure from an income distributional perspective. The scale is explained as follows:


Strongly benefits low income individuals (Strongly progressive)


Somewhat benefits low income individuals (Somewhat progressive)


No significant distributional impacts

Somewhat benefits high income individuals (Somewhat regressive)


Strongly benefits high income individuals (Strongly regressive)

Inter-generational: Inter-generational impacts identify the age cohort receiving the benefits or which is likely to disproportionately benefit.


Primarily benefits youth, children and/or future generations


No significant inter-generational impacts or impacts generation between youth and seniors

Primarily benefits seniors or the baby boom generation

Additional Characteristics: Highlights other notable characteristics of beneficiaries (i.e. race, region, ability, Indigeneity, region, sector, etc.).

Gender Results Framework (if applicable): For measures that advance a goal or objective of Canada's Gender Results Framework (GRF), an icon and associated GRF pillar is listed. Although only gender is included in the title of the Framework, it is aligned with the Government of Canada's policy of GBA+, ensuring that gender is considered in relation to other intersecting identity factors.

Additionally, a measure may advance more than one goal under one or more pillars; however, in this report, only the primary pillar is listed. More information on these goal statements, objectives, and indicators can be found on Women and Gender Equality Canada's website: https://women-gender-equality.canada.ca/en/gender-results-framework.html.

GBA+ Responsive Approach (if applicable): Includes any effort in place to minimize possible negative impacts of a measure on certain individuals or groups, or any plans to proactively reduce barriers to participation.

Education and Skills Development

The following Budget 2021 measures are expected to advance the Education and Skills Development Pillar under the Gender Results Framework.

Helping Youth and Students Build Job Skills and Connect with Employers

Investments in youth employment and job skills training will directly benefit youth (ages 15-30), including vulnerable youth facing multiple barriers to employment and groups under-represented in the labour market such as racialized and Indigenous youth, women in certain skilled trades, as well as some newcomers to Canada. It is also expected that young women will see slightly more benefit than men, as young women have been disproportionately economically affected by the pandemic compared to other demographics, including experiencing higher rates of job loss.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Child, student and adult skills; Youth not in employment, education or training*

Target Population:	Youth
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Vulnerable and Under-represented Youth, Young Women
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

Opportunities for Businesses and Young Workers Through Mitacs

This program directly benefits youth since it will expand the number of work-integrated learning opportunities for post-secondary students. It will also directly benefit businesses that get access to highly-qualified individuals. As Mitacs' internships tend to focus on science, technology, engineering and mathematics (STEM) subjects, in which men are overrepresented, it is likely that men would benefit more than women from these opportunities. Relative to their share of the labour force, visible minorities are also more likely to work in STEM fields. Women make up only 34 per cent of STEM bachelor degree holders and men account for 53 per cent of college enrolments in STEM programs. Men are also more highly-represented among Canadian business owners.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Future outlook; Productivity*

Target Population:	Students, Businesses
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Students, Businesses
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*
Gender Results Framework	Economic Participation and Prosperity

GBA+ Responsive Approach

Mitacs is committed to improving diversity as an organization and among program participants. It has a strategy in place to improve equity and diversity, particularly among four underrepresented groups: women, visible minorities, people with disabilities, and Indigenous peoples.

Supporting Vulnerable Children and Youth during the Recovery

This program directly benefits youth as it specifically targets students who are at risk of dropping out of school. Since students at the greatest risk of dropping out are those who face systemic and individual barriers in their daily lives, the program's main beneficiaries will be students from low-income households, marginalized and racialized communities, and those living in rural and remote regions.

Data Sources: *Internal Administrative Data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Post-secondary attainment; Child, student and adult skills; Youth not in employment, education or training*
Society – *Sense of belonging to local community*

Target Population:	Vulnerable Youth
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Students, Marginalized and Racialized Communities, Rural and Remote Regions
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

Creating New Opportunities for Skilled Tradespeople

This program will disproportionately benefit young men as they are overrepresented in most Red Seal trades. 53 per cent of apprentices are under 25 years of age, 86 per cent are men, 91 per cent are Canadian-born, and 56 per cent had a high school diploma as their highest level of education when starting an apprenticeship. Women comprised about 14 per cent of apprentices overall, and fewer women than men apprentices were registered in a Red Seal trade (59 per cent versus 81 per cent). Across the top 10 Red Seal trades, women were more likely than men to be hairstylists or cook apprentices. However, the number of women entering an apprenticeship program in a male-dominated trade (e.g. carpentry, electrical) has more than doubled in the last decade. Indigenous apprentices comprised about six per cent of apprentices overall, while immigrants comprised about nine per cent apprentices overall.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Student and adult skills; Post-secondary attainment*

Target Population:	Apprentices and Employers who Hire Them
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Students
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

GBA+ Responsive Approach

An additional $5,000 per apprentice position ($10,000 in total) will be provided to incent employers to hire and train apprentices from underrepresented groups, including women, Black and racialized Canadians.

Helping Employers Train and Recruit Workers

This program is expected to benefit men and women relatively equally, with benefits accruing differently depending on the specific projects and sectors supported. Projects in the health sector are likely to disproportionately benefit women, as they currently hold 80 per cent of jobs in the sector. Projects in the energy sector are likely to benefit men disproportionately, as women make up 22 per cent of the energy production workforce, 55 per cent of which are in business administration or accounting.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Labour market participation; Adult skills*

Target Population:	Displaced Workers, Lower-skilled Individuals
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Health Sector, Energy Sector, Construction Sector
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

GBA+ Responsive Approach

The program will integrate criteria into its project proposal assessment process to ensure that at least 40 per cent of program participants are from underrepresented groups such as women and persons with disabilities.

Supporting Skills for Success

While supports will be available to all Canadians, including those with higher education and in high skilled jobs, this program will disproportionately benefit adults with low skills, with gender impacts expected to be roughly even. Men display higher numeracy proficiencies than women while, in general, women and men display similar proficiencies in literacy. In addition, newcomers show lower proficiency in literacy and numeracy than the Canadian-born population, while 35 per cent of off-reserve First Nations people and 50 per cent of Métis had literacy skills required to compete in a knowledge-based economy, compared with 57 per cent for non-Indigenous adults.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Student and adult skills; Future outlook*

Target Population:	Low-skilled Workers
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Low-skilled Canadians
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

GBA+ Responsive Approach

To maximize participation of vulnerable groups, significant and targeted outreach will be conducted with stakeholder groups that have expertise and experience serving these populations prior to launching calls for proposals. Additionally, data collection and analysis will occur for each project to assess participation.

Ensuring Communities Recover Through Skills Training and Workforce Planning

Benefits of this program are expected to be gender balanced, accruing differently depending on specific projects supported. Groups traditionally underrepresented in the labour market such as youth, persons with disabilities, newcomers, Black Canadians and other racialized individuals, Indigenous peoples and older workers may benefit more given that 75 per cent of funding will be dedicated to addressing the labour market needs of these populations. In addition, the program will ensure that the needs of diverse communities including urban, rural and remote are considered.

Data Sources: *Internal administrative data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Household incomes; Employment; Student and adult skills*

Society – *Sense of belonging to local community*

Target Population:	Underrepresented Groups, All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Underrepresented Groups
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

Extending Federal Supports for Adults Who Return to School Full-Time

This program directly targets low and middle-income adults who have been out of high school for at least ten years and choose to return to post-secondary education on a full-time basis. Adult students face significant financial pressures related to housing costs, dependants (47 per cent reported caring for a dependant in 2018), education savings for children, pre-existing debts and saving for retirement. Women account for approximately 64 per cent of the recipients of the adult learner top-up grant to-date. Overall, an estimated 60 per cent of top-up grant recipients say the grant was an important factor in their decision to return to school.

Data Sources: *Internal Administrative Data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Post-secondary attainment; Adult skills; Financial well-being; Future outlook*

Target Population:	Adult Students
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Students
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Education and Skills Development

Doubling the Canada Student Grants for Two Additional Years

This program directly targets students from low and middle-income families. Women make up a majority of students in post-secondary education, and represented 60 per cent of student financial aid recipients in 2018-19. Additionally, more than two thirds of student financial aid recipients are under the age of 25 (72 per cent in 2018-19).

This program will provide additional financial aid to students with disabilities and students with parents who have above-average levels of total financial need compared to their peers.

Data Sources: *Internal Administrative Data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Financial well-being; Post-secondary attainment; Future outlook*

Target Population:	Students from Low and Middle-income Families
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Low-income Students, Students with Disabilities
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Education and Skills Development

Providing Relief from Student Debt

As of March 2020, women represented 61 per cent of all borrowers with outstanding federal student loan debt. Women are also more likely to require assistance repaying student loan debts, representing 66 per cent of participants in the Repayment Assistance Plan.

Approximately half of all Repayment Assistance Plan recipients in 2018-19 were below the age of 30, and 85 per cent had incomes low enough that they did not have to make payments on their loans. Approximately three quarters of all repayment assistance recipients have been out of their studies for less than five years.

Data Sources: *Internal Administrative Data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Household debt service ratio; Financial well-being*

Target Population:	Youth with Student Debt
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Students
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Education and Skills Development

Expanding Access to Supports for Students and Borrowers with Disabilities

This program directly targets an estimated 40,000 current and former students per year with persistent and prolonged disabilities. Women currently represent 61 per cent of recipients of the Canada Student Grant for Persons with Disabilities and 65 per cent of recipients under the Repayment Assistance Plan for Persons with Disabilities, which provides loan deferrals and forgiveness exclusively to low-income borrowers who experience difficulty making student loan payments. Among the broader population, 15 per cent of women and 10 per cent of men report having a disability, and students with disabilities generally have the highest levels of need not covered by student financial assistance programs.

Data Sources: *Internal Administrative Data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Post-secondary attainment; Financial well-being; Future outlook*
Society – *Accessible environments*

Target Population: Students with Disabilities

Expected Benefits:

Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Students with Disabilities
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

Providing High-quality Education for First Nations

These investments will benefit individuals of all genders, however the greatest gains may be for First Nations boys and men who are less likely to complete their secondary education. Students, teachers and communities will benefit from measures to keep schools safe during COVID-19. In 2016, 44 per cent of the First Nations population on reserve ages 18 to 24 had completed high school, compared to 88 per cent of the non-Indigenous population. Investments in adult education will allow First Nations to offer programs that respond to the unique, often gendered circumstances that prevent people from completing their high school education.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Child, student and adult skills; Youth not in employment, education or training; Future outlook*
Health – *COVID-19 incidence*
Society – *Indigenous languages; Sense of belonging to local community*

Target Population: First Nations Children and Adults Living on Reserve

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	First Nations
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

Promoting Official Languages

Funding for official languages is expected to directly benefit students and youth from official language minority communities who will have greater access to opportunities to study in their language of choice and benefit from additional community spaces and educational infrastructure. In Canada, more than a million Francophones live outside Quebec and more than 1.1 million Anglophones live in Quebec. Knowledge of official languages and an increase in training and bilingualism will improve employment opportunities for young Canadians, especially for those living in remote or rural communities. Post-secondary institutions train the bilingual workforce required for the vitality of official language minority communities and the promotion of bilingualism, such as French-language teachers and early childhood educators. As women make up 70 per cent of education services, they are expected to indirectly benefit. Investments will also support jobs in construction, with these indirect benefits accruing disproportionately to men.

Data Sources: *Statistics Canada, Provincial Government Reports*

Quality of Life Impacts



Prosperity – *Child, student and adult skills; Future outlook*
Society – *Knowledge of official languages; Sense of pride/belonging to Canada; Sense of belonging to local community*
Good Governance – *Confidence in public institutions*

Target Population:	Students in Official Language Minority Communities
Expected Benefits:	
Gender:	Men ○—○—●—○—○ Women
Income Distribution:	Low ○—○—●—○—○ High Income
Inter-generational:	Youth ●—○—○ Senior
Additional Characteristics:	Official Language Minority Communities, Teachers, Construction Sector
GBA+ Timing:	Early ■□□ Later □ Existing
Gender Results Framework	Education and Skills Development

Supporting Post-secondary Education in the North

The measure is expected to benefit residents of the Northwest Territories, with an emphasis on youth. Indigenous peoples represent over 50 per cent of the population in the Territories. The transformation of the college to a polytechnic university will also benefit lower-income individuals and families, through increased access to degree programs along with applied training in order to obtain skills needed in the workforce.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Post-secondary attainment; Future outlook*

Target Population:	Residents of the Northwest Territories
Expected Benefits:	
Gender:	Men ○—○—●—○—○ Women
Income Distribution:	Low ○—●—○—○—○ High Income
Inter-generational:	Youth ●—○—○ Senior
Additional Characteristics:	Residents of the Northwest Territories, Indigenous peoples
GBA+ Timing:	Early □□■ Later □ Existing
Gender Results Framework	Education and Skills Development

Supporting Indigenous Post-Secondary Education during COVID-19

These investments will benefit Indigenous students, the majority of whom are young women. Women have historically made up approximately 69 per cent of students funded through the Post-Secondary Student Support Program. Post-secondary education attainment rates of Indigenous people are approximately 18 per cent lower than those of their non-Indigenous counterparts, and COVID-19 interruptions risk accelerating these inequalities. Obtaining a post-secondary qualification can have a significant positive impact. In 2016, the employment rate for the First Nations population living on reserve with no certificate, diploma or degree was 33 per cent. This increased to 49 per cent for those with a high school diploma or equivalent, and again to 65 per cent for those who had attained a post-secondary certificate, diploma or degree. Indigenous-led post-secondary institutions also preserve and strengthen Indigenous languages and cultures.

Data Sources: *Statistics Canada, Indigenous Services Canada*

Quality of Life Impacts



Prosperity – *Child, student and adult skills, Post-secondary attainment*

Society – *Indigenous language; Vibrant communities*

Target Population:	First Nations, Inuit and Métis Nation Students
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	First Nations, Inuit and Métis Nation Students
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	Education and Skills Development

Teaching Kids to Code

CanCode has a focus on reaching girls, Indigenous youth, youth with disabilities, and youth living in rural, remote, and northern communities to increase their representation in science, technology, engineering, and mathematics training.

About seven per cent of Canadians under the age of 24 are Indigenous and, in CanCode's first three years, between 6 and 9 per cent of participants have been Indigenous youth. Between 45 and 49 per cent of CanCode participants were girls, consistent with their 48.6 per cent share of the school-aged population.

About 19 per cent of Canadians live in rural areas, and between 16 and 20 per cent of CanCode participants were youth living in rural areas. About 4 per cent of the population aged 15 to 24 report having a disability, compared with between one and 2.5 per cent of CanCode recipients.

Data Sources: *Internal program data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Child, student and adult skills; Future outlook*

Target Population: Youth, Teachers

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Indigenous Youth, Rural and Remote Communities

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Gender Results Framework



Education and Skills Development

GBA+ Responsive Approach

By ensuring that all its programs are free to participants, CanCode helps to reduce income-based barriers to participation. CanCode also targets gender-balanced cohorts in its programming.

Economic Participation and Prosperity

The following Budget 2021 measures are expected to advance the Economic Participation and Prosperity Pillar under the Gender Results Framework.

Establishing a Canada-Wide Early Learning and Child Care System

This measure primarily targets parents with young children, particularly mothers who often retain primary caregiving responsibilities. It will also be of particular benefit to early childhood educators, 96 per cent of whom are women.

Women, particularly those with young children, have lower labour market participation rates than men. In 2019, only 83 per cent of women between the ages of 25 and 44 participated in the labour force, whereas men in the same age range participated at a rate of 91 per cent. Young women with children are at higher risk of not being in education, employment or training. Access to affordable early learning and child care will increase women's labour market participation and shrink the gender participation gap as more mothers enter the workforce.

Families of all income ranges will see reduction in fees. Funding for a Canada-wide early learning and child care system will also support efforts to attract and retain high-quality early childhood educators, who are predominantly women and face challenges such as low wages, poor working conditions, and a lack of career advancement opportunities.

There is significant research that shows high-quality child care supports positive child development outcomes such as improved cognition and social skills, particularly among children from disadvantaged families.

Data Sources: *Statistics Canada, internal administrative data*

Quality of Life Impacts



Prosperity – *Access to early learning and child care; Employment; GDP per capita; Youth not in education, employment or training*
Health – *Children vulnerable in early development*
Society – *Time use*

Target Population: Families with Young Children

Expected Benefits:

Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Parents currently in, wanting to remain in, or looking to join the labour force, Early Childhood Educators

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

Gender Results Framework



Economic Participation and Prosperity

GBA+ Responsive Approach

The federal government will work with provincial and territorial partners to prioritize the provision of high-quality child care through support for a robust and growing not-for-profit sector, and ensure inclusion and equality of opportunity for children of all socio-economic backgrounds, including Black and other racialized children, Indigenous children in urban and northern communities, children from Official Language minority communities and children with disabilities.

Indigenous Early Learning and Child Care

This investment will benefit Indigenous women, children, and families by increasing opportunities for labour force participation and reducing unpaid caregiving time use pressures, contributing to healthy child development, and benefiting workers in the sector. The labour market impacts of COVID-19 have had a deeper and longer-lasting impact on Indigenous people. Employment among Indigenous women, in particular, remains below pre-pandemic levels.

Access to flexible, high quality child care has been shown to increase participation in work, education or training by parents—particularly mothers—and could play a role in addressing these disparities.

First Nations, Inuit, and Métis children are more likely to live in poverty compared to the overall Canadian average. Access to high quality, culturally relevant programming will help improve school readiness, long-term development, and life outcomes, and empower young children with a strong sense of identity.

These investments will also benefit Indigenous early childhood educators, who are overwhelmingly women, by allowing child care providers to raise wages, provide upskilling opportunities, and create training programs and jobs for new entrants.

Data Sources: *Statistics Canada, ESDC*

Quality of Life Impacts



Prosperity – *Access to early learning and child care; Employment; GDP per capita; Future outlook, Youth not in education, employment or training*
Health – *Children vulnerable in early development*
Society – *Indigenous languages; Time use*

Target Population: Indigenous Families with Young Children

Expected Benefits:

Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Indigenous Families, Early Childhood Educators

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

Gender Results Framework



Economic Participation and Prosperity

Strengthening Long-Term Care and Supportive Care

The pandemic has disproportionately affected the long-term and supportive care sectors in Canada. Over 2,500 care homes experienced an outbreak between March 1, 2020, and February 15, 2021, resulting in the deaths of over 14,000 residents and close to 30 staff. This represents more than two-thirds of Canada's overall COVID-19 deaths. About 80,000 residents and staff of LTC and retirement homes have been infected, representing 10 per cent of all COVID-19 cases in Canada.

This funding directly benefits seniors and persons with disabilities who require long-term care and supportive care. Women are expected to particularly benefit as 65 per cent of patients in residential continuing care facilities are women.

Health care providers, particularly personal support workers, and informal caregivers are also expected to benefit from the additional work and improved working conditions created through this funding. The vast majority of care providers in supportive care are women, with a significant portion of these individuals being newcomers or immigrants, especially among personal support workers.

Of the 245,500 people employed as nurse aides, orderlies and patient service associates in Canada in 2016, more than a third (87,925) were immigrants. Women accounted for the majority of these workers among both immigrants (86 per cent) and non-immigrants (87 per cent).

Data Sources: *CIHI, Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Wages*
Health – *Long-term care (access and quality); Home care needs met; Health-adjusted life expectancy*
Society – *Sense of belonging to local community; Someone to count on; Time use*

Target Population:	Seniors and Persons with Disabilities
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—○—● *Senior*
Additional Characteristics:	Persons with Disabilities, Personal Support Workers, Newcomers or Immigrants
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	 Economic Participation and Prosperity

Supporting Black Canadian Communities

Not-for-profit organizations and charities serving Black communities support a range of needs, including health and well-being services, educational programming, skill development workshops, employment services, and other initiatives addressing gaps and barriers due to discrimination and unfair treatment in Canadian institutions.

The majority of Black Canadians are under 30 years old and live in census metropolitan areas. Compared to the Canadian average, Black Canadians are more likely to face financial insecurity, and they are more likely to be newcomers to Canada.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Child, student and adult skills; Future outlook*
Health – *Self-rated mental health; Children vulnerable in early development*
Society – *Sense of belonging to local community; Satisfaction with personal relationships*
Good Governance – *Discrimination and unfair treatment*

Target Population:	Black Canadians
Expected Benefits:	
Gender:	Men ○—○—●—○—○ Women
Income Distribution:	Low ●—○—○—○—○ High Income
Inter-generational:	Youth ●—○—○ Senior
Additional Characteristics:	Black Canadians, Newcomers to Canada
GBA+ Timing:	Early ■□□ Later □ Existing
Gender Results Framework	 Economic Participation and Prosperity

Helping Workers Transition to New Jobs

This initiative will help underemployed, lower income, mid-career Canadians in disrupted industries transition to higher-paying jobs in newer industries.

Additionally, by including processes to mitigate hiring biases for racialized Canadians, women, and older workers, this initiative will specifically help women and other underrepresented workers transition into new industries. This measure will also benefit companies that are able to hire from new pools of workers to help their businesses grow. However, benefits to companies will likely be unevenly distributed as 63.5 per cent of small and medium-sized enterprises are majority-owned by men.

Quality of Life Impacts



Posterity – *Firm growth; Household incomes; Student and adult skills; Future outlook*

Target Population:	Workers Facing Transition
Expected Benefits:	
Gender:	Men ○—○—●—○—○ Women
Income Distribution:	Low ○—●—○—○—○ High Income
Inter-generational:	Youth ○—●—○ Senior
Additional Characteristics:	Workers Facing Transition, Firms Seeking Skilled Workers
GBA+ Timing:	Early ■□□ Later □ Existing
Gender Results Framework	 Economic Participation and Prosperity

GBA+ Responsive Approach

This initiative is designed to proactively mitigate risks and hiring biases that disadvantage certain groups, particularly racialized minorities, women, and older workers, while also encouraging their participation in growing sectors of the economy.

Reforming Canada's Pardon Process

Approximately 10 per cent of Canadians have a criminal record. This initiative is expected to facilitate their reintegration into society. This measure will primarily benefit men, who in 2018-19, represented 87 per cent of those admitted to correctional facilities. Groups that are overrepresented in the criminal justice system are also expected to directly benefit, including Indigenous peoples, who account for 30 per cent of admissions to federal custody, while only accounting for five per cent of the Canadian population, as well as Black Canadians, who account for 7.2 per cent of federal inmates despite representing 3.5 per cent of Canadians.

In addition, the reduction of the application fee and funding for community support services will increase accessibility to pardons, particularly for lower-income and marginalized applicants. More broadly, this measure will benefit not only applicants, but society in general. For example, Canadians who obtain a pardon are more likely to gain employment and suitable housing.

***Data Sources**: Statistics Canada, Public Safety Canada, Office of the Correctional Investigator*

Quality of Life Impacts



Prosperity – *Employment; Financial well-being*
Health – *Self-rated mental health*
Society – *Sense of belonging to community*

Target Population:	Individuals with a Criminal Record
Expected Benefits:	
Gender:	*Men* ● ○ ○ ○ ○ *Women*
Income Distribution:	*Low* ● ○ ○ ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Indigenous peoples, Black Canadians
GBA+ Timing:	*Early* □ ■ □ *Later* □ *Existing*
Gender Results Framework	*Economic Participation and Prosperity*

Helping Charities, Non-profits, and Social Purpose Organizations Grow via the Social Finance Fund

The Social Finance Fund was designed through a lens of equity and inclusion to support social purpose organizations (e.g. charities, non-profits, mission-focused for-profits, social enterprises). This initiative is expected to have significant positive impacts for underrepresented and marginalized groups served by these organizations, including women, Indigenous communities, low-income individuals, Black and racialized people, recent immigrants and refugees, members of the LGBTQ2 community, and persons with disabilities. Moreover, a social equity investment lens will help ensure diversity analysis is incorporated into investment decision-making processes. This lens will be applied to wholesaler selection, disaggregated data collection, reporting requirements, and other elements of the Social Finance Fund's design. The majority of workers in social purpose organizations are women.

Data Sources: *Statistics Canada, OECD, Canada Social Enterprise Survey*

Quality of Life Impacts



Prosperity – *Child, student and adult skills; Future outlook*
Health – *Self-rated health; Self-rated mental health*
Society– *Social participation; Volunteering; Sense of meaning and purpose*

Target Population:	Social purpose Organizations and their Clients, Vulnerable and Marginalized Groups
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Social Sector
GBA+ Timing:	*Early* □□■ *Later* ■ *Existing*
Gender Results Framework	Economic Participation and Prosperity

GBA+ Responsive Approach

Social investment managers will develop plans to monitor and ensure that funds reach a diversity of social purpose organizations and beneficiary populations. In addition, the change in funding instrument to conditionally repayable contributions is likely to promote greater investments into currently underserved segments of the social purpose sector.

Helping Charities, Non-profits, and Social Purpose Organizations Grow via the Investment Readiness Program

The renewed program will fund social purpose organizations (e.g. charities, non-profits, social enterprises) to advance a broad range of socio-economic objectives for diverse populations. The program is committed to providing equitable access to all Canadian social purpose organizations, and it will build on partnerships with organizations such the Canadian Women's Foundation and National Aboriginal Capital Corporations Association to support social purpose organizations facing barriers in accessing social financing, such as those led by or serving women, Indigenous people, and more. The renewed program will strengthen employment opportunities for women, Indigenous people, persons with disabilities, Black Canadians, LGBTQ2, and other marginalized groups to support a more inclusive and diverse workforce.

Data Sources: *Statistics Canada, Women and Gender Equality Canada, Canadian Social Enterprise Survey, Charity Village, Imagine Canada, Ontario Nonprofit Network, Canadian Women's Foundation, Canada Council for the Arts*

Quality of Life Impacts



Prosperity – *Firm growth; Investment in R&D; Thriving non-profit sector*
Society – *Sense of belonging to local community*

Target Population: Social Purpose Organizations

Expected Benefits:

Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Vulnerable and Marginalized Groups Served by Social Purpose Organizations
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Gender Results Framework



Economic Participation and Prosperity

Support for Personal Support Workers

Personal support workers are often captured under the occupational categories of nurse aides, orderlies and patient service associates. The 2016 Census indicates that 86 per cent of these front-line care providers were women and more than one-third were immigrants (compared to one-quarter of all other occupations). This sub-group was also more likely to identify as a visible minority (34 per cent) than workers in other occupations (21 per cent), with Black and Filipino women especially overrepresented. While the initiative is preliminarily assessed as mainly benefiting women, my65+ is open to both Service Employees International Union's members and their families, and may have broader benefits once the eligibility criteria for receipt of funding are finalized.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Financial well-being*

Target Population: Frontline Care Workers

Expected Benefits:

Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Care Workers, Members of Visible Minority Communities, Newcomers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Gender Results Framework



Economic Participation and Prosperity

Investing in Telefilm Canada and Encouraging Diverse Voices in Canadian TV and Film

Funding will allow Telefilm Canada to continue to support audiovisual production excellence in Canada by modernizing its current suite of programs in response to increasing digitization in the audiovisual sector and global demand for content. In addition, targeted funding for Telefilm Canada and the Canada Media Fund will be used to directly benefit underrepresented professionals in the industry, including women, people with disabilities, LGBTQ2, people of colour, Black, and Indigenous creators. Women, especially women of colour and Indigenous women, continue to be underrepresented across most jobs in film and television production in Canada. Women of colour represent less than one per cent of TV writing roles and five per cent of directing roles. While women make up more than half of arts and culture workers generally in Canada, they continue to earn a lower average hourly rate than men who work in the sector.

Data Sources: *Women in View, 2019, Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment*
Society – *Social participation; Sense of pride/belonging to Canada*

Target Population: Audiovisual Industry

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*

Income Distribution: *Law* ○—●—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Black, Indigenous, People of Colour, People with Disabilities, LGBTQ2

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Gender Results Framework



Economic Participation and Prosperity

Revitalizing Tourism

The impact of COVID-19 on the tourism sector has been most acute among underrepresented groups, as the sector employs a large number of women, youth, Indigenous peoples, immigrants, and LGBTQ2 Canadians. For example, women occupy 51.4 per cent of total jobs in the tourism sector, compared to 48.2 per cent across all industries, while youth make up 30.7 per cent compared to 12.7 per cent, and Indigenous persons occupy 4.1 per cent of jobs in the sector compared to 3.7 per cent of all employment. Tourism businesses are more likely to be owned by underrepresented groups than those in other sectors. For example, 30 per cent of businesses in the tourism sector are fully owned by women, versus 16 per cent of businesses in the broader economy.

The announced tourism measures are designed to benefit the most affected groups in the sector and rural communities dependent on tourism. The economic stimulus impacts of this spending will benefit all Canadians.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment*
Society – *Sense of pride/belonging to Canada; Vibrant communities*

Target Population:	Tourism Sector
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Tourism Sector, Rural Communities
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	 Economic Participation and Prosperity

Leadership and Democratic Participation

The following Budget 2021 measures are expected to advance the Leadership and Democratic Participation Pillar under the Gender Results Framework.

Supporting Women Entrepreneurs

The target group of this proposal is women entrepreneurs. Only 16 per cent of all small and medium-size enterprises (SMEs) are majority owned by women, compared to 63.5 per cent majority owned by men. Women entrepreneurs are not a homogenous group. Women with different, and sometimes intersecting, demographic characteristics pursue entrepreneurship.

Women entrepreneurs are strongly represented among Indigenous and to a lesser extent, visible minority SME owners. For example, approximately 19 per cent of visible minority entrepreneurs are women, and 36 per cent of Indigenous-owned SMEs are partially or wholly owned by women.

Data Sources: *Statistics Canada, OECD, Diversity Institute*

Quality of Life Impacts



Prosperity – *Firm growth; Employment*
Good Governance – *Representation in senior leadership positions*

Target Population:	Women Entrepreneurs
Expected Benefits:	
Gender:	*Men* ○—○—○—○—● *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics	Women and Indigenous SME Owners
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	 Leadership and Democratic Participation

GBA+ Responsive Approach

Support will be targeted to entrepreneurs from diverse backgrounds, including Indigenous, Black, immigrant, and LGBTQ2 women.

Supporting Entrepreneurs, Including Equity Deserving Entrepreneurs

The new Small Business and Entrepreneurship Development Program will support diverse entrepreneurs and small business owners. The direct benefits will go to underrepresented groups including youth, Indigenous people, persons with disabilities, LGBTQ2, Black and other racialized peoples, women, and other diverse entrepreneurs. Employees of small businesses may receive indirect benefits of this measure.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm dynamism; Household incomes*
Society – *Sense of belonging to local community*
Good Governance – *Discrimination and unfair treatment*

Target Population:	Underrepresented Entrepreneurs
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Youth, Indigenous, Persons with Disabilities, LGBTQ2
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	 Leadership and Democratic Participation

GBA+ Responsive Approach

Performance metrics, including aggregated demographic data, will be collected and analyzed as the program is implemented to better understand specific needs of various entrepreneurs and to inform ongoing service and program design.

Supporting Black Entrepreneurs

The direct benefits of this proposal will accrue predominantly to Black Canadian entrepreneurs.

Black Canadians are statistically more likely to live in low-income environments. Approximately 1 in 5 Black Canadians, versus just over 1 in 10 of their counterparts in the rest of the population, live in low-income environments.

This program is also expected to disproportionately benefit men as 63.5 per cent of small and medium-sized enterprises are majority-owned by men.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth; Employment; Household incomes*

Target Population:	Black Entrepreneurs
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Black Entrepeneurs residing in Urban Areas
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Leadership and Democratic Participation

GBA+ Responsive Approach

Program elements have been designed to support gender-diverse accessibility and promote diverse participation. Performance metrics, including aggregated demographic data, will be collected and analyzed as the program is implemented to better understand specific needs of various entrepreneurs and to inform ongoing service and program design.

Support for Indigenous Entrepreneurs

This investment will directly benefit Indigenous entrepreneurs, including targeted supports for the Indigenous tourism industry. It also includes targeted supports to address gender-specific barriers for Indigenous women entrepreneurs. Only 29 per cent of businesses supported by the network of Aboriginal Financial Institutions are owned-by Indigenous women. Survey results have shown that the top three challenges for Indigenous women entrepreneurs are accessing financing (47 per cent), balancing family and business (40 per cent), and a lack of business training (32 per cent). Support for an Indigenous Women's Entrepreneurship Initiative will help increase the number of Indigenous women entrepreneurs accessing financing from Aboriginal Financial Institutions.

Data Sources: *National Aboriginal Capital Corporations Association*

Quality of Life Impacts



Prosperity – *Firm growth; Employment; Household incomes*

Target Population:	Indigenous peoples, Indigenous Women
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous Entrepreneurs and Business Owners
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Leadership and Democratic Participation

GBA+ Responsive Approach

Targeted supports to increase the number of Indigenous women entrepreneurs include providing them with the tools, services and resources required to start and grow their businesses.

Supporting Indigenous Governance and Capacity

Funding directly benefits all members of recipient First Nations, as communities have greater capacity for financial and human resources management, planning and risk management, and community engagement. Additional support for community readiness will directly benefit First Nations with the most acute needs, and result in better administration and access to social services and programs, to help close the gap with other First Nations and non-Indigenous communities. All community members are expected to benefit from greater capacity for local representation, as well as strengthened capacity for First Nations communities with the greatest community development needs to benefit from proposal-based investments.

Quality of Life Impacts



Society – *Vibrant communities; Social participation*
Good Governance – *Confidence in public institutions; Indigenous self-determination*

Target Population: First Nations

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	First Nations Communities with greatest community development needs
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Gender Results Framework



Leadership and Democratic Participation

Engagement with Indigenous Peoples

These investments will support Indigenous Representative Organizations and foster inclusive engagement processes so that diverse Indigenous voices, including women, youth, elders and other community sub-groups such as single-parents, people with disabilities, 2SLGBTQQIA, and off-reserve members are heard, leading to more inclusive federal policy and program development.

Strong representation by Indigenous peoples in democratic processes to advance reconciliation and close socio-economic gaps benefits all Canadians, as Indigenous leadership and cultural revitalization make important contributions to Canada's character and identity.

Quality of Life Impacts



Society – *Positive perceptions of diversity; Sense of pride/belonging to Canada*
Good Governance – *Confidence in public institutions; Indigenous self-determination*

Target Population: Indigenous peoples

Expected Benefits:

Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	First Nations and Inuit Representative Organizations
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Gender Results Framework



Leadership and Democratic Participation

Enhancing the Canada Small Business Financing Program

Current data from Statistics Canada indicates that 63.5 per cent of small and medium enterprises are owned by men. This measure is expected to have a direct positive impact on women and indirect positive impacts on diverse and disadvantaged groups. These positive impacts are largely as a result of changes to eligibility to extend lending to non-profit and charitable social enterprises. Women account for more than 75 per cent of employment in the non-profit sector. Youth are also expected to benefit as 41 per cent of Canada Small Business Financing program borrowers are under 40 years old, compared to 16 per cent of small and medium sized businesses at large.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth; Productivity; Access to capital*

Target Population:	Small Businesses
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Small Businesses
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Leadership and Democratic Participation

Supporting Community Service Organizations

This program directly benefits Canada's charitable and non-profit sector, in which women make up the majority of the workforce. This program also indirectly benefits the diverse populations served by charities and non-profits, including youth, seniors, women, Indigenous groups, racialized people, persons with disabilities, LGBTQ2 communities, low-income families, and more. The fund strives to reach organizations across the country in rural, remote, and urban settings, and particularly those that are serving and being led by vulnerable groups.

Data Sources: *Statistics Canada, Women and Gender Equality Canada, Canadian Social Enterprise Survey, Charity Village, Imagine Canada, Ontario Nonprofit Network, Canadian Women's Foundation, Canada Council for the Arts*

Quality of Life Impacts



Prosperity – *Employment; Protection from income shocks*
Society – *Sense of belonging to community; Charitable giving; Volunteering*

Target Population:	Charitable and Non-profit Sector
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Charitable and Non-profit Sector, Vulnerable Populations
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*
Gender Results Framework:	Leadership and Democratic Participation

Making the Public Service More Diverse

Legislative amendments to the *Public Service Employment Act* are aimed at ensuring a process to identify and reduce potential barriers in the public service staffing process for employment equity and equity-seeking groups including women, Indigenous peoples, persons with disabilities, and racialized Canadians. For example, Indigenous applicants may have trouble meeting education requirements due to systemic barriers and limited access to higher education, particularly in remote geographical locations. Similarly, new arrivals to Canada, who are more likely to be members of a visible minority, may have trouble meeting certification requirements due to the time and challenges associated with having foreign credentials recognized.

Data Sources: *Treasury Board of Canada Secretariat, Statistics Canada*

Quality of Life Impacts



Society – *Positive perceptions of diversity*
Good Governance – *Discrimination and unfair treatment*

Target Population: Underrepresented Groups

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Underrepresented Groups

GBA+ Timing: *Early* □□■ *Later* □ *Existing*

Gender Results Framework:  Leadership and Democratic Participation

Enhancing the Capacity of Superior Courts

All Canadians are expected to benefit from the creation of new superior court judicial positions, which will ultimately increase access to justice.

Women made up 45 per cent of the federally-appointed judiciary as of March 2021. Recent efforts have focused on increasing the diversity of the judiciary. Between October 2019 and October 2020, women comprised 65 per cent of new appointments, while visible minorities represented 17 per cent and Indigenous peoples accounted for three per cent.

Data Source: *Office of the Commissioner for Federal Judicial Affairs*

Quality of Life Impacts



Good Governance – *Confidence in public institutions; Access to fair and equal justice; Resolution of serious legal problems*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Gender Results Framework:  Leadership and Democratic Participation

Gender-Based Violence and Access to Justice

The following Budget 2021 measures are expected to advance the Gender-Based Violence and Access to Justice Pillar under the Gender Results Framework.

Advancing a National Action Plan to End Gender-Based Violence

These investments will directly benefit women and girls, in particular women and girls with disabilities, Black, Indigenous and racialized women and girls, and LGBTQ2 people, groups that are at a significantly higher risk of experiencing gender-based violence. These groups also face increased barriers in accessing supports and services due to systemic inequalities, such as sexism, homophobia, transphobia, racism and poverty. COVID-19 has further amplified inequalities and gender-based violence, disproportionately affecting women with lower incomes.

Almost half of all female homicide victims are killed by an intimate partner, compared to six per cent for male victims. Sexual assault is a gendered crime that is far more likely to target women, especially young women. In 2017, the rate of police-reported violent crimes in Canada was higher for girls and young women aged 24 and younger compared to their male counterparts (1,394 versus 1,030 incidents per 100,000 population). According to Statistics Canada, the rate of sexual assault is not declining, with police-reported sexual assaults increasing every year from 2015 to 2019.

Indigenous women are more likely to be affected by all types of violent victimization with the homicide rate for Indigenous women and girls nearly seven times higher than amongst non-Indigenous women and girls in 2019. When taking into account all risk factors, LGBTQ2 Canadians are twice as likely to experience violent victimization as non-LGBTQ2 Canadians.

Data Sources: *Statistics Canada, GBV Knowledge Centre, United Nations*

Quality of Life Impacts



Health - *Health adjusted life expectancy; Self-rated mental health; Children vulnerable in early development*
Society – *Satisfaction with personal relationships*
Good Governance - *Victimization rate; Childhood maltreatment; Access to fair and equal justice*

Target Population: Women, Indigenous Women and Girls, LGBTQ2

Expected Benefits:

Gender:	*Men* ○—○—○—○—● *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous, Newcomers, Rural and Remote Regions, Disabilities, LGBTQ2

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Gender Results Framework



Gender-Based Violence and Access to Justice

Addressing Sexual Misconduct and Gender-based Violence in the Military

These measures will directly benefit people who have experienced sexual misconduct and gender-based violence in the military by enhancing support services to victims, increasing the availability of resources for recovery, and enhancing external oversight of the Canadian Armed Forces.

Primarily, these measures will directly benefit women, as women in the Canadian Armed Forces are 2.5 times to 3 times more likely to experience sexual misconduct than men. Additional or specialized support will also be provided for LGBTQ2 members that have experienced sexual misconduct and gender-based violence in the military.

In addition, men will benefit from the proposed institutional reforms, as well as an improved culture. Men will also directly benefit from the research to inform targeted training and response frameworks, and external expertise on training on the issue of gender-based violence.

These measures will reinforce the systemic efforts to change the culture and working conditions in the Canadian Armed Forces in relation to sexual misconduct and gender-based violence with the ultimate goal of reducing and eliminating sexual misconduct and gender-based violence among members of the Canadian Armed Forces, particularly women members. Ultimately, this will support the objective of increasing representation of women in the Forces from 15 to 25 per cent by 2026 which, if achieved, will further positively reinforce culture change.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Health – *Self-rated mental health; Unmet needs for mental health care*
Society – *Trust in others*
Good Governance – *Victimization rate; Discrimination and unfair treatment; Access to fair and equal justice; Confidence in public institutions*

Target Population: People who have Experienced Sexual Misconduct and Gender-based Violence in the Military

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: LGBTQ2

GBA+ Timing: *Early* □■□ *Later* ■ *Existing*

Gender Results Framework



Gender-Based Violence and Access to Justice

Responding to the Tragedy of Missing and Murdered Indigenous Women and Girls

Indigenous women and girls are 12 times more likely to be murdered or missing than any other women in Canada. In 2019, the rate of homicide for Indigenous women was seven times that of non-Indigenous women.

While comprising roughly five per cent of the population of Canada, Indigenous people accounted for nearly 26 per cent of homicide victims in 2019 and represent over 30 per cent of the incarcerated population. The overrepresentation is even more pronounced for Indigenous women and youth, who account for 42 per cent and 43 per cent of the women and youth inmate population in Canada.

This investment will primarily benefit First Nation, Inuit and Métis women, girls and two-spirit, lesbian, gay, bisexual, transgender, queer, questioning, intersex and asexual (2SLGBTQQIA+) people, as well as survivors of violence and families of victims of violence.

This investment will also contribute to improved, culturally responsive policing and community safety services, and will benefit all Indigenous community members, including women, girls and 2SLGBTQQIA+ people, who are disproportionately affected by violence, and are overrepresented in the justice and correctional systems.

Lastly, it will support Indigenous-led justice and culture initiatives, and help ensure the languages, voices, and perspectives of Indigenous women and 2SLGBTQQIA+ people are heard.

Data Sources: *Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls, Office of the Correctional Investigator, Statistics Canada*

Quality of Life Impacts

Health – *Health adjusted life expectancy; Self-rated mental health*
Society – *Sense of belonging to local community*
Good Governance – Victimization rate; Crime Severity Index; Access to fair and equal justice; Representation in corrections custodial populations

Target Population:	Indigenous Women and Girls
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	2SLGBTQQIA+, Indigenous communities
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

GBA+ Responsive Approach

This investment will enhance support for Indigenous women's and 2SLGBTQQIA+ organizations, ensuring that the voices and perspectives of Indigenous women and 2SLGBTQQIA+ people are reflected in all aspects of decision-making that affects their lives.

Strengthening the Canadian Race Relations Foundation and Helping Communities Respond to an Increase in Racism: Race Relations Foundation

While funding will benefit all Canadians by reducing discrimination and violence, members of Canada's racialized communities—Asian, Black and Indigenous Canadians, cultural and religious minorities, and newcomers to Canada—are expected to benefit most directly. In 2016, 25 per cent of discrimination complaints received by the Canadian Human Rights Commission related to race, religion, colour, national or ethnic origin. In Canada in 2017, 43 per cent of hate crimes were motivated by hatred of a race or ethnicity. In Canada, women, especially racialized women, face a 20 per cent higher victimization rate than men.

Recent reports indicate rising rates of COVID-driven, anti-Asian racism. A project led by the Chinese Canadian National Council found that between March 10, 2020, to February 28, 2021, there were 1,150 cases of racist attacks from across Canada reported, with children and adolescents under 18 years of age more likely to report being physically assaulted. Those in low-income jobs or those who do not speak English are also more likely to report feeling vulnerable to racist attacks.

Data Sources: *Statistics Canada, CRRF Survey of Stakeholders, Canadian Human Rights Commission, Chinese Canadian National Council*

Quality of Life Impacts	
Society – *Positive perceptions of diversity; Sense of belonging to local community; Trust in others*	
Good Governance – *Discrimination and unfair treatment*	
Target Population:	Canadians at Risk of Racism
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Racialized Canadians, Indigenous peoples, Urban Populations
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	 Gender-Based Violence and Access to Justice

Strengthening the Canadian Race Relations Foundation and Helping Communities Respond to an Increase in Racism: Protecting Against Hate-motivated Crimes

This initiative will benefit groups that are at risk of hate-motivated crimes, including racialized Canadians, religious individuals, and members of LGBTQ2 communities. In 2019, race and ethnicity were the most common motivation for police-reported hate crimes, making up about 46 per cent of cases. This was followed by crimes motivated by religion at 32 per cent, and sexual orientation at 14 per cent. In particular, in the context of the COVID-19 pandemic, there have been indications of heightened levels of discrimination targeting Asian communities. A project led by the Chinese Canadian National Council found that, between March 10, 2020 and February 28, 2021, there were 1,150 cases of race-driven attacks from across Canada reported, with children and adolescents under 18 years of age more likely to report being physically assaulted. Those in low-income jobs or those who do not speak English are also more likely to report feeling vulnerable to racist attacks.

Data Sources: *Statistics Canada, Chinese Canadian National Council*

Quality of Life Impacts



Society – *Sense of belonging to local community; Trust in others; Positive perceptions of diversity*
Good Governance – *Discrimination and unfair treatment; Crime Severity Index*

Target Population: Potential Victims of Hate Crimes

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Racialized Canadians, Religious Minorities, LGBTQ2
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Gender Results Framework



Gender-Based Violence and Access to Justice

Supporting Work to Address Systemic Racism in Institutions

Combatting systemic racism in law enforcement is expected to have an impact on Black, Indigenous, and racialized communities, who are overrepresented relative to their share of the population. Funding will support efforts to improve the delivery of policing services to better meet the needs of these communities, including the development of solutions adapted to community needs. Reporting race-based data will also help identify issues that need addressing.

Data Sources: *Statistics Canada, Ontario Human Rights Commission*

Quality of Life Impacts



Society – *Positive perceptions of diversity; Sense of belonging; Trust in others*
Good Governance – *Access to fair and equal justice; Personal safety; Confidence in public institutions*

Target Population:	Black, Indigenous, and Racialized Communities
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Racialized Canadians, Communities Policed by the RCMP
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Supporting Greater Equality for LGBTQ2 Communities

Funding will directly benefit LGBTQ2 individuals and communities. LGBTQ2 Canadians and newcomers continue to face inequalities in health, safety, housing, homelessness, financial security, and employment when compared to non-LGBTQ2 Canadians. These initiatives are expected to raise awareness about LGBTQ2 communities and the issues facing them, decrease stigma, increase LGBTQ2 inclusion, and strengthen overall social cohesion. The ultimate benefit is to help bridge health and socio-economic inequalities between LGBTQ2 and non-LGBTQ2 people in Canada and to improve the quality of life for LGBTQ2 communities.

Data Sources: *Statistics Canada, OECD*

Quality of Life Impacts



Prosperity – *Employment; Financial well-being; Homelessness*
Health – *Unmet health care needs; Unmet needs for mental health care*
Society – *Sense of belonging to local community; Positive perceptions of diversity*
Good Governance – *Discrimination and unfair treatment; Victimization rate*

Target Population:	LGBTQ2
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	LGBTQ2
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Enhancing Legal Support for Vulnerable Communities: Support for Asylum Seekers

This measure is expected to benefit economically disadvantaged asylum seekers, most of whom live in poverty and would not be able to afford legal support.

Additionally, asylum seekers are likely to be members of visible, ethnic or religious minorities, non-official language speakers, and LGBTQ2 individuals. In 2018, ten countries accounted for 57 per cent of all in-Canada asylum claims. Nine of the ten countries are in Asia, Latin America, the Caribbean, and Africa, and seven have neither English nor French as an official language. Asylum seekers also tend to be younger. In 2017, over 26 per cent of asylum claimants were aged 0 to 14 compared with 16 per cent of the Canadian population.

Data Sources: *Administrative data; Statistics Canada*

Quality of Life Impacts



Society – *Sense of belonging to local community*
Good Governance – *Access to fair and equal justice; Confidence in public institutions*

Target Population:	Asylum Seekers
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Asylum Seekers, Ethnic or Religious Minorities
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Enhancing Legal Support for Vulnerable Communities: Support for Racialized Communities

This initiative will directly benefit Black, racialized, and Indigenous communities, who are overrepresented in the criminal justice system and face systemic barriers that prevent them from accessing justice. For example, Black Canadians account for 7.2 per cent of federal inmates, but only 3.5 per cent of the Canadian population. Similarly, Indigenous peoples account for 30 per cent of admissions to federal custody, despite only representing approximately five per cent of the population. Racialized Canadians will have greater access to culturally appropriate legal advice and information, to better understand how to exercise their rights in the justice system.

This initiative is expected to be of particular benefit to low-income racialized individuals who cannot afford to consult a lawyer.

Data Sources: *Statistics Canada, Office of the Correctional Investigator*

Quality of Life Impacts



Society – *Sense of belonging; Positive perceptions of diversity*
Good Governance – *Access to fair and equal justice; Discrimination and unfair treatment; Representation in corrections custodial population*

Target Population:	Indigenous peoples, Black and Racialized Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous peoples, Black and Racialized Canadians
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Re-establishing the Law Commission of Canada

All Canadians are expected to benefit from a revived Law Commission, and some groups may be more directly affected given the Law Commission's focus on the most pressing issues facing Canada's legal system. Indigenous peoples and racialized Canadians may benefit from the Law Commission's examination of issues of systemic racism and establishing a new relationship with Indigenous peoples. More broadly, groups who face barriers may benefit from the Law Commission's efforts to make the justice system accessible for all, including women, lower-income Canadians, persons with disabilities, and racialized people.

Data Sources: *Statistics Canada, Canadian Bar Association*

Quality of Life Impacts



Good Governance – *Confidence in public institutions; Access to fair and equal justice*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○ ○ ○ ● ○ *Women*
Income Distribution:	*Low* ○ ● ○ ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Racialized Minorities, Indigenous peoples
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Better Data for Better Outcomes: Collection and Use of Justice System Data

Improving data collection to support accountability and evidence-based policy will benefit groups who are more likely to encounter the justice system.

A critical objective of this measure is to better understand and address drivers of the overrepresentation of Indigenous peoples in the criminal justice system. Black Canadians account for 7.2 per cent of federal inmates, but only 3.5 per cent of the Canadian population, and Indigenous peoples account for 30 per cent of federal inmates, despite representing approximately five per cent of the population. Similarly, Canadians with mental health challenges report coming into contact with the police twice as much as those without a disorder.

Data Sources: *Statistics Canada, Justice Canada, Office of the Correctional Investigator*

Quality of Life Impacts



Good Governance – *Access to fair and equal justice; Confidence in public institutions; Representation in corrections custodial population*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○ ○ ● ○ ○ *Women*
Income Distribution:	*Low* ○ ● ○ ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Indigenous peoples, Racialized Canadians, Individuals with Mental Health Challenges
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Diverting Youth Away from the Justice System

This measure targets youth aged 12 to 17 who come into contact with the youth criminal justice system, and particularly overrepresented groups like young men, Indigenous youth, and Black youth.

In 2018-19, young men accounted for 77 per cent of admissions into correctional services, while Indigenous youth were 43 per cent of the youth admitted to correctional services, despite accounting for only nine per cent of the youth population. Evidence also suggests that Black youth are overrepresented in the justice system. In 2016, Black youth were 15.3 per cent of admissions to pre-trial detention in Ontario, despite representing 7.1 per cent of youth.

This initiative will enhance programming for overrepresented groups, including tailored responses that take into account diverse ethnic and cultural backgrounds.

Data Sources: *Statistics Canada; John Howard Society*

Quality of Life Impacts



Society – *Positive perceptions of diversity*
Good Governance – *Access to fair and equal justice; Representation in corrections and custodial population*

Target Population:	Youth at Risk
Expected Benefits:	
Gender:	*Men* ● ○ ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ● ○ ○ *Senior*
Additional Characteristics:	Indigenous, Black, Racialized Youth
GBA+ Timing:	*Early* □ ■ □ *Later* □ *Exis*
Gender Results Framework	Gender-Based Violence and Access to Justice

Supporting the Resolution of Indigenous Childhood Claims

This measure seeks to address the negative consequences experienced by Indigenous people who suffered historic harms as children as a result of past government policies and programs through the effective management and resolution of childhood claims. This includes claims from First Nations, Inuit, Métis and Non-Status individuals located across Canada, living both on and off reserve. Research suggests that women and two-spirit, lesbian, gay, bisexual, transgender, queer, questioning, intersex and asexual (2SLGBTQQIA) people experienced disproportionate harms from attending residential schools. Additionally, Indigenous people have lower average income than non-Indigenous Canadians.

Data Sources: *2016 Census; Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls, Office of the Correctional Investigator, Statistics Canada*

Quality of Life Impacts



Good Governance – *Access to fair and equal justice; Discrimination and unfair treatment*

Target Population:	Indigenous peoples
Expected Benefits:	
Gender:	*Men* ○ ○ ○ ● ○ *Women*
Income Distribution:	*Low* ● ○ ○ ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	2SLGBTQQIA, Indigenous peoples
GBA+ Timing:	*Early* □ ■ □ *Later* □ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Implementation of Legislation on the *United Nations Declaration on the Rights of Indigenous Peoples*

Funding will support diverse groups of Indigenous people by creating a framework to guide future activities as they pertain to Indigenous rights. Co-development of an action plan to implement the legislation will support greater self-determination and cooperative decision-making, as well as help to advance nation-to-nation, Inuit-Crown and government-to-government relationships.

Quality of Life Impacts



Society – *Sense of belonging to local community*
Good Governance – *Confidence in public institutions; Indigenous self-determination*

Target Population:	Indigenous peoples
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous peoples
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Preventing Radicalization to Violence

All Canadians will benefit from this program, which is aimed at reducing the threat of violence in our society. This investment will help professionals working to prevent violent extremism, and the individuals and populations they work with, including outreach to youth and their communities. Radicalization to violence is a phenomenon that can affect individuals of any background, culture, religion, or socio-economic circumstance.

Some of the funding specifically addresses violent misogyny, which will benefit women and girls and support the National Action Plan on Gender-Based Violence.

Data Sources: *Canadian Network for Research on Terrorism*

Quality of Life Impacts



Society – *Loneliness*
Good Governance – *Victimization rate; Crime Severity Index; Domestic security*

Target Population:	All Canadians, Violence Prevention Practitioners and those at Risk of Radicalization to Violence
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Violence Prevention Practitioners and those at Risk of Radicalization to Violence
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*
Gender Results Framework	Gender-Based Violence and Access to Justice

Poverty Reduction, Health and Well-Being

The following Budget 2021 measures are expected to advance the Poverty Reduction, Health and Well-Being Pillar under the Gender Results Framework.

Enhancing the Canada Workers Benefit

Enhancing the Canada Workers Benefit (CWB) will benefit 3 million low- and modest-income workers, including about 1 million new recipients through direct income support and by promoting longer-term attachment to the labour force. Women account for just over half of those benefiting from the enhancement and half of new recipients.

The enhancements will especially benefit single workers without children, 52 per cent of whom will be men. These workers often have few other supports available to them, and 54 per cent of new funding will benefit this group.

Groups that are more likely to be in receipt of the CWB include recent immigrants, those aged 19-34, and those without a post-secondary qualification.

By lifting almost 100,000 individuals out of poverty, an enhanced CWB will also have a direct, positive impact on economic security. Reducing poverty contributes to improved food security, better physical and mental health, and supports dignity and resilience.

Data Sources: *Statistics Canada, Tax Data*

Quality of Life Impacts



Prosperity – *Poverty; Labour market participation; Employment; Financial well-being*
Health – *Self-rated mental health*

Target Population:	Low- and Modest-Income Workers
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Immigrants, People with Lower Levels of Education
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Gender Results Framework:



Poverty Reduction, Health and Well-Being

GBA+ Responsive Approach

Raising the income threshold where the CWB is reduced will help reward full-time work for single workers and primary earners. However, the family-based design of the CWB means that when a secondary earner enters the workforce, this may cause a decline in their family's entitlement, especially if their partner's income is already at or above that threshold.

The secondary earner exemption will allow secondary earners benefitting from the CWB, about 75 per cent of whom will be women, to exclude a portion of their earnings from the benefit's income test, mitigating or preventing this decline. This new feature will help ensure that everyone is able to participate in the workforce.

Expanding Access to Drug Treatment Courts

Drug Treatment Courts are targeted to non-violent offenders and are focused on facilitating treatment as an alternative to incarceration for drug offences. The vast majority of participants in Drug Treatment Courts are vulnerable and marginalized with multiple issues, such as problematic substance use, mental health concerns, inadequate housing, reliance on income assistance, and low employment or education opportunities.

According to the Association of Drug Treatment Court Professionals, as many as 90 per cent of participants have a history of prior convictions, and up to 70 per cent suffer from depression or anxiety disorders. In some Drug Treatment Courts, as many as 95 per cent of participants are unemployed upon entering the program, with 22 per cent reporting criminal activity as their sole source of income. Drug Treatment Courts offer supports to participants to help reduce substance use, increase employment and education opportunities, and decrease likelihood of re-offending.

Between 2009 and 2014, 68 per cent of Drug Treatment Courts participants were men, and close to a third were between 30 to 40 years of age. Indigenous peoples, who are at greater risk of experiencing mental health and substance use issues, represented 28 per cent of participants, despite only representing five per cent of the population. Some Drug Treatment Courts offer specialized programming to address the unique needs of participants, including Indigenous peoples and women.

Data Sources: *Statistics Canada, Department of Justice, Canadian Association of Drug Treatment Court Professionals*

Quality of Life Impacts



Health – *Health-adjusted life expectancy; Self-rated mental health*
Good Governance – *Access to fair and equal justice; Representation in corrections custodial population*

Target Population:	Non-violent Drug Offenders
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Drug Offenders, People with Mental Health Issues, Indigenous peoples
GBA+ Timing:	*Early* □ ■ □ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Ending Homelessness

Government investments in homelessness will directly benefit Canadians experiencing or at risk of homelessness. Economic downturns, such as the one caused by COVID-19, increase the risk of homelessness.

Homelessness affects a diverse population, though certain groups are overrepresented. In 2017:

- Indigenous people represented 24 per cent of shelter users despite accounting for five per cent of the population.
- Men represented 72 per cent of shelter users. (Women may be underestimated due to lack of data from domestic violence shelters, and differences in terms of how women experience homelessness).
- People aged 25 to 49 made up 53 per cent of shelter users, well above their population share (33 per cent).

Veterans are more likely than average to experience chronic homelessness.

As many as 85 per cent of people experiencing homelessness report a chronic health condition. By helping vulnerable people find housing, this measure will improve physical and mental health outcomes.

Data Sources: *Internal administrative data (emergency shelter data), Statistics Canada, Veterans Affairs Canada*

Quality of Life Impacts



Prosperity – *Homelessness; Acceptable housing; Poverty*
Health – *Functional health status; Self-rated mental health*
Society – *Sense of belonging to local community; Trust in others*

Target Population:	Canadians Experiencing Homelessness or at Risk of Homelessness
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Urban Populations, Indigenous peoples
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*
Gender Results Framework	 Poverty Reduction, Health and Well-Being

Establishing a $15 Federal Minimum Wage

This legislative amendment directly benefits more than 26,000 workers in the federally regulated private sector, who are in low-wage jobs that earn less than $15 per hour.

As 59 per cent of workers earning minimum wage in the federally regulated private sector are men, more men will benefit from this change.

Many of these workers were not born in Canada. Of the more than 26,000 workers in total who will benefit, 36 per cent are newcomers and recent immigrants to Canada.

Quality of Life Impacts



Prosperity – *Financial well-being; Wages*

Target Population:	Workers in the federally regulated private sector
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Newcomers, Low-paid Workers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

More Affordable Housing

Investments will directly benefit Canadians in core housing need and women and children fleeing violence. Relative to the incidence of core housing need across all households (13 per cent), women-led households (28 per cent), Indigenous populations (18 per cent), immigrant-led households (18 per cent), refugee-led households (27 per cent), and people living in northern communities (24 per cent) – particularly Inuit living in Nunavut (54 per cent) – are at higher risk of core housing need.

Furthermore, consistent with the objectives of the National Housing Strategy, these measures will prioritize support to vulnerable populations, including seniors, young adults, and Indigenous peoples. At least 25 per cent of investments will support projects that specifically target the unique needs of women and their children. To date, nearly 40 per cent of all units supported under the Rapid Housing Initiative have been targeted to Indigenous peoples.

Data Sources: *Statistics Canada, CMHC*

Quality of Life Impacts



Prosperity – *Acceptable housing; Homelessness; Poverty*
Good Governance – *Victimization rate; Childhood maltreatment*

Target Population:	Those in Core Housing Need
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Women and Children fleeing Violence, Indigenous peoples, Immigrant Households
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Establishing a National Institute for Women's Health Research

Women are more likely to die prematurely from largely preventable illnesses, be diagnosed with mood and anxiety disorders, bear a higher burden of chronic illness, and experience higher levels of disability than men; particularly in old age. Immigrants and Indigenous women are also at a higher risk of some diseases, like cervical cancer, due to access and other barriers. This measure is expected to have a positive impact on women's health by addressing under-researched and high priority areas including ovarian cancer, menopause, and sexual and reproductive health.

Beneficiaries would also include researchers who receive research grants. Based on internal Canadian Institutes of Health Research data, approximately 67 per cent of researchers working in the field of women's health self-identify as women.

Data Sources: *Internal program data, Statistics Canada*

Quality of Life Impacts



Health – *Health-adjusted life expectancy; Self-rated mental health*
Society – *Positive perceptions of diversity*

Target Population:	Women with Health Issues
Expected Benefits:	
Gender:	*Men* ○—○—○—○—● *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Health Research Sector
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

GBA+ Responsive Approach

The institute would support research that takes into consideration how identity characteristics intersect with sex and gender to create unique health challenges.

Supporting Access to Sexual and Reproductive Health Care Information and Services

The funding for activities at the community level will directly support populations who face the highest sexual health risks and the largest barriers to accessing sexual and reproductive health care services and information, including women, youth, LGBTQ2, racialized Canadians, and Indigenous populations.

The national survey will have a positive impact on these vulnerable groups, as the survey will create a national baseline for data on key factors that influence the determinants of sexual and reproductive health, such as race, household income, and sexual orientation. The results of the survey will inform initiatives that will target the unmet sexual and reproductive health care needs of all Canadians.

Quality of Life Impacts



Health – *Unmet health care needs; Self-reported health*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Women, Youth, LGBTQ2, Indigenous and Racialized Communities
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	*Poverty Reduction, Health and Well-Being*

Better Data for Better Outcomes: Promote an Inclusive Society through Race, Gender and Diversity Research

Canada's population is increasingly diverse. In 2016, people identifying as a member of a visible minority group accounted for 22.4 per cent of the population, compared to 13.4 per cent in 2001. The proposed research initiative would build evidence to inform policies that lead to positive outcomes for diverse populations of women, seniors, Indigenous populations, racialized people, and LGBTQ2 people. Beneficiaries would also include researchers who receive research grants. Recent analysis of Social Sciences and Humanities Research Council programs found that slightly more than 50 per cent of funded applicants identified as women. There is also academic evidence that suggests research on issues of societal inequalities is more often undertaken by researchers from marginalized groups. For example, research applications from Black scientists are significantly more likely to involve human subjects than White applicants (49.8 per cent versus 31.8 per cent) and to include fields of study that are relevant to equality research, such as population and behavioural sciences.

Data Sources: *Internal Program Data, Statistics Canada data, Scholarly Journals*

Quality of Life Impacts



Health – *Health-adjusted life expectancy*
Society – *Positive perceptions of diversity*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Academic Researchers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

National Mental Health Standards and Virtual Services

Although mental health issues can affect any Canadian, certain groups are more vulnerable to experiencing mental illness in their lifetime. Youth, LGBTQ2 and Indigenous people are particularly vulnerable. Men are at a higher risk of dying by suicide. Men are also more likely to suffer from substance misuse. Women are more likely to be diagnosed with mood and anxiety disorders.

The COVID-19 pandemic has exacerbated the many challenges and inequalities faced by these groups by increasing isolation and limiting Canadians' ability to access traditional mental health services (e.g., in-person counselling).

Data Sources: *Statistics Canada*

Quality of Life Impacts



Health – *Self-rated mental health; Unmet needs for mental health care*

Target Population:	People with Mental Health Issues
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	People living with Mental Health or Problematic Substance Issues and their families
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Supporting our Veterans: Mental Health Program for Veterans

Veterans are three to four times as likely to suffer from depressive or anxiety disorders, and more than 15 times more likely to have post-traumatic stress disorder (PTSD), than Canadians of comparable age and sex. Female veterans are more likely than male veterans to experience depression (35 per cent vs. 24 per cent) and anxiety (25 per cent vs. 21 per cent), but slightly less likely than males to report having PTSD (22 per cent vs. 24 per cent). In Canada, the estimated veteran population is 629,300, of which about 119,000 are clients of Veterans Affairs Canada (VAC). Approximately 12 per cent of VAC clients are women. Since members of the Canadian Armed Forces are predominantly men, more men are expected to benefit from this initiative.

Data Sources: *VAC, Statistics Canada, Life After Service Survey*

Quality of Life Impacts	
Health – *Self-rated mental health*	
Target Population:	Veterans
Expected Benefits:	
Gender:	*Men* ● ○ ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Veterans with Mental Health Conditions
GBA+ Timing:	*Early* ■ □ □ *Later* □ *Existing*
Gender Results Framework	 Poverty Reduction, Health and Well-Being

Supporting our Veterans: Support for Veterans' Well-being

This initiative targets veterans and their immediate families. Since members of the Canadian Armed Forces are predominantly men, more men are expected to benefit from this initiative. However, this measure supports projects tailored to improve the well-being of all veterans and their families, including veterans who are women, LGBTQ2, Indigenous, or experience homelessness. There are currently around 3,000 homeless veterans in Canada. Veterans are more likely than the Canadian general population to experience activity limitations and suffer from a range of health issues. Many veterans also face challenges transitioning from military to civilian life. Employment rates amongst veterans is lower than for Canadians of similar age and sex (60 per cent vs 73 per cent). Amongst veterans, women and recently released veterans are less likely to be employed.

Data Sources: *Veterans Affairs Canada, Life After Service Survey*

Quality of Life Impacts	
Prosperity – *Adult skills; Employment; Acceptable housing* Health – *Self-rated mental health; Self-rated health*	
Target Population:	Veterans
Expected Benefits:	
Gender:	*Men* ● ○ ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Veterans and their Families
GBA+ Timing:	*Early* □ ■ □ *Later* ■ *Existing*
Gender Results Framework	 Poverty Reduction, Health and Well-Being

VAC Service Capacity

Direct beneficiaries of this initiative are veterans with mental or physical health issues. Veterans are more likely than the Canadian general population to experience activity limitations and suffer from a range of health issues. Hearing loss and tinnitus are the two most common conditions for which veterans receive disability benefits, followed by post-traumatic stress disorder. Since men account for the majority of veterans, more men are expected to benefit from this initiative. However, this enabling investment will allow Veterans Affairs Canada (VAC) to continue its efforts to reduce wait times for disability benefits applications for all veterans.

Data Sources: *VAC, Life After Service Survey*

Quality of Life Impacts



Health – *Self-rated health; Self-rated mental health; Functional health status*
Good Governance – *Confidence in public institutions (modernizing operations)*

Target Population:	Veterans
Expected Benefits:	
Gender:	*Men* ● ○ ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Veterans with Disabilities or Physical and Mental Health Issues
GBA+ Timing:	*Early* ■ □ □ *Later* ■ *Existing*
Gender Results Framework	*Poverty Reduction, Health and Well-Being*

Making Our Communities and Workplaces More Accessible

This program directly benefits persons with disabilities by making Canadian communities and workplaces more accessible.

For example, almost 2.7 million people or 1 in 10 Canadians aged 15 and older have a mobility disability, making it one of the most common disability types. Women (11.2 per cent) are more likely than men (7.9 per cent) to have a disability related to mobility. In 2017, over half (57.4 per cent) of employed Canadians with mobility disabilities aged 25 to 64 said that they required one or more workplace accommodations to be able to work.

By increasing accessibility in workplaces or communities, including community spaces such as parks and public buildings, the program also benefits seniors without disabilities and families with young children.

Data Sources: *Statistics Canada, 2017 Canadian Survey on Disability*

Quality of Life Impacts



Prosperity – *Employment; Labour market participation; Future outlook*
Health – *Self-rated mental health; Self-rated health*
Society – *Accessible environments*

Target Population:	Persons with Disabilities
Expected Benefits:	
Gender:	*Men* ○ ○ ● ○ ○ *Women*
Income Distribution:	*Low* ○ ● ○ ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Persons with Disabilities, Families with Young Children
GBA+ Timing:	*Early* □ ■ □ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Towards a New Disability Benefit

The consultations regarding a new disability benefit are not expected to carry significant direct impacts, but may lead to a new benefit that supports persons with disabilities, primarily those with low income and those of working age.

Disability is slightly more prevalent among women (24 per cent) than men (20 per cent), including when it comes to severity. According to the 2017 Aboriginal Peoples Survey, 32 per cent of First Nations people living off reserve, 30 per cent of Métis and 19 per cent of Inuit reported having one or more disabilities. Among Indigenous populations, Indigenous women (36 per cent) have a higher prevalence of disability than men (26 per cent) and the disability rate among Indigenous youth (aged 15-34) is much higher at 23 per cent than 13 per cent in the general population.

Data Sources: *Statistics Canada, 2017 Canadian Survey on Disability, 2017 Aboriginal Peoples Survey*

Quality of Life Impacts



Good Governance – *Confidence in public institutions*
A future benefit would be expected to carry prosperity, health and social benefits.

Target Population:	Working-age Persons with Disabilities
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Persons with Disabilities who are Living Alone, Single Parents, Indigenous peoples
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Helping Seniors Age Well at Home

This initiative directly benefits low-income seniors, including those with disabilities or with physical or mental health issues. The initiative is also expected to have a slight positive impact on senior women, who account for 55 per cent of Canadians over 65 years old. The initiative will include projects that focus on meeting the specific needs of marginalized seniors, such as Indigenous seniors, racialized seniors, LGBTQ2 seniors or seniors with disabilities.

By improving seniors' access to practical supports, the initiative will also indirectly benefit seniors' unpaid caregivers, of which 54 per cent are women and many are seniors themselves, reducing time pressures. Almost one-quarter of seniors aged 65 and older provided care or help to family members or friends with a long-term condition, a physical or mental disability, or problems related to aging.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Health – *Home care needs met*
Society – *Sense of belonging to local community; Satisfaction with time use*

Target Population:	Seniors
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—○—● *Senior*
Additional Characteristics:	Seniors with Disability, Physical or Mental Issues and their families
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Common Employment Insurance Entrance Requirements

This measure will have direct benefits for workers in part-time and temporary employment, particularly in low-unemployment regions, who are less likely than full-time permanent workers to have enough hours of work to meet the Employment Insurance (EI) entrance requirement. As of 2019, 94.2 per cent of full-time workers were eligible for EI regular benefits, compared to 64.7 per cent of part-time workers. Special benefit eligibility rates for part-time workers are also consistently lower than for full-time workers.

Women will benefit more from this measure as they are twice as likely to work part-time compared to men.

Data Sources: *Employment and Social Development Canada*

Quality of Life Impacts



Prosperity – *Protection from income shocks; Financial well-being*

Target Population:	Workers
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Workers in Low-Unemployment Regions
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Simplifying eligibility rules for multiple job holders

This measure will benefit multiple job holders and part-time workers in particular by only considering a worker's most recent reason for separation when determining Employment Insurance (EI) eligibility. Women, who are twice as likely as men to work part time, are overrepresented in these work arrangements and are therefore more likely to directly benefit from the measure.

This measure will also contribute to accelerating claims processing and benefit payments for all EI beneficiaries.

Data Sources: *Employment and Social Development Canada*

Quality of Life Impacts



Prosperity – *Protection from income shocks; Financial well-being*

Target Population:	EI-eligible Multiple Job Holders
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Multiple Job Holders, Part-time Workers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Ensuring that Severance and other Separation Monies do not Delay Employment Insurance Benefits

There is currently limited data and information to provide a full picture of workers affected by this policy simplification. However, available statistics indicate that women who received Employment Insurance (EI) regular benefits in 2018 were slightly more likely (23.7 per cent) than men (17.4 per cent) to receive severance or vacation pay.

Generally, severance pay is reserved for employees who do not have an end-date in their employment contract and increases with employment tenure. As a result, workers laid off from jobs that are long-tenured and permanent, and therefore likely higher-paying, are expected to benefit most from this measure. However, part-time workers who receive vacation pay on separation would also benefit.

Data Sources: *Employment and Social Development Canada*

Quality of Life Impacts



Prosperity – *Protection from income shocks; Financial well-being*

Target Population:	EI Claimants
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	EI Claimants Eligible for Severance or Vacation Pay
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Extending Employment Insurance Sickness Benefits to Better Support Canadians Suffering From Illness or Injury

It is expected that women and older workers would benefit more from an extension of Employment Insurance (EI) sickness benefits. In 2018-19, the majority of sickness claims were made by women (56 per cent). Additionally, women were slightly more likely to exhaust their sickness benefits (36 per cent vs. 33 per cent from men). Take-up of sickness claims, their duration, and exhaustion rates increase with age. Claimants aged 55 years and older register the longest average duration of EI sickness claims (10.2 weeks in 2018-19) and exhaustion rate (39 per cent in 2018-19).

Data Sources: *Employment and Social Development Canada*

Quality of Life Impacts



Prosperity – *Protection from income shocks*

Target Population:	EI-eligible workers
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Persons Suffering from Illness or Injury
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Supporting Indigenous Communities in the Fight against COVID-19

These investments directly benefit Indigenous peoples and are gender-balanced. Indigenous communities are more at risk during pandemics, given challenges in accessing health care, higher incidence of pre-existing health conditions and suitability of housing. Investments are therefore likely to be of particular benefit to more remote communities. Additionally these investments will particularly benefit seniors and individuals with pre-existing medical conditions.

Quality of Life Impacts



Health – *Health-adjusted life expectancy; COVID-19 incidence; Unmet health and mental health care needs*
Good Governance – *Household emergency preparedness*

Target Population:	Indigenous peoples
Expected Benefits:	
Gender:	*Men* ○–○–●–○–○ *Women*
Income Distribution:	*Low* ○–●–○–○–○ *High Income*
Inter-generational:	*Youth* ○–○–● *Senior*
Additional Characteristics:	Indigenous peoples, Persons with Disabilities or Health Issues
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Ensuring Food Security in the North

This measure will benefit northerners and Indigenous peoples living in isolated and semi-isolated communities. Food prices in the North can be significantly higher than those in the south. For example, across 11 key essential items, in 2018, Nunavummiut generally paid around 2.2 times more for the same items than the rest of Canada. In 2017/2018, compared to the national average of 13 per cent, household food insecurity in Yukon and Northwest Territories was 17 per cent and 22 per cent respectively. Food insecurity was highest in Nunavut (whose poverty rate is more than double the national average), with 57 per cent of households living with food insecurity and 78 per cent of Nunavummiut children living in food-insecure households.

Data Source: *Nunavut Bureau of Statistics; Library of Parliament*

Quality of Life Impacts



Prosperity – *Food security*
Health – *COVID-19 incidence; Fruit and vegetable consumption/healthy eating environments*
Society – *Participation in cultural practices*

Target Population:	Northern Communities
Expected Benefits:	
Gender:	*Men* ○–○–○–●–○ *Women*
Income Distribution:	*Low* ○–●–○–○–○ *High Income*
Inter-generational:	*Youth* ○–●–○ *Senior*
Additional Characteristics:	Northern Communities, Indigenous peoples
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Improving the Food Security of Vulnerable Canadians

This measure benefits both Canadians who are most vulnerable to food insecurity pre-COVID and those facing increased food insecurity risk due to COVID-19.

During COVID-19, the number of individuals facing food insecurity increased to 1 in 7, with the impacts disproportionately felt by individuals in Black, Indigenous, and northern communities. Low-income Canadians and those facing job losses due to COVID-19 are at increased risk of food insecurity. Children and lone-parent families headed by women also tend to be overrepresented among food bank users, according to available data.

Data Sources: *Statistics Canada, Food Banks Canada*

Quality of Life Impacts



Prosperity – *Food security*
Health – *Fruit and vegetable consumption*

Target Population:	Individuals facing food insecurity
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous Black and Northern Populations, Lone-parent Households
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	 Poverty Reduction, Health and Well-Being

Indigenous Infrastructure

This measure will benefit First Nations, Inuit and Métis communities by improving the state of infrastructure in communities. Women, children and Elders in particular will benefit from increased access to safe and suitable infrastructure, which could help to improve access to clean water, ease crowded housing conditions, and improve health and education facilities. Improved infrastructure will also contribute to the mental, physical, spiritual, and emotional well-being of all members in communities.

Indirect benefits resulting from employment opportunities are expected to disproportionately benefit men in the short term. However, in the longer-term, this investment is also expected to create employment opportunities for women, who are more likely to be employed in positions created with improved health, education and other types of community infrastructure. These investments will support local economies, in rural and remote parts of the country.

Quality of Life Impacts



Prosperity – *Employment; Acceptable housing; Child, student and adult skills; Future outlook*
Health – *Functional health stats; Self-rated mental health; Children vulnerable in early development*
Environment – *Clean drinking water*
Society – *Sense of belonging to local community*

Target Population:	First Nations, Inuit and Métis Communities
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous peoples
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*
Gender Results Framework	 Poverty Reduction, Health and Well-Being

Investing in Clean Energy in Northern and Indigenous Communities: Hydroelectricity and Grid Interconnection Projects in the North

This measure will benefit northern and Indigenous communities by advancing work to reduce their reliance on diesel for electricity and heating and reduce energy costs. This will result in lower energy costs. In 2016, households in Northwest Territories and Nunavut were paying more than 30 cents per kilowatt hour, more than double the Canadian average of 12.9 cents per kilowatt hour.

In the longer-term, providing cleaner energy will yield positive health and environmental outcomes for all members of northern and Indigenous communities, particularly for the most vulnerable members, including children and the elderly.

Data Sources: *Canada Energy Regulator*

Quality of Life Impacts



Prosperity – *Affording everyday needs*
Environment – *Clean energy*

Target Population: Indigenous and Northern communities

Expected Benefits:

Gender:	Men ○—○—●—○—○ Women
Income Distribution:	Low ○—○—●—○—○ High Income
Inter-generational:	Youth ○—●—○ Senior
Additional Characteristics:	Indigenous and Northern communities
GBA+ Timing:	Early ■□□ Later □ Existing

Gender Results Framework



Poverty Reduction, Health and Well-Being

Investing in Clean Energy in Northern and Indigenous Communities: Strategic Partnerships Initiative

This measure will benefit Indigenous communities by advancing new economic opportunities and job creation, including in the clean energy sector. Notably, Indigenous populations face higher rates of unemployment (14.2 per cent) than non-Indigenous populations (9.4 per cent).

Women worldwide are approximately 20 to 25 per cent of the workforce in the energy industry in advanced industrialized nations. As such, in the short term, benefits are likely to disproportionally accrue to men through improved employment opportunities associated with this measure.

In the long-term, however, providing cleaner energy will yield positive health and environmental outcomes for all community members.

Data Sources: *Statistics Canada; Electricity Human Resources Canada*

Quality of Life Impacts



Prosperity – *Employment; Labour market participation; Adult skills; Future outlook*
Environment – *Clean energy; Natural capital*

Target Population: First Nations, Inuit and Métis Communities

Expected Benefits:

Gender:	Men ○—●—○—○—○ Women
Income Distribution:	Low ○—○—●—○—○ High Income
Inter-generational:	Youth ○—●—○ Senior
Additional Characteristics:	Indigenous peoples
GBA+ Timing:	Early □■□ Later □ Existing

Gender Results Framework:



Poverty Reduction, Health and Well-Being

Distinctions-Based Mental Wellness Strategy

This measure will directly benefit Indigenous people that face complex mental health and substance use issues. 12 per cent of First Nations, 13 per cent of Métis and eight per cent of Inuit report being diagnosed with a mood disorder. For First Nations and Métis, this is nearly twice as much as non-Indigenous Canadians (seven per cent). Suicide rates for Indigenous populations are significantly higher than non-Indigenous populations. First Nations are three times higher, Métis are two times higher, and Inuit are nine times higher.

This initiative will directly support communities in the provision of mental health services for Indigenous peoples, including low-income families who might be less likely to afford private care and treatment.

Data Sources: *Statistics Canada; First Nations Information Governance Centre Regional Health Survey*

Quality of Life Impacts



Health – *Self-rated mental health; Unmet needs for mental health care*
Society – *Vibrant communities*

Target Population: Indigenous peoples

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ●—○—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Indigenous peoples with Disabilities, Physical or Mental Health Issues

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Gender Results Framework



Poverty Reduction, Health and Well-Being

On-reserve Income Assistance

This investment will primarily benefit low-income First Nations people on reserve. Impacts are expected to be gender balanced, in line with current program participation. First Nations people with disabilities may also benefit, as they are less likely to be employed and more likely to be reliant on income supports. Case management and pre-employment supports are expected to improve educational, skills, and employment outcomes.

Quality of Life Impacts



Prosperity – *Protection from income shocks; Poverty; Student and adult skills; Labour market participation*

Target Population: Low-income Indigenous People

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ●—○—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Indigenous Individuals with Low Educational Attainment, Disabilities

GBA+ Timing: *Early* ■□□ *Later* ■ *Existing*

Gender Results Framework



Poverty Reduction, Health and Well-Being

Improving Health Outcomes in Indigenous Communities

Measures are designed to improve health outcomes for First Nations and Inuit who face a lower life expectancy and a higher disease burden than non-Indigenous people in Canada, including higher rates of chronic and infectious diseases. These measures will improve access to health care services and will directly benefit individuals in remote and isolated communities, especially individuals living on reserve. Investments will also support the transformation of the health system, and ensure that Indigenous perspectives and knowledge inform the development and delivery of health supports for Indigenous people. Women, who make up the majority of nurses in First Nations communities, will also indirectly benefit from these investments.

Data Sources: *Indigenous Services Canada, Statistics Canada, First Nations Information Governance Centre*

Quality of Life Impacts



Health – *Health-adjusted life expectancy; Self-rated health; Timely access to primary health care provider; Unmet health care needs*

Target Population:	Indigenous peoples, Persons with Disabilities or Health Issues
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	First Nations and Inuit, Rural and Remote Populations
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Supporting Indigenous Children and Families

Indigenous children are significantly overrepresented in the child welfare system. In 2016, Indigenous children represented 7.7 per cent of all children ages 1-14, but they represented 52.2 per cent of children in foster care.

These measures are gender balanced and will benefit Indigenous children from low income families and single parent households, who are more likely than other children to enter the child welfare system. These investments will support the implementation of the *Act respecting First Nations, Inuit and Métis children, youth and families* and will also support First Nations to adopt preventative measures, under the First Nations Child and Family Services Program.

Data Sources: *Indigenous Services Canada, Statistics Canada*

Quality of Life Impacts



Health – *Children vulnerable in early development*
Society – *Someone to count on; Satisfaction with personal relationships (family and friends)*
Good Governance – *Confidence in public institutions; Indigenous self-determination; Access to fair and equal justice*

Target Population:	Indigenous Children and Families
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Indigenous Children and Families
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Renewing the Territorial Health Investment Fund

This measure benefits all residents of the territories by supporting territorial efforts to innovate and transform their health system to improve access to health services for northerners. The measure will positively affect Indigenous peoples, as they are the demographic majority in Nunavut (86 per cent) and the Northwest Territories (51 per cent), and form a significant part of the population in Yukon (23 per cent).

Data Sources: *Statistics Canada*

Quality of Life Impacts



Health – *Unmet health care needs; Functional health status*
Good Governance – *Confidence in public institutions (modernizing operations)*

Target Population:	Northern Communities
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Northern Communities, Indigenous peoples
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Addressing the Opioid Crisis and Problematic Substance Use

Measures will primarily benefit people living with or, at risk of, problematic substance use. A reduction of the societal harms and costs associated with problematic substance use would benefit all Canadians.

Compared to other age groups, youth have the highest rate of substance use and are more likely to experience substance-related harms. This is especially true of LGBTQ2 youth, who face stigma and marginalization; and First Nations, Métis and Inuit youth, who often face major social and economic challenges in addition to historical and intergenerational trauma.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Health – *Health-adjusted life expectancy; Self-rated mental health; Unmet health care needs*

Target Population:	People living with Problematic Substance Use
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Persons with Mental Health Issues
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Strategic Research on Pediatric Cancer

The proposed activities are expected to provide evidence to improve health services and treatments available for Canadian children and youth with cancer as well as their families and caregivers. It is anticipated that the benefits of the proposed funding would be broadly gender balanced, as about 55 per cent of pediatric cancer patients are male.

Beneficiaries of this measure would also include independent researchers who will receive research grants. Recent analysis of Canadian Institute of Health Research programs found that slightly more than 50 per cent of funded applicants identified as women.

Data Sources: *Internal program data, Statistics Canada, Cancer in Young People in Canada (CYP-C) Program*

Quality of Life Impacts



Health – *Health-adjusted life expectancy; Unmet health care needs; Children vulnerable in early development*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Pediatric Cancer Patients and their Families, Health Researchers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework:	Poverty Reduction, Health and Well-Being

Supporting Canada's Active Recovery

Funding will benefit all Canadians by providing more opportunities to participate in community-level sport programming. In addition, funding will be used to reach populations that have the lowest rates of participation in organized sport, including women and girls, LGBTQ2, low-income Canadians, Indigenous peoples, and racialized people. Additionally, participation rates tend to decline as people age, so adults and older Canadians may indirectly benefit. Women and girls in particular quit sport earlier and more often, are subject to abuse and discrimination in sport, and have fewer opportunities to participate. For example, one in three girls will drop out of sport during adolescence, whereas only one in ten boys will drop out of sport during the same phase of life. Low-income Canadians will also benefit from this proposal, as household income heavily influences participation rates.

Data Sources: *Canadian Women & Sport*

Quality of Life Impacts



Health – *Physical activity; Self-rated mental health; Self-rated health*

Society – *Participation in sport; Sense of belonging to local community*

Target Population:	All Canadians, Underrepresented Groups
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	LGBTQ2, Indigenous peoples, Racialized People
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Supporting Racialized Newcomer Women

Investments will directly benefit racialized newcomer women. These women tend to have limited knowledge of English or French, have higher unemployment rates than Canadian-born women, and work in essential front-line occupations, such as health care and food and accommodation services. In addition, recent newcomer women are more likely to be employed in precarious work. They are overrepresented in involuntary part-time work and temporary work compared to established immigrant women and Canadian-born women. Finally, newcomer women have been disproportionately impacted by the pandemic. About 20 per cent of recent immigrant women employed in March 2020 lost their job by April, compared to only 13 per cent among Canadian-born women.

Data Sources: *Statistics Canada; Internal Administrative Data*

Quality of Life Impacts



Prosperity – *Employment; Labour market participation; Child, student and adult skills; Future outlook*
Society – *Sense of belonging to local community*

Target Population:	Racialized Newcomer Women
Expected Benefits:	
Gender:	*Men* ○—○—○—○—● *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Racialized Newcomer Women
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Increasing Old Age Security for Canadians 75 and Over

In 2020, 57 per cent of Old Age Security (OAS) beneficiaries age 75 and over were women, compared to 52 per cent among those age 65 to 74.

According to the Canadian Disability Survey, in 2017, 47 per cent of seniors age 75 and over had a disability, compared to 32 per cent of those aged 65 to 74.

The overall income distributional impact is somewhat progressive. In 2020, 39 per cent of seniors aged 75 and over received the Guaranteed Income Supplement (GIS), compared to 29 per cent of those aged 65 to 74.

Data Sources: *Old Age Security administrative data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Household incomes*

Target Population:	Seniors 75 and over
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—○—● *Senior*
Additional Characteristics:	Persons with Disabilities
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Providing Additional Weeks of Recovery Benefits

This measure directly benefits workers who have been affected by the pandemic. It particularly benefits lower-income workers and youth, as both groups were hardest hit by job losses and employment has been slow to recover for these groups.

This measure is also expected to benefit women, who are overrepresented in lower-paying jobs, more vulnerable to work stoppages, more likely to work in part-time or temporary jobs and more likely to receive parental benefits.

Data Sources: *Canada Revenue Agency*

Quality of Life Impacts



Prosperity – *Protection from income shocks; Financial well-being*
Health – *Self-reported health*

Target Population:	Workers who have lost employment
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*
Gender Results Framework	Poverty Reduction, Health and Well-Being

Gender Equality around the World

The following Budget 2021 measures are expected to advance the Gender Equality around the World Pillar under the Gender Results Framework.

Response to Venezuelan Migrant and Refugee Crisis

According to estimates from the United Nations, women represent about 40 per cent of the Venezuelan migrant and refugee population. Vulnerable migrant and refugee populations, such as women and children, face gender-based violence, forced prostitution, and difficulty in accessing sexual and reproductive health services. This is why Canada's response to the Venezuelan crisis will identify specific actions to reduce barriers and will contribute, through its programming in the different sectors, to the production of sex-disaggregated data. The data will contribute to identifying the gaps related to the impact of this crisis on girls, boys, women, and men. Finally, as a majority of Venezuelan migrants and refugees have seen their source of income disrupted, intervention in economic integration and access to services will mostly benefit low-income individuals in the region.

Data Sources: *Internal administrative data, international organizations including the United Nations and the World Bank, and other external data sources.*

Quality of Life Impacts

Good Governance – *Canada's place in the world*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Individuals in Other Countries, Refugees
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Gender Equality Around the World

GBA+ Responsive Approach

A strong intersectionality approach will be included in the response to identify and tackle specific and distinctive situations of vulnerability for women Venezuelan migrants and refugees.

Responding to the Rohingya Crisis

Canada's strategy to respond to the Rohingya crisis will target poor and vulnerable populations, including Rohingya communities in refugee camps and host communities in Cox's Bazar district. It is expected that this crisis will have disproportionate effects on women and girls given elevated risks of sexual and gender-based violence. This programming will have a specific focus on strengthening comprehensive sexual and reproductive health and rights and will be delivered under Canada's Feminist International Assistance Policy, which places gender equality and the empowerment of women and girls at the centre of its efforts.

Data Sources: *Internal administrative data, international organizations, other external data sources.*

Quality of Life Impacts



Good Governance – *Canada's place in the world*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Individuals in Other Countries
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*
Gender Results Framework	Gender Equality Around the World

GBA+ Responsive Approach

Gender equality considerations will be integrated into the planning and design processes of the initiative, accounting for the unique gendered vulnerabilities of women and children amongst the Rohingya community in Myanmar, and in the host communities in Bangladesh.

Extending Canada's Middle East Strategy

Canadian efforts are expected to alleviate some of the adverse impacts of conflicts and displacements in the Middle East, which have severely affected the population, particularly women and girls.

The strategy will seek to address barriers to gender equality by integrating the needs and rights of women and girls through the promotion of increased participation in governance and conflict resolution. The strategy will continue to build on the achievements to date. Previous funding has helped improve the quality of education for over 1.9 million children, including Syrian refugees in Jordan and Lebanon.

The military capacity-building efforts will also support the meaningful participation of women in peace and security efforts, by promoting the recruitment and integration of women in local security forces, and funding the construction of separate accommodations for women.

Data Sources: *United Nations*

Quality of Life Impacts



Good Governance – *Canada's place in the world*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Girls, Individuals in Other Countries
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Gender Equality Around the World

GBA+ Responsive Approach

The strategy will also engage boys and men as agents of change, so that they become participants in the process to advance gender equality in the target countries.

Increasing International Humanitarian Assistance

By providing additional international humanitarian assistance resources, this measure will directly benefit vulnerable people affected by humanitarian crises in low-income countries. These groups will benefit from this program which is aiming at reducing suffering, increasing and maintaining human dignity, and saving lives. This program is also guided by Canada's Feminist International Assistance Policy, which supports well-designed programming that responds to the specific needs of women and girls. This approach will help ensure effective targeting and efficiency of programming in order for humanitarian assistance to reach those who need it the most.

Data Sources: *International Organizations, Other external data sources.*

Quality of Life Impacts



Good Governance – *Canada's place in the world*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Individuals in Other Countries
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*
Gender Results Framework	Gender Equality Around the World

GBA+ Responsive Approach

Canada's humanitarian assistance programming is guided by a feminist and human rights-based approach, which ensures that it appropriately meets the specific needs of people affected by a crisis. Canada will support implementing partners that integrate beneficiary participation into all stages of programming.

Canadian Ombudsperson for Responsible Enterprise

Women, children and youth, and Indigenous peoples in foreign countries will benefit most from the opportunity to raise human rights abuse complaints related to the operations of Canadian mining, oil and gas, and garment companies operating abroad with the Canadian Ombudsperson for Responsible Enterprise (CORE) and seek redress. These groups are at relatively greater risk of human rights violations, including human trafficking, child labour, forced labour, and other abuses with negative implications for health and safety. The CORE's work will take into account the gender and cultural needs of potential victims in all phases of the review process, with the aim of improving working conditions in the covered sectors.

Data Sources: *UN Working Group on Business and Human Rights; UN High Commissioner for Human Rights; World Bank; Human Rights Watch; International Work Group for Indigenous Affairs; UNICEF*

Quality of Life Impacts



Good Governance – *Canada's place in the world*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Individuals in Other Countries, Mining, Oil and Gas and Apparel Sectors
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*
Gender Results Framework	Gender Equality Around the World

Supporting the African Development Bank

The African Development Bank's overarching objective is to foster sustainable economic growth, support social progress, and contribute to poverty reduction in its African member countries. The Bank's gender priorities focus on 1) empowering women through access to finance and markets; 2) accelerating employability and job creation through skills enhancement; and, 3) increasing women's access to social services through gender-responsive quality infrastructure. Accelerating Canada's share payments will help the Bank support the continent's post-COVID inclusive recovery.

Data Sources: *African Development Bank*

Quality of Life Impacts



Good Governance – *Canada's place in the world*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Individuals in Other Countries
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*
Gender Results Framework:	Gender Equality Around the World

International COVID-19 Response

By committing to delivering COVID-19-related international assistance under Canada's Feminist International Assistance Policy, Canada is supporting efforts that have the highest potential to reach groups that face vulnerability and marginalization. To date, among its international assistance efforts, Canada has been a key contributor to the Access to COVID-19 Tools Accelerator (ACT-A), which facilitates the procurement and delivery of vaccines, diagnostics and therapeutics to developing countries. This benefits women and other vulnerable groups, as ACT-A's goal of 20 per cent global vaccination coverage by the end of 2021 prioritizes health care workers (comprising 70 per cent women, worldwide) and vulnerable groups such as those with pre-existing conditions. Canada's additional contributions to respond to international COVID-19 needs will further strengthen these efforts.

Data Sources: *World Health Organization, United Nations*

Quality of Life Impacts



Good Governance - *Canada's place in the world*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Individuals in Other Countries
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*
Gender Results Framework	Gender Equality Around the World

Supporting Developing Economies through the International Finance Corporation

The International Finance Corporation (IFC) made a number of specific commitments related to gender, as part of the capital increases agreement. Specifically, the IFC has committed to quadruple the amount of its annual financing dedicated to women and women-led small and medium enterprises to reach US$1.4 billion by 2030, and increase the amount of annual commitments to financial intermediaries specifically targeting women to $2.6 billion by 2030 from the US$1 billion expected in FY2018. The IFC has a strong track record of providing economic benefits for women in developing countries. Fully purchasing the shares allocated to Canada will enable the IFC to expand these benefits.

Data Sources: *World Bank Group, International Finance Corporation*

Quality of Life Impacts



Good Governance – *Canada's place in the world*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Individuals in Other Countries
GBA+ Timing:	*Early* □ ■ □ *Later* □ *Existing*
Gender Results Framework:	 Gender Equality Around the World

Chapter 1: Keeping Canadians Healthy and Safe

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 1.

Strengthening Canada's Bio-manufacturing and Life Sciences Sector

Improving Canada's capacity to develop and produce new vaccines and treatments will ultimately benefit all Canadians. In the case of improved pandemic preparedness, vulnerable populations, including those with pre-existing health conditions and older Canadians, likely stand to benefit the most, based on the impacts of COVID-19.

Beneficiaries of this measure will also include researchers who receive grants to undertake research or to improve their bio-innovation infrastructure, as well as workers and owners of businesses that receive support to grow their companies. Recent analysis of Canadian Institutes of Health Research programs found that slightly more than 50 per cent of funded applicants identified as women. However, women only comprise 36 per cent of the Canadian bio-economy workforce. This underrepresentation is most significant in small-sized firms. Support to the Vaccine and Infectious Disease Organization in Saskatoon has additional benefits for that region, including students who study at the University of Saskatchewan.

Data Sources: *Internal program data, Statistics Canada, BioTalent Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Future outlook; Firm growth*
Health – *Health-adjusted life expectancy; Functional health status; COVID-19 incidence*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Vulnerable populations, Bio-manufacturing and Life Sciences Sector, Health Researchers and Universities

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Action to Address Antimicrobial Resistance

This initiative will directly benefit all Canadians, as actions to combat antimicrobial resistance will contribute to improved health outcomes for the general population. However, children under the age of 18 and people over the age of 60 may benefit more than other demographic groups, as these groups are among the highest users of antimicrobials in Canada and are more susceptible to infections caused by resistant bacteria.

Data Sources: *Council of Canadian Academies; World Health Organization*

Quality of Life Impacts



Health – *Unmet health care needs; Health-adjusted life expectancy; Children vulnerable in early development*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Canadians under the age of 18 and over the age of 60
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Supporting Safe Air Travel

These measures benefit all Canadians by reducing the risk of transmission of COVID-19 and facilitating the safe restart of air travel. Air travellers and workers in the air transport sector benefit more than other Canadians.

While people with higher incomes have a greater propensity for air travel, the air transport sector employs Canadians from a wide range of income groups. However, the majority of air transport workers are men.

Data Source: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment*
Health – *COVID-19 incidence*
Good Governance – *Personal safety; Domestic security*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Air travellers, Air Sector
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

GBA+ Responsive Approach

In advancing the Known Traveller Digital Identity pilot project, Transport Canada will take steps to ensure that advanced technologies used for identity verification, such as facial recognition, do not introduce negative impacts based on disability, ethnicity, age or gender.

Continuing to Protect Air Travellers

This measure will benefit air travellers, as well as workers at airports and on airplanes. Based on Statistics Canada's Survey of Household Spending (2019), personal travellers represent 70 per cent of all air travellers. The propensity to fly for personal travel is highly correlated to income, and is roughly comparable by gender. Measures to prevent the spread of COVID-19 through air travel, such as temperature checks, will benefit all Canadians.

Maintaining the operations of the Canadian Air Transport Security Authority will indirectly benefit those employed as screeners at Canadian airports. This workforce is gender balanced.

Data Sources: Statistics Canada

Quality of Life Impacts



Health – *COVID-19 incidence*
Good Governance – *Personal safety; Domestic security*

Target Population: Air Travellers

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Air Sector
GBA+ Timing:	*Early* □□■ *L* □ *Existing*

Supporting Temporary Foreign Workers while they Quarantine

The program directly benefits men since they make up the majority of agricultural producers, fish harvesters and food processors who employ temporary foreign workers. For example, in 2016, 71 per cent of farm operators in Canada were men. The men are often older, and earn on average more than the median income in their province or territories.

The program will also indirectly benefit temporary foreign workers by enabling employers to provide adequate isolation supports for these workers upon their arrival in Canada.

Overall, the majority of temporary foreign workers in Canada are male, representing 82 per cent of temporary foreign workers across all skill levels in 2019.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Household wealth*
Health – *COVID-19 incidence*

Target Population: Agriculture Sector

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Food Producers and Processors, Temporary Foreign Workers
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Maintaining Federal COVID-19 Digital Tools to Inform Canadians

This measure will benefit all Canadians by maintaining digital tools they can use to stay informed about COVID-19. The Canada COVID-19 App is currently used approximately 13,000 times per day, while the COVID-19 Self-Assessment Tool is used approximately 11,000 times per day.

Quality of Life Impacts



Health – *COVID-19 incidence*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Chapter 2: Seeing Canadians and Businesses Through to Recovery

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 2.

Extending the Canada Emergency Wage Subsidy

The wage subsidy directly benefits employers, including businesses and their shareholders, non-profit organizations, and registered charities. By industry, current applicant data show that the largest number of employers receiving support are in accommodation and food services, followed by construction. Additionally, Indigenous government-owned businesses are expected to benefit from the wage subsidy. The wage subsidy also indirectly benefits employees. Current applicant data show that the largest numbers of employees covered were in manufacturing (15 per cent of total), followed by accommodation and food services (15 per cent). Given the gender breakdown of these industries (71 per cent of employees are men in manufacturing, compared to 45 per cent in accommodation and food services), men may be slightly more likely to be covered by the subsidy than women.

Data Sources: *Canada Revenue Agency, Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm income; Employment; Labour force attachment; Wages; GDP per capita*

Target Population: Workers and Employers Affected by COVID-19

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—○—●—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Employees of Eligible Organizations, Business Owners and Other Employers

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

Extending the Canada Emergency Rent Subsidy

The rent subsidy directly benefits organizations and their shareholders, including businesses, non-profit organizations, and registered charities. By industry, current applicant data show that the largest number of properties receiving support to date are in accommodation and food services (22 per cent of total), followed by other services except public administration (14 per cent). Additionally, Indigenous government-owned businesses are expected to benefit from the rent subsidy. The rent subsidy also indirectly benefits employees. Based on current applicant data, women may be more likely to work for organizations receiving the rent subsidy.

Data Sources: *Canada Revenue Agency, Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth; Employment; Labour force attachment; Wages; GDP per capita*

Target Population: Businesses and other Organizations affected by COVID-19 and their Employees

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Tenants, Business Owners, Charities, Non-profits

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

Bridging Businesses to the Recovery

Regional Relief and Recovery Fund uptake has been high among underrepresented groups with 32.2 per cent of recipient businesses women-owned, 3.1 per cent Indigenous-owned, and 59.8 per cent in rural areas.

Approximately 85 per cent of Indigenous Business Initiative lending has supported companies in Western Canada. Through this measure, 29 per cent of businesses supported have been women-owned.

Extending application deadlines for these programs will continue to extend financing to firms owned by underrepresented groups.

Quality of Life Impacts



Prosperity – *Firm growth; GDP per capita*

Target Population: Small and medium-sized businesses

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Small and medium-sized businesses in certain regions

GBA+ Timing: *Early* ☐☐■ *Later* ■ *Existing*

Extending temporary work-sharing program enhancements

The temporary work-sharing program enhancements would remain available to employers in all sectors and industries. Historically, employers in the manufacturing sector and other good-producing industries have represented the majority of work-sharing agreements. However, there has been an increase in take-up across non-traditional industries over the last year (e.g., professional, scientific and technical services sector). Men have traditionally been more likely to benefit from work sharing. In 2018-19, men accounted for 71 per cent of new work-sharing claims and 74 per cent of total benefits paid.

Data Sources: *Employment and Social Development Canada*

Quality of Life Impacts



Prosperity – *Employment; Protection from income shocks*

Target Population:	Employers and their EI-eligible Employees
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Manufacturing Sector
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Extending Temporary Support for Seasonal Workers Who Continue to be affected by the crisis

In 2018-19, men accounted for close to two-thirds of seasonal Employment Insurance (EI) regular claims, including in the 13 regions targeted by the measure. As a result, moderately more men will benefit from the temporary extension of the additional EI support for seasonal workers.

Similarly, men accounted for 80 per cent of EI fishing claims in 2018-19. They are thus more likely to benefit from the extension of the temporary eligibility changes to EI fishing benefits. Historically, Atlantic Canada accounts for the largest share of EI fishing claims (82 per cent), with coastal regions in Quebec and British Columbia also accounting for a significant number of claims given their geographic locations.

Data Sources: *Employment and Social Development Canada*

Quality of Life Impacts



Prosperity – *Financial well-being; Protection from income shocks*

Target Population:	Seasonal Workers and Self-Employed Fishers
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	EI Claimants in Atlantic Canada and Eastern Quebec
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Support to the Government of Quebec to Align the Quebec Parental Insurance Plan with Temporary EI Changes

It is anticipated that the temporary changes to the Quebec Parental Insurance Plan (QPIP)–supported by the financial compensation from the Government of Canada–will benefit approximately 45 per cent of all QPIP claimants between September 2020 and September 2021. Low-income mothers aged 25 to 34 years old–which account for the majority of QPIP beneficiaries–are expected to benefit the most.

Quality of Life Impacts



Prosperity – *Financial well-being*

Target Population: New Parents Residing in Quebec

Expected Benefits:

Gender: *Men* ○—○—○—○—● *Women*

Income Distribution: *Low* ○—●—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Chapter 3: New Opportunities for Canadians

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 3.

Better Labour Protection for Gig Workers

The Labour Force Survey (2019) shows that men (71 per cent) and individuals over the age of 45 (73 per cent) are overrepresented amongst workers in federally regulated private sectors who, similar to gig workers, work as unincorporated self-employed workers without employees. Of this group, 65 per cent were not born in Canada.

Final amendments to the *Canada Labour Code* will take into account the findings of consultations, and will be informed by further GBA+ analysis.

Data Sources: *Employment and Social Development Canada, Statistics Canada*

Quality of Life Impacts



Prosperity – *Precarious or gig work*
Good Governance – *Confidence in public institutions*

Target Population: Gig workers in the federally regulated private sector

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*
Income Distribution: *Low* ○—●—○—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Enhancing Protections for Contract Workers in the Air Transportation Sector

This legislative amendment directly benefits air transportation workers in the federally regulated private sector. The majority of those who will benefit are men (61 per cent). This aligns with the overall demographics of the federally regulated private sector, where women account for 38 per cent of all workers, compared to 62 per cent for men.

In general, those who will benefit are likely to be male, low- and middle-income earners, many of whom were not born in Canada.

Quality of Life Impacts



Prosperity – *Employment; Wages; Financial well-being*

Target Population: Federally regulated contract workers in the air transportation sector

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*
Income Distribution: *Low* ○—●—○—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Newcomers, Low- and middle-income Workers

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Simplifying Wage Earner Protection Program Payments

Simplifying payments through the Wage Earner Protection Program (WEPP) will directly benefit Canadian workers who have lost their job and are owed wages by an employer who has filed for bankruptcy or is subject to receivership.

Since its creation in 2008, the WEPP has paid more than $411 million in eligible wages to more than 146,000 Canadians. Any worker employed in Canada can qualify for a WEPP payment. Benefits of this measure are expected to be broadly gender balanced and not disproportionate to any particular group.

Quality of Life Impacts



Prosperity – *Protection from income shocks; Financial well-being*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Workers of firms filing for bankruptcy
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Taking Action to Address Predatory Lending

This consultation has the potential to benefit all Canadians and enhance consumer protection, particularly for lower and modest income Canadians, who may rely on high-interest short-term credit to meet everyday living expenses, or unanticipated emergencies. In 2019, the Financial Consumer Agency of Canada found that two per cent of Canadians used payday loans in the previous 12 months. That percentage increases for certain vulnerable sub-groups, for example, four per cent of low-income households, eight per cent of Indigenous peoples, and eight per cent of single-parent households used payday lenders.

Data Source: *Financial Consumer Agency of Canada*

Quality of Life Impacts



Prosperity – *Financial well-being; Household debt service ratio; Future outlook*
Good Governance – *Confidence in public/private institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Inco*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Vulnerable groups
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Chapter 4: Helping Canadian Businesses Grow and Succeed

This section includes gender and diversity impacts analyses for remaining Budget 2021 measures in Chapter 4.

Helping Hard-hit Businesses Hire More Workers

The proposed new Canada Recovery Hiring Program is expected to benefit employers, including businesses and their shareholders, non-profit organizations, and registered charities. Additionally, Indigenous government-owned businesses are expected to benefit.

The hiring incentive is also expected to benefit employees by increasing the number of new jobs available. As employment recovers, more women than men may rejoin the labour force, as well as younger and lower-income individuals. As such, it is possible that the measure could provide more benefits to women than men, as well as younger and lower-income individuals, although it is still expected to remain broadly gender-balanced (i.e., women may comprise 50 to 60 per cent of beneficiaries).

The measure may benefit proportionally more individuals in provinces where unemployment is above the national average. In February 2021, these were Newfoundland and Labrador, Alberta, Prince Edward Island, Ontario and New Brunswick.

Data Sources: *Internal Administrative Data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Wages*

Target Population:	Businesses and Other Organizations Affected by COVID-19
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Unemployed Individuals, Employees of Eligible Organizations, Business Owners and Other Employers
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Helping Small and Medium-sized Businesses Move into the Digital Age

This measure targets owners of small and medium-sized enterprises (SMEs). This new program will directly benefit young people through up to 28,000 job placements. Benefits for small and medium-sized enterprises are expected to lean more towards men who are 63.5 per cent of majority-owners of SMEs.

Broad benefits are expected for Canadians, both as employees and clients of small and medium-sized enterprises, and from economic growth that could result from more efficient and competitive small and medium-sized enterprises. There is expected to be positive benefits from increased digital adoption, including among rural and remote SMEs.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Business investment; Productivity; Firm growth*

Target Population: Owners of Small and Medium-sized Enterprises

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Employees and Clients of Small and Medium-sized Enterprises, Young Workers

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

GBA+ Responsive Approach

This measure would seek to encourage diverse business owners to apply by including specific targets for underrepresented groups. Targets would also ensure a diverse group of young people, including those from underrepresented groups, are recruited and hired.

Helping Businesses Seize New Technological Opportunities

This measure is likely to benefit owners of small and medium-sized enterprises (SMEs) as well as students and researchers in scientific disciplines at colleges, CEGEPs, and polytechnics. Higher-educated white men tend to be overrepresented within these groups.

In 2017, 63.5 per cent of SMEs were majority owned by men, and men accounted for 53 per cent of college enrolments in science, technology, engineering, mathematics and computer sciences programs and about 50 per cent of college faculty. Visible minorities and Indigenous people also remain underrepresented among entrepreneurs and college faculty. Many of Canada's network of colleges, CEGEPs and polytechnics are located in smaller urban and rural areas and those surrounding communities also stand to benefit.

Data Sources: *Internal program data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Firm growth; Productivity*

Target Population: Small and Medium-sized Businesses, Students and researchers

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—○—●—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Small and Medium-sized Businesses, Small and Rural Communities

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

Part of the funding will be targeted towards ensuring businesses owned by women, Indigenous people, visible minorities, persons with a disability, and other underrepresented communities have greater access to support from the National Research Council.

Supporting Business Investments

This measure is aimed at benefiting all Canadians by enabling an increase in economic activity and contributing to productivity growth. The immediate expensing for investment in eligible property will benefit Canadian-Controlled Private Corporations (CCPCs). Based on tax data on past CCPC investments, this measure may particularly benefit businesses in the following sectors: the finance and insurance sector; the professional, scientific and technical services sector; and the agriculture, forestry, fishing and hunting sector. It is expected that the benefits would accrue to shareholders and owners of businesses benefiting from the measure, which are more likely to be high-income individuals and men. Indirectly, benefits could also be passed on to employees, as well as their customers. Employees in the sectors expected to benefit most are relatively gender balanced, with the exception of the agriculture, forestry, fishing and hunting sector (29 per cent women).

Data Sources: *Internal Administrative Data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Business investment; GDP per capita; Firm growth; Productivity*

Target Population:	Canadian-Controlled Private Corporations, All Canadians
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Business Employees, Owners and Shareholders
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Preparing Canada's Aerospace Sector for Recovery

Programming targets small and medium-sized firms in the aerospace sector. Women are underrepresented in Canada's aerospace sector, comprising 21 per cent of the manufacturing workforce and 24 per cent of the maintenance, repair and overhaul workforce. Higher paying engineering and assembly jobs are largely held by men (90 per cent). As aerospace wages are considerably higher than the economy-wide average, increasing women's employment in the sector could contribute to higher income jobs for women.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth; Productivity; Access to capital*

Target Population:	Aerospace Sector
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Small and Medium-sized Firms in Aerospace Sector
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*

GBA+ Responsive Approach

The Aerospace Regional Recovery Initiative would prioritize support for inclusive businesses that are operated by and employ underrepresented groups, including women, Indigenous people, Black and other racialized people and youth.

Leveraging Procurement Opportunities

Diversity in procurement initiatives will seek to increase the number of underrepresented groups, such as women, racialized people and persons with disabilities, participating in federal procurement. This will include further opportunities aimed at increasing the participation of Black entrepreneurs in federal public procurement.

Indigenous businesses are expected to benefit from increased opportunities to access the federal government market, and in particular from a new target to have at least five per cent of federal contracts awarded to businesses managed and led by Indigenous peoples.

Quality of Life Impacts



Prosperity – *Firm growth; Labour utilization*
Good Governance – *Confidence in public institutions; Discrimination and unfair treatment*

Target Population: Women, Indigenous, Black Entrepreneurs

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Indigenous, Black Entrepreneurs
GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Expanding the Industrial Research Assistance Program

This program will most directly benefit owners of technology-intensive small and medium-sized enterprises, a majority of whom are well paid and highly educated.

Many of the jobs in these firms are related to science, technology, engineering and mathematics, and women only represented 23 per cent of that workforce in 2016. Clean tech and health innovation firms are eligible for Industrial Research Assistance Program support, which can increase the likelihood of these products or services reaching market, with indirect positive environmental and health care impacts for all Canadians.

Indirect benefits will accrue to all Canadians through stronger job creation and overall economic growth over time.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Firm growth; Investment in R&D*

Target Population: Owners and workers of innovative small and medium-sized Canadian businesses

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*
Income Distribution: *Low* ○—○—○—●—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: SMEs in Technology Sectors
GBA+ Timing: *Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

The program will implement a new preferential scoring system that prioritizes applicant firms that have met equity, diversity, and inclusion targets or are actively working towards meeting them. The program will also build on its work to provide support to women and Indigenous-led firms through agreements with not-for-profit organizations.

Investing in Canadian Innovators through a Renewed Venture Capital Catalyst Initiative

The primary target groups for this initiative are entrepreneurs, businesses, and investors, with an additional focus on those in the life science technologies sector. Men are expected to benefit more than women as they are overrepresented as venture capital fund managers and entrepreneurs receiving investments from these fund managers, including amongst the more gender balanced life science technologies sector. Indirect benefits are expected to accrue more broadly to workers employed by entrepreneurs receiving investments.

This initiative may also tend to benefit those with middle to higher incomes, including investors as well as employees of high-growth potential companies that receive investment. Investments through the new Inclusive Growth stream are expected to have positive impacts on enhancing diversity and gender balance in the Canadian venture capital industry.

Quality of Life Impacts



Prosperity – *Firm growth; Investment in R&D; Productivity*

Target Population: Entrepreneurs and Investors

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Entrepreneurs and Investors in Life Sciences Sector
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

Consistent with previous streams of the Venture Capital Catalyst Initiative, participants will be required to submit gender balance and diversity strategies and recipients will be required to report on statistics related to the number of women and Indigenous, Black and other racialized fund managers and entrepreneurs supported.

Boosting Canada's Clean Technology Exports

This program will primarily benefit Canadian firms looking to export in the clean technology sector. These companies are predominately led by owners that are male, non-Indigenous, younger in age and located in urban areas. However, the resulting environmental gains from the success of these technologies will benefit all Canadians, including future generations, in terms of combatting climate change and supporting other outcomes such as cleaner air and water.

Ontario, Quebec and British Columbia are expected to benefit more from the program, due to the relative sizes of their clean technology sectors.

Data Sources: *Global Affairs Canada, Statistics Canada, Natural Resources Canada, Canadian Electricity Association, Treasury Board.*

Quality of Life Impacts



Prosperity – *Firm growth; Household incomes*
Environment – *Clean tech; Air quality; Clean drinking water*

Target Population: Canadian Clean Technology Firms

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Clean Technology Firms in Ontario, Quebec and British Columbia
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

The program will continue to include measures to specifically support underrepresented groups in the clean technology sector, such as firms led by women, youth, Indigenous persons and immigrants and newcomers to Canada.

Removing Barriers to Internal Trade

The removal of internal trade barriers has the potential to increase productivity and reduce costs of goods and services, benefiting Canadians broadly. Lower-income Canadians will benefit disproportionately as a result of reduced costs of living as this group spends more as a percentage of their income on consumption of goods. With lower internal trade barriers, Canadian business owners could also benefit from increased sales and productivity. Only 15.7 per cent of small and medium-sized businesses in the broader economy are wholly owned by women. Evidence suggests that smaller regional economies tend to be more reliant on imports and have more to gain from trade liberalization. This could help improve the quality of life for Canadians living and working in these regions.

Data Sources: *Statistics Canada, the Privy Council Office research data.*

Quality of Life Impacts



Prosperity – *Productivity; Firm growth; Household incomes*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—●—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Consumers, Small and Medium-sized Enterprises, Smaller Regional Economies

GBA+ Timing: *Early* □■□ *Later* ■ *Existing*

Lowering the Cost of Doing Business by Reducing Credit Card Transaction Fees

Reducing credit card transaction fees will benefit all Canadian businesses that accept credit card payments, although reductions will be designed to provide greater assistance to small- and medium-sized businesses. The majority of businesses in Canada are owned by men.

Quality of Life Impacts



Prosperity – *Household incomes; Firm growth*

Target Population: Businesses in Canada

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Businesses in Canada

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

A Fair and Competitive Marketplace

More robust competition law enforcement would directly benefit all Canadians by helping the economy work more efficiently and providing consumers with competitive prices, product choices and information to make informed decisions. Competition law enforcement can also have particular impacts for diverse groups of Canadians who are disproportionately harmed by fraud or unfair market practices. Enhanced enforcement capacity would help ensure more competitive markets and fairer pricing, which could disproportionately benefit lower income individuals. Overall, this measure would indirectly benefit women, persons with disabilities, seniors and lower-educated individuals.

Data Sources: *World Bank, OECD*

Quality of Life Impacts



Prosperity – *Productivity; Firm growth; Financial well-being*
Good Governance – *Confidence in public institutions; Victimization rate*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Consumers
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Maintaining Momentum on Regulatory Modernization

While regulatory modernization initiatives are designed to benefit all Canadians through a stronger and more competitive economy, small businesses tend to benefit the most. The government's experience engaging with businesses has revealed that men are more likely to participate in regulatory consultations.

Quality of Life Impacts



Prosperity – *Firm growth; Productivity; GDP per capita*
Good Governance – *Confidence in public institutions*

Target Population:	Small and Medium Businesses, All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	SMEs
GBA+ Timing:	*Early* □□■ *Later* ■ *Existing*

GBA+ Responsive Approach

Consultation processes have been designed to better ensure that a diverse set of voices from across Canada inform regulatory modernization. For example, the External Advisory Committee on Regulatory Competitiveness has been comprised to promote gender balance with five of eight spots currently held by women.

Renewing our National Trade Corridors

This program directly benefits all Canadians by improving Canada's overall trade competitiveness. Additional funding for the program will also provide short-term economic stimulus.

The program is expected to benefit workers in certain sectors, including the transportation and construction sectors, in which men make up the majority of the workforce (76 per cent and 87 per cent, respectively).

Data Sources: *Statistics Canada, Infrastructure Canada*

Quality of Life Impacts



Prosperity – *Employment; Household incomes; GDP per capita*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Transportation and Construction Sectors, Exporters
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Modernizing Travel and Trade at Our Borders

Overall, these measures will benefit travellers, as well as those involved in the supply chain including importers, couriers, shippers, and other service providers. Additionally, the Canada Border Services Agency (CBSA) proposes to utilize new technologies, such as facial recognition and fingerprint verification, and will develop strategies to ensure the equitable application of these technologies across differences in gender, age, mobility, and race, to promote the security of all travellers.

Data Sources: *Canadian Border Services Agency, Conference Board of Canada*

Quality of Life Impacts



Good Governance – *Domestic security; Confidence in public institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Travellers, Importers, Shippers, and Couriers
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

GBA+ Responsive Approach

The Canada Border Services Agency will actively monitor, assess and calibrate new technologies in order to mitigate demographic impacts and risks.

Strengthening Canada's Trade Remedy System

Strengthening of the trade remedy system is expected to benefit all Canadians by promoting economic growth and serving all sectors of the economy. A public consultation will be conducted before implementing resulting measures and any unanticipated impacts on particular groups of Canadians raised in the consultations will be taken into consideration in design and implementation.

Quality of Life Impacts



Good Governance – *Canada's place in the world*

Target Population:	Canadian Businesses and Workers
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Canadian Businesses and Workers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Administration of Trade Controls

This program will primarily benefit the dairy, poultry, egg, steel, aluminum, aerospace and other arms technology sectors, which are generally male-dominated and some of which are concentrated in rural communities. Aspects of the program related to cross-border movement of arms will also benefit vulnerable populations in Canada and overseas through enhanced safety and security.

Data Sources: *Statistics Canada, U.S. Department of Labour, ISED Canadian Industry Statistics*

Quality of Life Impacts



Prosperity – *Household incomes; Productivity*
Good Governance – *Crime Severity Index; Victimization rate; Canada's place in the world*

Target Population:	Dairy, Poultry, Steel, Aluminum and Arms Technology Sectors
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Above sectors, Rural or Remote Populations
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Better Supports for Exporters

All Canadians will benefit indirectly from the economic benefits conferred by broad-based improvement in export performance. The proposed increased focus on small and medium-sized enterprises (SMEs) will predominantly support men and Caucasian people as 63.5 per cent of Canadian SMEs are owned by men and only 12.2 per cent are owned by visible minorities.

Data Sources: *Global Affairs Canada, Export Development Canada, Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Firm growth*
Good Governance – *Canada's place in the world*

Target Population:	All Canadians, SMEs
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	SMEs, Caucasian
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Supporting Innovation and Industrial Transformation

Funding through the Strategic Innovation Fund (SIF) is open to all sectors of the economy and all regions of Canada. Investments in SIF are ultimately intended to promote innovation and productivity growth, strengthening the Canadian economy, and benefitting all Canadians.

More generally, SIF projects may result in a higher proportion of direct benefits accruing to workers in highly innovative sectors or in STEM (Science, Technology , Engineering and Mathematics) fields. While the SIF is sector agnostic, this could include sectors like bio-manufacturing and life sciences, or aerospace and automotive manufacturing. This could result in slightly greater benefits for men and higher income individuals given the demographics of these sectors. Depending on the projects ultimately selected it is possible that certain regions in Canada could see greater benefits from SIF projects than others.

Data Sources: *Internal program data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Firm Growth; Productivity*

Target Population: Innovative Companies

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Innovative Sectors
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

GBA+ Responsive Approach

In addition to a project's economic and innovation value, the SIF's assessment framework also considers any public benefits that may accrue, including the degree to which a project proposal includes gender sensitive initiatives, has considered Indigenous impacts and opportunities, and has inclusive plans to encourage diversity in the work place.

Renewing the Pan-Canadian Artificial Intelligence Strategy

This measure is primarily expected to benefit individuals working in the information and communications technology (ICT) sector and STEM (science, technology, engineering and mathematics and computer sciences) fields. The demographics of this group tend to be highly-educated, higher income men from urban regions. 55 per cent of people employed in the ICT sector hold advanced degrees and the annual average salary in the sector was 53.7 per cent higher than the Canadian average in 2019. Within the artificial intelligence commercial sector, only 26.5 per cent of individuals employed in ICT are women. Individuals located in artificial intelligence hubs in Alberta, British Columbia, Ontario and Quebec may benefit more from some measures in the strategy.

Data Sources: *Statistics Canada, The Information and Communications Technology Council*

Quality of Life Impacts



Prosperity – *Investment in R&D; Firm growth; Productivity*

Target Population: Artificial Intelligence Sector; All Canadians

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Workers and Researchers in the Artificial Intelligence Sector
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

GBA+ Responsive Approach

A portion of the funding to support commercialization activities will be directed towards small and medium-sized enterprises led by women and visible minorities.

Launching a National Quantum Strategy

A national quantum strategy will directly benefit individuals working in higher education and research, information and communications technology (ICT), and science, technology, engineering and mathematics (STEM) focused sectors who are predominantly highly-educated, higher income men from urban regions. Relative to their share of the labour force, visible minorities are also more likely to work in STEM fields.

For example, 55 per cent of people employed in the ICT sector hold advanced degrees and the annual average salary in the sector was 53.7 per cent higher than the Canadian average in 2019. Benefiting individuals will likely be primarily located in the four main quantum hubs in Alberta, British Columbia, Ontario and Quebec. Quantum science holds immense promise in areas such as improving drug development and battery technology, which could have a transformative benefit for all Canadians.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Firm growth; Productivity*

Target Population: Quantum Science and Technology Sector, All Canadians

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—○—●—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Workers and Researchers in the Quantum Science and Technology Sector

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

Equity, diversity and inclusion will be considered as the strategy is further developed and implemented.

Revitalizing the Canadian Photonics Fabrication Centre

This initiative will benefit the photonics sector and quantum photonics subsector, specifically photonics researchers and owners of firms, a majority of whom are highly educated and men. Men comprise 62 per cent of science, technology, engineering and mathematics researchers. The average salary of workers in the information and communications technology sector is also 53 per cent higher than the Canadian average.

Data Sources: *Statistics Canada, Innovation, Science and Economic Development Canada*

Quality of Life Impacts



Prosperity – *Firm growth; Investment in R&D*

Target Population: Photonics Sector

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—○—●—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Researchers and Workers in the Photonics Sector, including Quantum Photonics

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Launching a Pan-Canadian Genomics Strategy

Over the shorter term, this program is likely to benefit higher-educated and higher-paid individuals working in postsecondary education and science, technology, engineering and mathematics (STEM) across high-value sectors of the Canadian economy. Women make up only 34 per cent of STEM bachelor degree holders and men account for 53 per cent of university enrolments in STEM programs, which carries through to genomics research, where a majority of project leads are also men.

Over the longer term, participation is expected to become more balanced as the strategy unfolds and more women and underrepresented groups enter the genomics talent pipeline. All Canadians will benefit from the transformative changes that genomics promises, which should create new economic opportunities and jobs across many industrial sectors, improve quality of life and health solutions, and support efforts to reduce carbon emissions.

Data Sources: *Statistics Canada, Genome Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Employment*
Health – *Functional health status*
Environment – *Natural capital*

Target Population: Genomics Sector, All Canadians

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—○—●—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Researchers in Genomics Sector

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

Conducting Clinical Trials

Advancing the development of new drugs, therapies and health interventions through clinical trials would ultimately benefit all Canadians. Historically, there has been an issue of bias in clinical research, marked by the underrepresentation of certain demographic groups, such as women, children, seniors, Black and other racialized persons and low-income populations in research experiments and clinical trials. By focusing on ensuring sex, gender and other diversity factors are considered in research design and implementation, this proposal would contribute towards addressing health inequities experienced by minority groups unrepresented in clinical trials. Beneficiaries of this measure will also include independent researchers who will receive research grants. The Canadian Institute of Health Research programs found that slightly more than 50 per cent of funded applicants identified as women.

Data Sources: *Internal program data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D*
Health – *Health-adjusted life expectancy; Unmet health care needs*

Target Population: Health Researchers, All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Health Researchers

GBA+ Timing: *Early* ■☐☐ *Later* ☐ *Existing*

GBA+ Responsive Approach

The Canadian Institutes of Health Research monitors the extent to which the research it funds addresses sex and gender equity considerations; the proportion of funding that goes to Indigenous health research; provides an annual report on the gender equity of its programs; and would monitor the diversity of funded researchers to inform program improvements.

Supporting the Innovation Superclusters Initiative

This measure is expected to benefit both men and women. However, the impacts are expected to vary depending on the final projects that are supported given the unique demographic characteristics of the sectors in which the Superclusters operate.

As the program supports innovative and often technology intensive projects, it is expected that many of the direct beneficiaries will be highly-educated individuals with middle-to-high incomes. In 2016 the median employment income of individuals with post-secondary certificates, diplomas or degrees was $11,014 higher than that of workers without one. However, it is hoped that the higher levels of economic growth and other benefits ultimately realized through these investments will benefit all Canadians. For example, several supercluster clean tech projects are currently underway with the potential to lead to environmental benefits for all Canadians.

Data Sources: *Internal program data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Firm growth; Productivity*

Target Population: Innovative Companies; All Canadians

Expected Benefits:

Gender:	Men ○—○—●—○—○ Women
Income Distribution:	Low ○—○—○—●—○ High Income
Inter-generational:	Youth ○—●—○ Senior
Additional Characteristics:	Highly educated workers, various sectors
GBA+ Timing:	Early ■□□ Later □ Existing

GBA+ Responsive Approach

Each of the Superclusters is undertaking ecosystem building activities that support economic inclusion of under-represented groups. These activities can include supporting projects that are led by women entrepreneurs or that create work-integrated learning opportunities for Indigenous people.

Promoting Canadian Intellectual Property

This program directly benefits innovative small and medium sized enterprises (SMEs) with the potential to own intellectual property. These businesses tend to operate in sectors with strong representation from the science, technology, engineering and math (STEM) fields. Higher-educated men tend to be overrepresented within these groups and could see greater benefits from the proposed support. Women make up only 34 per cent of STEM bachelor degree holders. While the number of women inventors named on patent applications originating in Canada is growing, men still account for the vast majority.

Data Sources: *Canadian Intellectual Property Office, Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth; Investment in R&D; Productivity*
Good Government – *Confidence in public institutions*

Target Population: Innovative Small and Medium-sized Businesses

Expected Benefits:

Gender:	Men ○—●—○—○—○ Women
Income Distribution:	Low ○—○—○—●—○ High Income
Inter-generational:	Youth ○—●—○ Senior
Additional Characteristics:	SMEs
GBA+ Timing:	Early ■□□ Later □ Existing

Capitalizing on Space-based Earth Observation

The capacity to use information about Earth collected from space is generally expected to benefit Canadians from all regions and demographics, given the positive impacts for public safety, public health, agriculture, climate change adaption, disaster risk reduction, and responsible resource development. Some activities will benefit particular groups of Canadians. For example, services can provide monitoring of sea ice and weather.

Indirect employment benefits to the space sector can be expected to disproportionately benefit men, who comprised 74 per cent of new hires by Canadian space firms in 2019.

The construction and repair of the receiver stations will indirectly benefit the construction trades and engineering, which tend to have workforces that are predominantly men.

Data Sources: *Canadian Space Agency, Statistics Canada*

Quality of Life Impacts



Environment – *Coastal and marine protection; Natural disasters and emergencies; Natural capital*
Good Governance – *Public safety*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Space Sector
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Science and Technology Collaboration with Israeli Firms

This program will primarily benefit Canadian small and medium enterprises (SME) in innovative industry sectors. Broadly speaking, the ownership of SMEs in these sectors tends to be less diverse than that of SMEs overall, with their owners less likely to be from under-represented demographics, such as women, Indigenous persons or visible minorities. These SME owners are likely to have higher levels of education. The potential new technologies resulting from this program are expected to benefit all Canadians, by providing innovative solutions to environmental, social and public health challenges.

Data Sources: *Global Affairs Canada, Statistics Canada, and the Organization for Economic Co-operation and Development.*

Quality of Life Impacts



Prosperity – *Investment in R&D; Firm growth; Productivity*

Target Population: Canadian Innovation-focused SMEs

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Highly-educated Individuals
GBA+ Timing:	*Early* □□■ *Later* ■ *Existing*

GBA+ Responsive Approach

Global Affairs Canada will conduct outreach to innovative women, indigenous, and other minority-owned SMEs to encourage their participation in the program.

Accelerating Broadband For Everyone

High-speed internet will provide benefits to Canadians living in rural and remote communities, where costs of services are often higher. Only 41 per cent of households in rural areas have access to internet speeds of 50/10 megabits per second compared to nearly 100 per cent of households in large urban areas. Faster broadband projects support diversity by enabling people to fully participate in online spaces, for people of different background to share resources, and build connections. High-speed internet can create new economic opportunities that benefit rural households and improve accesses to services, such as remote health and distance learning. Average weekly earnings of residents in large urban areas is estimated to be 15-25 per cent higher than average weekly earnings of residents in rural areas.

Similarly, Indigenous communities located in remote areas can expect to benefit from faster speeds and improved access to online services related to health and public safety.

Data Sources: *Canadian Radio-television and Telecommunications Commission, Statistics Canada*

Quality of Life Impacts



Prosperity – *Access to broadband; Employment; Household incomes*

Society – *Social participation; Sense of belonging to local community; Time use*

Target Population: Rural and Remote Communities

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Rural and Remote Communities, Indigenous communities

GBA+ Timing: *Early* □□■ *Later* ■ *Existing*

Establishing a new Data Commissioner

A well-functioning online marketplace and thriving data-driven technology sector benefit all Canadians by ensuring a proper balance with privacy protections and other social considerations.

There can be biases in the data used by artificial intelligence systems that inform real life decisions that affect people's lives, particularly historically disadvantaged demographic groups. For example, an algorithm used by U.S. hospitals to predict which patients would likely need extra care heavily favoured white patients over Black patients, despite race not being a variable. Healthcare cost history was, however, used in assessing a person's healthcare needs, but it happened to correlate with race.

Collecting bias-free data will help prevent historical harms from being propagated in automated decisions. Efforts by the Data Commissioner to promote positive uses and outcomes associated with data, while identifying and mitigating harmful and negative consequences, are expected to particularly benefit historically disadvantaged groups.

Data Sources: *American Association for the Advancement of Science*

Quality of Life Impacts



Prosperity – *Firm growth; Productivity; Investment in R&D*
Society – *Trust in others*
Good Governance – *Confidence in public/private institutions (data integrity)*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Disadvantaged Groups
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Enhancing Business Condition Data

This measure will benefit all Canadians through increased real-time data regarding business conditions of Canadian enterprises. This measure will also benefit researchers who will have better access to relevant data. Canadian businesses will indirectly benefit through better policies and programs informed by improved data.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth*
Good Governance – *Confidence in public/private institutions*

Target Population:	All Canadians, Business Sector
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Researchers, Business Sector
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Continuing Motor Vehicle Safety Oversight

This measure benefits all Canadians by reducing motor vehicle collisions through monitoring and enforcing compliance with the *Motor Vehicle Safety Act* and its regulations, and developing new regulations to modernize safety oversight.

This measure will indirectly benefit certain sectors, such as the automotive sector and science, technology, engineering and math (STEM) fields, by supporting the introduction of new vehicle technologies. Men make up the majority of the workforce in these sectors.

Data source: *Statistics Canada*

Quality of Life Impacts



Health – *Health-adjusted life expectancy; Functional health status*
Good Governance – *Personal safety*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Automotive Sector, STEM fields
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Revitalizing the Canadian Commercial Corporation

This initiative will support Canadian firms and workers operating in North American defence supply chains. The Canadian Commercial Corporation (CCC) is most active in sectors where jobs are predominantly held by men, including defence, manufacturing, and aerospace, where men hold 75 per cent, 72 per cent, and 70 per cent of jobs, respectively. Men are also expected to indirectly benefit from this initiative as they are generally overrepresented among the workforces of the supply chain partners who work with the exporters directly served by CCC.

Data Sources: *ISED, Canadian Manufacturers and Exporters, Statistics Canada, Canadian Council for Aviation & Aerospace*

Quality of Life Impacts



Prosperity – *Household incomes; Employment*

Target Population:	Exporters and their Supply Chain Partners
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Exporters and their Supply Chain Partners
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

GBA+ Responsive Approach

CCC intends to implement a series of reporting and analysis measures to give the government a better understanding of the composition of the workforce linked to CCC contracts.

Chapter 5: A Healthy Environment for a Healthy Economy

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 5.

Propelling Clean Tech Projects

This new financing facility is expected to directly benefit clean technology businesses and their employees. Men are expected to benefit disproportionately as they are overrepresented as clean technology founders, senior management, and employers. In 2019, men made up approximately 64 per cent of the environmental and clean technology workforce.

The indirect and long-term benefits are expected to be more gender balanced. Climate change directly and indirectly affects the health and wellbeing of individuals and communities. Funding clean technology projects is expected to provide long-term benefits to the environment within Canada (e.g. greenhouse gas emissions reductions, clean air and water), which will be beneficial to all Canadians, in particular younger and future generations.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Access to capital; Firm growth*
Environment – *Greenhouse gas emissions; Waste management*

Target Population: Clean Tech Sector

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Clean technology businesses and employees

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

GBA+ Responsive Approach

Supported businesses will be required to have a gender and diversity strategy in place to improve gender equality and diversity in their company and during the project. Project evaluation will take into consideration a company's record of gender equality and diversity, including board composition and hiring.

Growing Zero-emission Technology Manufacturing

The measure would directly benefit profitable zero-emission technology manufacturers by reducing their tax rates.

To the extent that the measure increases returns to shareholders, men and higher-income individuals are more likely to benefit from the measure than other groups are, as these groups receive disproportionately large amounts of investment income.

Reducing corporate tax rates can benefit workers by increasing their wages through a higher demand for labour. Employees in manufacturing are mostly men (72 per cent); therefore, male workers would primarily realize the share of the benefit of the measure that falls on labour. Reduced business costs may also be passed on to consumers through lower prices. To the extent that reduced business costs are passed on to consumers, some technologies (e.g. zero-emission vehicles) are disproportionately consumed by higher-income individuals. To the extent the measure leads to a net reduction in greenhouse gas emissions, this would benefit all Canadians in the long term.

Data Sources: *Internal Administrative Data and Data from Statistics Canada*

Quality of Life Impacts



Prosperity – *Business investment; Employment; Wages*
Environment – *Greenhouse gas emissions; Air quality*

Target Population: Zero-emission Technology Manufacturers

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*
Income Distribution: *Low* ○—○—○—●—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Employees, Owners and Shareholders of Zero-emission Technology Manufacturers

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Accelerating Investment in Clean Energy Technologies

This tax incentive will directly benefit businesses that generate clean energy by, for example, using pumped hydroelectric energy storage to generate electricity, or by producing renewable fuels or hydrogen. Businesses that use certain fossil-fuelled and certain waste-fuelled electrical generation equipment may realize a loss of tax benefits. To the extent the proposal leads to a reduction in greenhouse gas emissions, this would benefit all Canadians in the long term.

Some of the benefits may be passed on to shareholders and owners of benefitting businesses. While no information is known on these shareholders and business owners specifically, tax data suggests that generally shareholders are disproportionately male and high income. Corporate tax incentives can also benefit workers by increasing their wages through a higher demand for labour. Benefitting businesses operate primarily in the utilities and manufacturing sectors where workers are disproportionately male: 73 and 72 per cent, respectively.

Businesses that may realize a loss of tax benefits operate primarily in the utilities, oil and gas extraction, and wood and paper product manufacturing sectors, where workers are also disproportionately male: 73, 74, and 83 per cent, respectively.

Data Sources: *Internal Administrative Data, and Data from Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth; Business investment*
Environment – *Greenhouse gas emissions; Air quality; Clean tech*

Target Population: Clean Energy Sector, All Canadians

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Utilities Sector, Renewable Fuels and Hydrogen Producers

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Enhancing Canada's Supply of Critical Minerals

Groups that will benefit directly from this proposal include scientists and researchers who develop critical mineral refining and processing technology. Science and research fields in Canada are dominated by men, as women account for less than 30 per cent of those employed in science and research occupations.

Enhancing Canada's supply of critical minerals will indirectly support workers in the mining sector, which is centered in rural and remote areas. The mining workforce in Canada is predominantly men, with women accounting for only 14 per cent of the sector's workers.

While mining and processing these critical minerals will generate negative near-term environmental impacts, significant positive long-term environmental impacts are expected as critical minerals are utilized to increase the availability of batteries and other clean technologies that reduce emissions. In addition, these activities will offer long-term benefits by securing the domestic supply of minerals that will be increasingly important to the green economy.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Household incomes; Investment in R&D*
Environment – *Clean tech*
Good Governance – *Domestic security*

Target Population:	Scientists and Researchers
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Scientists and Researchers, Workers in the Mining Sector
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Charging and Fueling Zero-emission Vehicles

This measure is expected to benefit current and future zero-emission vehicle (ZEV) owners. Research conducted by Simon Fraser University indicates that early adopters of ZEVs in Canada are more likely to be men, middle-aged, well-educated, high-income, and to live in urban areas. This trend is expected to continue in the short term.

This measure will eventually benefit all Canadians through the improved air quality and greenhouse gas emission reductions associated with large-scale ZEV adoption.

Quality of Life Impacts



Environment - *Air quality; Greenhouse gas emissions*

Target Population:	Current and Future ZEV Owners
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Driving Age Population, Urban Regions
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Reducing Transportation and Landfill Emissions

The measures will improve environmental outcomes for all Canadians by reducing greenhouse gas emissions from the transportation and waste sectors. The resulting improved air quality and associated health outcomes would benefit those with a sensitivity to pollution, including the elderly, children, and those with pre-existing medical conditions. Reducing greenhouse gas emissions will benefit future generations by alleviating the negative impacts of climate change.

Data Sources: *United Nations, California Air Resources Board, Environment and Climate Change Canada*

Quality of Life Impacts



Environment – *Greenhouse gas emissions; Waste management; Air quality*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Clean Technology Sector
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

GBA+ Responsive Approach

Environment and Climate Change Canada intends to undertake a socio-economic impact assessment for each regulation during the first year of development, which will include consideration of GBA+ factors.

Investing in the Forest-based Bioeconomy

This measure will predominantly benefit men, who represent 83 per cent of the workers in the forest sector, which is centered in rural and remote areas. First Nations and Métis men are also overrepresented in the sector compared to the general population. The program will require participating firms to develop a diversity work plan to track and promote inclusive hiring practices and environments.

Supporting biomaterials that offset fuel and plastic use, new technologies and other upgrades at forest facilities will also support the maintenance and creation of well-paying jobs, and benefit the rural and Indigenous communities located near, and reliant on, the forest sector, especially in British Columbia, Ontario, Quebec and New Brunswick.

Data Sources: *Natural Resources Canada, Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Productivity; Employment*
Environment – *Greenhouse gas emissions; Natural capital; Waste management*

Target Population: Workers in the Forest Sector

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Forest Sector, Rural and Indigenous communities
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

GBA+ Responsive Approach

Program application and contribution agreement materials will both collect data on existing participation levels of different groups and promote greater diversity and involvement of underrepresented populations.

First Federal Green Bond

Green bonds support investments that pursue environmental objectives benefitting all Canadians, which could include projects that support climate mitigation adaptation, biodiversity and conservation, and pollution prevention and control.

Quality of Life Impacts



Environment – *Greenhouse gas emissions; Adaptation; Conservation*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Advancing Carbon Capture, Utilization, and Storage Technologies

Over the near and medium term, men and individuals with higher education are expected to benefit from increased science and research activities focused on the energy and industrial sectors. Men are overrepresented in the science and research fields, and the energy and manufacturing sectors, with women accounting for less than 30 per cent of the workforce in the energy and manufacturing sectors. Supporting the advancement of carbon capture, utilization, and storage technologies is expected to benefit all Canadians through reduced greenhouse gas emissions in the long term.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Household incomes*

Environment – *Greenhouse gas emissions, Clean tech*

Target Population: Clean Tech Companies and Researchers; all Canadians

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Energy Sector, Heavy Industry, Certain Regions

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Cleaner Fuels for a Cleaner Environment

The implementation of the Clean Fuel Standard liquid fuels regulation is expected to benefit all Canadians, including future generations, by reducing Canada's greenhouse gas emissions. The regulation will ensure the production of cleaner and less polluting fuels, resulting in improved air quality that will benefit those with air pollution sensitivities (e.g., seniors, children, and those with pre-existing medical conditions). The regulation is also expected to benefit lower-carbon fuel providers, such as biofuel producers and feedstock providers (e.g., farmers and foresters), and promote the uptake of advanced vehicle technologies (e.g., electric and hydrogen fuel cell vehicles). Compliance strategies under the regulation will also benefit providers of carbon capture, utilization, and storage, and hydrogen production technologies.

Data Sources: *United Nations, Canada Energy Regulator, Sustainable Prosperity, Ecofiscal Commission*

Quality of Life Impacts



Health – *Self-rated health*
Environment – *Greenhouse gas emissions; Air quality*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Clean Energy Sector
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Supporting the Production and Use of Clean Fuels

The near-term benefits of this measure will be focused mainly on companies involved in the production or distribution of low-carbon fuels, which are part of the broader energy sector. Men are the predominant demographic group in the energy sector.

Over time, increased production and use of low-carbon fuels is expected to support the long-term resilience of the energy sector, assist energy-intensive sectors like oil and gas, steel, and cement in reducing their emissions, and offer new job opportunities for Canadians. In the long-term, low-carbon fuels can reduce greenhouse gas emissions, which will benefit all Canadians.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth*
Environment – *Air quality; Greenhouse gas emissions; Natural capital*

Target Population: Clean Energy Sector

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Heavy Industry, Clean Technology Sector
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

GBA+ Responsive Approach

This measure will give priority to supporting firms that commit to workforce diversity.

Low-Carbon Fuel Procurement Program

Procurement of low-carbon fuels is aimed at reducing the pollution from fossil fuels, and reducing greenhouse gas emissions of government operations. This will reduce the impacts of climate change and environmental degradation to the benefit of all Canadians. The program is likely to directly benefit the working age (18-64) population in the clean energy sector. Over the longer term, the program will indirectly support the transition of the air and marine transportation sectors to more sustainable operations which will have a slight positive impact on employment in those industries.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Environment – *Greenhouse gas emissions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Clean Energy Sector

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Supporting a Centre for Innovation and Clean Energy in British Columbia

Clean technology firms and the energy sector are expected to benefit directly from this support. These fields in Canada are predominantly occupied by men.

Women continue to be significantly underrepresented across the energy sector, comprising approximately 20 to 25 per cent of the workforce. In addition, small and medium-sized clean tech enterprises tend to be majority owned by men, with only 19 per cent being majority owned by women in 2017.

Supporting the advancement of clean technologies will benefit all Canadians through improved environmental outcomes and reduced greenhouse gas emissions in the long term.

Quality of Life Impacts



Prosperity – *Firm growth; Investment in R&D*

Environment – *Clean tech; Greenhouse gas emissions*

Target Population: Clean tech companies

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Energy Sector

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Federal Clean Electricity Fund

This measure will reduce greenhouse gas (GHG) emissions and support Indigenous participation in clean electricity investments. All Canadians are expected to benefit from reduced GHG emissions from government operations, while at least five per cent of program benefits will accrue to Indigenous businesses.

Due to the current availability of clean electricity, incremental benefits are expected to accrue largely to clean electricity producers in Alberta. Since women represent about 20 to 25 per cent of the workforce in the energy sector, resulting employment opportunities are expected to favour men.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth*
Environment – *Greening operations; Greenhouse gas emissions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Clean Energy Sector
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Steering Canada's Strengthened Climate Plan

Increasing federal policy development capacity for clean tech and addressing domestic and international climate change is expected to benefit all Canadians by supporting decision making that contributes to reducing greenhouse gas emissions. As women and young people are more affected by climate change, they are likely to benefit from deeper action on climate change. The additional federal clean tech capacity would also promote the deployment and export of these technologies. As men represent nearly three-quarters of the labour force in the clean tech sector, they are likely to benefit from growth in this sector.

Data Sources: *United Nations, Statistics Canada.*

Quality of Life Impacts



Environment – *Greenhouse gas emissions*
Good Governance – *Canada's place in the world*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Clean Technology Sector
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Support for Farmers and Agricultural Climate Solutions

The direct beneficiaries of these measures are older men since 71 per cent of operators in the agriculture sector are men and the average age of all farm operators is 55. The farm population also has a median household income 17 per cent higher than the total population. Communities where producers operate will indirectly benefit from these measures as support could translate into job creation for clean solutions to farm emissions or economic co-benefits. Climate action will have long term benefits for future generations. Proposed support to farmers through fuel charge proceeds only benefits producers and communities in backstop jurisdictions, which currently include Alberta, Manitoba, Saskatchewan and Ontario. ***Data Sources:*** *Statistics Canada*

Quality of Life Impacts



Prosperity – *Household incomes; Food security*
Environment – *Clean tech*

Target Population: Agricultural Operators, Specific Regions

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—○—● *Senior*
Additional Characteristics:	Agriculture Sector
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Integrating Climate into Federal Decisions

Applying a climate lens is expected to benefit all Canadians by ensuring that all federal government decision-making considers climate change mitigation, adaptation. and resilience in a rigorous and consistent way. Strengthened decision-making is anticipated to have indirect positive medium and long-term environmental impacts.

Data Sources: *Statistics Canada, Organisation for Economic Co-operation and Development, Treasury Board Secretariat, Environment and Climate Change Canada*

Quality of Life Impacts



Environment – *Greening operations; Adaptation; Greenhouse gas emissions*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Public sector
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Stronger Climate-Related Disclosures

Climate-related financial disclosure is designed to focus organizations and investors (in this case the Crown) on sustainable financial choices, taking into account and disclosing the financial risks associated with climate change, which will result in positive impacts on income growth and the environment that benefit all Canadians.

Crown corporations will also be required to implement gender and diversity reporting, starting in 2022.

Quality of Life Impacts



Prosperity – *Firm growth*
Environment - *Greening operations; Greenhouse gas emissions*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Clean Technology Sector
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Lower Home Energy Bills Through Interest-free Loans for Retrofits

This program will directly benefit homeowners and landlords, including low-income Canadians. Homeownership rates increase with income and age, and are also higher for couples and families when compared to single-individual households. Improving the energy efficiency of homes will lower energy bills, and help to combat energy poverty. Home energy retrofits can also improve the climate resiliency of homes and reduce greenhouse gas emissions, which will benefit all Canadians, especially low-income Canadians who are more vulnerable the consequences of climate change.

The program would indirectly benefit the energy efficiency sector. A 2019 Environmental Careers Organization of Canada report noted that women represent 13 per cent of energy efficiency construction jobs, which is significantly higher than the national average in construction overall of approximately four per cent. The report also noted that the energy efficiency workforce had a higher proportion of younger workers between ages 18 and 34 (42 per cent) than the overall construction workforce.

Data Sources: *Statistics Canada, Environmental Careers Organization of Canada*

Quality of Life Impacts



Prosperity – *Employment; Household incomes*
Environment – *Greenhouse gas emissions, Energy efficiency; Air quality*

Target Population:	Homeowners and Landlords; All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Couples and Family Households, Energy Efficiency Sector
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Strengthening Climate Resiliency

These measures will benefit all Canadians by improving resilience to climate change. However, certain groups are particularly vulnerable to climate change and will benefit more than other Canadians. These include coastal, remote, northern, and Indigenous communities, as well as minority groups, low-income communities, women, and elderly people. The creation of a small-scale project stream under the Disaster Mitigation and Adaptation Fund will specifically benefit small, rural, remote, northern, and Indigenous communities, while the renewal of the Standards to Support Resilience in Infrastructure Program will benefit northern communities by addressing their unique needs.

Both measures will indirectly benefit certain industries, such as construction, trades, and engineering, which tend to have workforces that predominantly employ men. As recorded in the 2016 Census, those employed by the construction sector identified as:

- 87 per cent men;
- 18 per cent immigrants; and
- 11 per cent visible minorities, including two per cent Black Canadians.

Data Sources: *Statistics Canada, BuildForce Canada*

Quality of Life Impacts



Prosperity – *Firm growth; Household incomes*
Health – *Self-rated health*
Environment – *Natural disasters and emergencies; Adaptation*
Good Governance – *Household emergency preparedness*

Target Population: All Canadians; Coastal, Small, Rural, Remote, Northern, and Indigenous Communities

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Construction, Trades and Engineering Sectors

GBA+ Timing: *Early* □■□ *Later* ■ *Existing*

GBA+ Responsive Approach

The Community Employment Benefits Reporting Framework under the Disaster Mitigation and Adaptation Fund encourages all proponents to address inequality and build inclusiveness, thereby increasing employment opportunities for apprentices, Indigenous people, women, persons with disabilities, veterans, youth, and new Canadians.

Keeping Canadians Safer from Floods

Canadians living in flood-prone areas will primarily benefit. Based on preliminary analysis, this group represents a gender-balanced subset of the Canadian population, which is not substantially skewed by income. This finding is supported by a recent Statistics Canada report on five major flood events from 2019.

Homeowners and renters, particularly in coastal and floodplain regions, will benefit from a more accurate understanding of flood risk for insurance purposes. Areas of higher flood risk exist in both rural and urban areas due to construction in floodplains over time.

Indigenous peoples are more at risk of flooding due to both pre-existing socio-economic vulnerabilities and the legacy of colonialism. Furthermore, Indigenous communities are more likely to be located in flood prone areas.

Data Sources: *Statistics Canada, Natural Sciences and Engineering Research Council*

Quality of Life Impacts



Prosperity – *Protection from income shocks*
Environment – *Natural disasters and emergencies; Adaptation*
Good Governance – *Household emergency preparedness*

Target Population: Specific Regions (Coastal and Floodplain)

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Homeowners, Indigenous peoples in Specific Regions

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

GBA+ Responsive Approach

Where applicable, this program will adhere to Indigenous Ownership Control Access and Possession principles to disseminate flood hazard information in Indigenous communities and conduct Indigenous engagement to ensure openness and transparency in its data collection and publication practices.

Improving Wildfire Resilience and Preparedness

These measures will primarily benefit Canadians who are the most affected by wildfire. Rural and remote communities are particularly vulnerable to wildfire disasters, especially Indigenous communities, with 70 per cent of Indigenous people living in or near forested areas. People with pre-existing medical conditions (e.g. asthma) can be disproportionately affected by wildfire smoke, while individuals with mental health issues can also be disproportionately affected by stress and trauma resulting from evacuations. Food and water shortages resulting from a wildfire event also significantly affect people with either physical or mental health issues. These initiatives may create employment opportunities in the forest sector, with non-immigrants, men, and people over 45 years of age being the most likely to benefit as they respectively represent 88, 83 and 53 per cent of forestry workers.

Data Sources: *Statistics Canada, International Union for Conservation of Nature, Parks Canada Agency, Canadian Parks Council, International Journal of Wildland Fire, Association for Fire Ecology*

Quality of Life Impacts



Health – *Functional health status; Self-rated mental health*
Environment – *Natural disasters and emergencies; Air quality; Adaptation*
Good Governance – *Household emergency preparedness*

Target Population: Rural and Remote Regions exposed to Wildfire Risk

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—●—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Rural and Remote Regions particularly affected by wildfire, Indigenous Communities

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

The Parks Canada Agency and Natural Resources Canada have committed to work with partners to address gender and diversity challenges including improving the representation of women in fire management.

Supporting Provincial and Territorial Disaster Response and Recovery

Supporting the Disaster Financial Assistance Arrangements (DFAA) program will ensure that the federal government is able to provide financial assistance to provinces and territories affected by large natural disasters such as floods and storms, which is increasingly necessary for adapting to climate change. This program benefits all individuals in areas affected by natural disasters. In recent years, the DFAA funds have benefited Canadians all across the country, including in British Columbia (wildfires), Alberta (Calgary flood and Fort McMurray wildfire), Manitoba (spring floods), Quebec (spring floods) and New Brunswick (spring floods).

Quality of Life Impacts



Environment – *Natural disasters and emergencies; Adaptation*
Good Governance – *Emergency preparedness*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Specific Regions
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Addressing Climate Change in Yukon

Working in collaboration with Crown-Indigenous Relations and Northern Affairs Canada and Environment and Climate Change Canada, this measure directly benefits all residents and communities in the Yukon. Climate change has a disproportional impact on Indigenous peoples, women, and children. The measure positively impacts the Indigenous population living in Yukon, who make up 23 per cent of the population in the Territory. Children and youth will also disproportionately benefit from this measure, given that the benefits of taking action to address climate change today will be realized over the medium to longer-term.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Environment – *Adaptation; Greenhouse gas emissions*

Target Population:	Northerners, Residents of the Yukon Territory
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Residents of the Yukon Territory, Indigenous peoples
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Preserving the HMS Erebus and HMS Terror – Franklin Expedition

This measure is expected to benefit all Canadians, including future generations, by protecting the high cultural value of these artifacts and meeting Canada's previous commitment to the United Kingdom to manage and protect them. Indigenous peoples, specifically Inuit, are expected to benefit directly from the initiative, as will rural and remote populations near the wrecks. The initiative additionally provides indirect benefits to the communities of Cambridge Bay and Gjoa Haven, due to employment opportunities for community members and increased spending in the area. The wrecks and the Franklin story are expected to attract an increased number of cruise ship visits to Gjoa Haven, providing income to the municipality, community members, and artists.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment*
Environment – *Conservation areas*
Society – *Cultural and historical preservation*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○ ○ ● ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Inuit peoples and/or other populations in the area
GBA+ Timing:	*Early* ■ □ □ *Later* □ *Existing*

Historic Investments in Canada's Natural Legacy

Conserving more land and inland waters in Canada, and protecting species at immediate risk of disappearing from the wild in Canada, are expected to benefit all Canadians by protecting biodiversity, helping to adapt to climate impacts, and maintaining natural carbon sinks.

These measures are expected to have pronounced benefits for Indigenous peoples and Canadians employed in the conservation field, and long-term benefits for youth and future generations. Expanding Indigenous Guardians programming will have a positive impact on the Indigenous communities implicated in those activities.

Data Sources: *Statistics Canada, United Nations*

Quality of Life Impacts



Environment – *Conservation areas; Climate change adaptation; Canadian Species Index; Natural capital*
Society – *Sense of belonging to community; Participation in cultural practices; Connection to land*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○ ○ ● ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ● ○ ○ *Senior*
Additional Characteristics:	Indigenous peoples, Conservation Workers
GBA+ Timing:	*Early* ■ □ □ *Later* ■ *Existing*

Conserving Canada's Oceans

Marine conservation will directly and indirectly benefit all Canadians through broad long-term health and climate change mitigation impacts. It may directly and indirectly positively impact the socio-economic outcomes for some working-age men in Arctic and coastal communities, including Inuit and other Indigenous peoples, through economic development activities associated with sustaining natural ecosystems.

Further protection of marine areas may directly negatively impact the fishing and oil and gas industries, which predominately employ working-age men, in areas where certain conservation measures are established.

Data Sources: *Parks Canada, Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Labour market participation; Future outlook*
Environment – *Conservation areas; Coastal and marine protection; Climate change mitigation*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous peoples, Arctic and Coastal Communities, Tourism, Conservation Industry
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

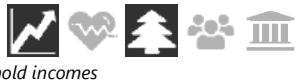
Implementing strategies to promote inclusion and ensure any disproportionate impacts on Indigenous and coastal communities are mitigated through participation as well as site management and monitoring opportunities.

Reducing Ocean Plastics that Threaten Marine Life

The ghost gear program is expected to generate benefits for Canadians in coastal communities through improved outcomes for aquatic species, more sustainable fisheries, and cleaner coastlines and waterways for recreational and tourism activities. The majority of ghost gear retrieval operations are carried out by those with experience working in the fisheries sector. As a result, the program's indirect benefits are primarily realized by men as they make up 70 to 80 per cent of fish harvesters. Coastal Indigenous organizations and communities, which have lower average incomes compared to Canada as a whole, also benefit from the program as their expertise and knowledge has supported successful projects in the first call for proposal process. Overall, future generations will benefit from reduced pollution and healthier oceans.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Household incomes*
Environment– *Waste management; Coastal and marine protection*

Target Population: Coastal Communities

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Commercial Fishing Sector
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Preserving Wild Pacific Salmon

Stabilizing and recovering wild Pacific salmon stocks directly benefits men as they represent the majority of participants in the recreational and commercial fishing sector. This will further benefit rural and remote communities by ensuring economic activities derived from Pacific salmon can continue into the future. First Nations communities in the Pacific region benefit from these actions as approximately 42 per cent of commercial salmon licenses are Indigenous commercial communal licenses, and Pacific salmon are an important species harvested for food, social and ceremonial purposes.

Habitat and biodiversity conservation measures are expected to generate ultimate benefits for all Canadians through improved outcomes for aquatic species and cleaner waterways and forests that support our food and freshwater systems, and provide recreation and tourism opportunities.

Data Sources: *Fisheries and Oceans Canada*

Quality of Life Impacts



Prosperity – *Household incomes; Food security*
Environment – *Conservation areas; Coastal and marine protection; Water quality in Canadian rivers*
Society – *Participation in cultural practices*

Target Population:	Pacific Region fishers, Pacific region coastal communities
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	First Nations, Commercial and Recreational Pacific region Fishers
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Sustainable Aquaculture Management

Sustainable aquaculture will benefit Indigenous and non-Indigenous coastal and rural communities through an improved environment, economic activity and additional job opportunities.

All Canadians will indirectly benefit from strengthened environmental regulations that support a cleaner marine ecosystem and protections for wild fish stock.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Environment – *Coastal and marine protection*
Good Governance – *Confidence in public institutions*

Target Population:	Coastal Communities
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Coastal Communities, Aquaculture Sector
GBA+ Timing:	*Early* □□■ *Later* ■ *Existing*

Developing the Canada Water Agency

All Canadians will benefit from safe, clean, and well-managed water and water systems across Canada, with particular benefits for farmers and the agricultural sector. This initiative is expected to produce direct benefits for Indigenous peoples, including First Nations, Inuit, and Métis, through expanded engagement with regional Indigenous governing bodies and organizations on the mandate and structure of the Canada Water Agency. It is expected to benefit Indigenous women, Indigenous elders, and Indigenous youth, through the long-term protection of freshwater resources for generations to come.

Data Sources: *Statistics Canada, Lake Simcoe Region Conservation Authority, Canada's Changing Climate Report (2019), Lake Simcoe Diagnostique*

Quality of Life Impacts



Environment – *Clean drinking water; Water quality in Canadian rivers*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous Communities
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*

GBA+ Responsive Approach

Funding for this initiative will be used to ensure that Indigenous governments and representative bodies have adequate resources to meaningfully contribute to the discussion.

Better Understanding our Environment

Direct benefits will accrue to members of the Canadian public and organizations wishing to analyze the links between ecosystems, society, and the economy. In the longer-term, as comprehensive and up-to-date data on Canada's ecosystems helps promote better decision-making and environmental management, all Canadians, including future generations, would directly benefit. This measure could also strengthen our understanding and available data linking the changing environment to marginalized and vulnerable communities.

Data Sources: *Statistics Canada, Canadian Institute for Climate Choices, Environment and Climate Change Canada*

Quality of Life Impacts



Environment – *Natural capital*

Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Researchers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Support for the Polar Continental Shelf Program

This measure will predominantly benefit men, who represent 78 per cent of workers in STEM fields and a similar proportion of program funding recipients. Funding directed at engaging with local northern communities and facilitating access to training for Inuit youth is expected to create new economic and employment opportunities for young northerners regardless of gender. The program will also continue to work to promote greater inclusion of under-represented groups in scientific research.

Improved information about Arctic ecosystems will also support communities and others in making informed decisions when faced with land planning and other questions into the future.

Data Sources: *Natural Resources Canada, Statistics Canada, Natural Sciences and Engineering Research Council of Canada*

Quality of Life Impacts



Prosperity – *Child, student, and adult skills; Employment*
Environment – *Satisfaction with local environment; Coastal and marine protection*

Target Population:	Researchers Working in the North
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Northern and Inuit Communities, Researchers
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

GBA+ Responsive Approach

Selection criteria have recently been updated to promote the greater inclusion of women and diverse groups in research, support Indigenous peoples as partners, and foster the next generation of scientists in projects supported by the program.

Continuing Canada's Chemicals Management Regime

Renewing the Chemicals Management Plan is expected to continue to benefit all Canadians by reducing risks to human health and the environment created by chemicals, including those in foods, consumer products, cosmetics, pesticides, and drugs. Communities and social groups who are exposed to higher pollution levels (including women, Indigenous peoples, visible minorities, and lower-income groups) are expected to benefit from action in this area, as well as those most vulnerable to chemicals (e.g. children and elderly people).

Data Sources: *Statistics Canada, Auditor General of Canada, United Nations, Canadian Institute for Health Information*

Quality of Life Impacts



Health – *Health-adjusted life expectancy; Self-rated health*
Environment – *Air quality; Water quality in Canadian rivers; Waste management*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Vulnerable Populations
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Replacing Lost Revenue at Parks Canada due to COVID-19

This measure will support Parks Canada's workforce, 48.8 per cent of whom are women and 7.7 per cent of whom are Indigenous people. This measure also ensures Parks Canada can continue to deliver its outdoor recreational services, directly benefitting all Canadians and their well-being. Middle-income Canadians are more likely to use Parks Canada spaces compared to higher and lower income Canadians. Physical distancing measures have increased Canadians' use of green spaces, and Canada's National Parks contribute to national culture and identity. The continued operation of Parks Canada sites benefits the communities and local businesses, often in rural and remote areas, that rely on Parks as the main source of visitor traffic.

Data Sources: *Parks Canada 2019-2020 Employment Equity Annual Report*

Quality of Life Impacts



Prosperity – *Employment; Protection from income shocks*
Health – *Physical activity*
Environment – *Satisfaction with local environment*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Rural and Remote Communities
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Continuing to Protect Canada's Oceans

Extended funding for the Canadian Coast Guard Auxiliary Chapter in the Arctic and the Indigenous Community Boat Volunteer Pilot Program will directly benefit Indigenous coastal communities in Canada's Arctic.

Communities involved in the program will benefit from increased capacity and resources to respond to marine safety incidents and training opportunities related to preventing and responding to arctic marine emergencies.

Indirectly all northerners will benefit from safer oceans and waterways.

Quality of Life Impacts



Environment – *Coastal and marine protection*
Good-Governance – *Personal safety*

Target Population: Arctic Coastal Communities

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Arctic Coastal Communities, Indigenous peoples
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Accelerating Canada's Net-zero Transformation Through Innovation

The Strategic Innovation Fund's Net Zero Accelerator will focus on projects intended to reduce greenhouse gas emissions and support industrial transformation, those that support decarbonisation of large industrial emitters and those that lead to meaningful domestic emission reductions.

As men tend to be the predominant demographic group in the sectors these firms operate in (i.e. the energy sector, heavy industry), they may accrue a greater proportion of direct benefits. Net Zero Accelerator projects may also result in a higher proportion of direct benefits accruing to workers in STEM fields who contribute to technological solutions and are more likely to be higher-income men.

A greater proportion of benefits from this measure may also be felt in regions with existing concentrations of high emitters and heavy industry.

Data Sources: *Internal program data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D; Firm growth; Productivity*
Environment – *Greenhouse gas emission; Clean tech*

Target Population:	Innovative Companies
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	High Emitting Sectors
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

GBA+ Responsive Approach

In addition to a project's economic and innovation value, the SIF's assessment framework also considers any public benefits that may accrue, including the degree to which a project proposal includes gender sensitive initiatives, has considered Indigenous impacts and opportunities, and has inclusive plans to encourage diversity in the work place.

Lake of the Woods

This measure will primarily benefit communities established in the Lake of the Woods Basin in Manitoba and Ontario, including Indigenous communities. Reducing phosphorus levels that create toxic algae and undertaking research will help improve water quality, health and economic activities, such as tourism and fishing around the lake.

Quality of Life Impacts



Environment – *Water quality in Canadian lakes and rivers*

Target Population:	People living in Lake of the Woods Basin
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous Communities
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Renewing the Clean Growth Hub and Clean Technology Data Strategy

The continuation of the Clean Growth Hub and Clean Technology Data Strategy will primarily benefit clean technology companies, particularly small and medium-sized enterprises (SMEs). These enterprises tend to be owned by men and are less diverse in ownership than SMEs in Canada overall. Metrics collected under the data strategy (including gender, age, education, race, etc.) will provide the federal government with a greater understanding on how to support inclusivity and address the gender and pay disparity in the sector.

Quality of Life Impacts



Prosperity – *Employment*
Environment – *Clean tech*

Target Population:	Clean Technology Sector
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Clean Technology SMEs
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Interim Capital Asset Program Capacity for Parks Canada

This measure would primarily support Parks Canada's workforce, of which currently 48.8 per cent are women and 7.7 per cent are Indigenous people.

More broadly, ensuring sufficient internal capacity for Parks Canada's workforce provides an indirect benefit to the communities where Parks Canada national parks and sites are located, many of which are rural and remote.

Data Sources: *Parks Canada Agency*

Quality of Life Impacts



Prosperity – *Employment*
Environment – *Satisfaction with local environment*

Target Population:	Parks Canada
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Rural and Remote Communities
GBA+ Timing:	*Early* □□■ *Later* ■ *Existing*

Learning to Camp

The Learn to Camp program is expected to benefit all Canadians by allowing more Canadians to experience the outdoors and learn about the Canadian environment and heritage. The renewed funding is expected to engage up to 40,000 children annually, bringing the total amount of youth engaged through the Learn to Camp program to 100,000. This measure is not expected to affect individuals differently on the basis of gender, but will target urban children and their families, visible minorities, Canadians with disabilities, and Indigenous people. Urban Canadians and Indigenous communities generally have higher numbers of low-income individuals.

Quality of Life Impacts



Health – *Physical activity*
Environment – *Satisfaction with local environment; Connection to lands*
Society – *Sense of pride/belonging to Canada*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Visible Minorities, Canadians with Disabilities, Indigenous People
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*

Continuing Ballast Water Management

This measure directly benefits coastal and shoreline communities by protecting marine ecosystems and infrastructure from the establishment and spread of invasive aquatic species.

Protecting marine environments from invasive species also benefits a wide variety of groups that rely on a healthy marine ecosystem, including Indigenous communities, fishers, and recreational boaters.

Quality of Life Impacts



Environment – *Coastal and marine protection*

Target Population:	Coastal Communities
Expected Benefits:	
Gender:	*Men* ○ ○ ● ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Inco*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous Communities, Fishers, Recreational Boaters
GBA+ Timing:	*Early* □ □ ■ *Later* ■ *Existing*

Continuing Tanker Safety Inspections

This measure directly benefits coastal and shoreline communities by reducing the risk of hazardous material leaks and spills from marine vessels.

Hazardous material leaks or spills can have broad and diverse impacts on marine environments. The reduced risk of leaks or spills benefits a variety of groups that rely on a healthy marine ecosystem, including Indigenous communities, fishers, and recreational boaters.

Quality of Life Impacts



Environment – *Coastal and marine protection*

Target Population:	Coastal Communities
Expected Benefits:	
Gender:	*Men* ○ ○ ● ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Coastal Communities, Indigenous Communities, Fishers, Recreational Boaters
GBA+ Timing:	*Early* □ □ ■ *Later* ■ *Existing*

Chapter 6: Strengthening the Cities and Communities We Call Home

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 6.

Supporting the National Arts Centre

Employees of the National Arts Centre directly benefit from this initiative, as funding helps the National Arts Centre to avoid deficit-reduction activities, such as laying off employees. The workforce of the National Arts Centre is gender-balanced.

This initiative also directly supports the performing arts sector, which is gender-balanced and characterized by high levels of education, precarious employment, and low median incomes.

Data Sources: *Government of Canada, Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment*
Society– *Sense of pride/belonging to Canada; Cultural and historical preservation*

Target Population: National Arts Centre Employees

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Artists, performers, composers, choreographers, writers, and other performing arts workers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Supporting the Recovery of Arts, Culture, Heritage and Sport Sectors”

These measures will primarily benefit those working in cultural sectors, including arts, live events, heritage, sport, and music. These sectors are roughly gender-balanced and characterized by high levels of education, precarious employment, and low incomes, particularly the arts sector. Ongoing support for performing arts festivals and community-based cultural events, celebrations, and commemorations is also expected to benefit all Canadians who participate in such events, as well as specific groups who use events to celebrate their shared culture, such as LGBTQ2 pride festivals and Indigenous pow wows.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Household incomes*
Society – *Sense of pride/belonging to Canada; Sense of belonging to local community; Participation in cultural events*

Target Population: Heritage, Arts, and Sport Sectors

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Local Community Groups (e.g., Indigenous, LGBTQ2, Racialized Canadians), Artists and Cultural Workers
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Supporting Canadian TV and Film Productions through COVID-19

This measure primarily benefits the Canadian television and film production sector, particularly smaller producers and productions companies that rely on interim financing. As a result, workers in this sector may benefit from increased support to their employers. While women are generally underrepresented in creative roles on film and television productions, they are overrepresented in other production roles, including costume designers, hair and makeup specialists, script supervisors, accountants, and communications specialists.

Data Sources: *Women in View, Canadian Unions for Equality on Screen*

Quality of Life Impacts



Prosperity – *Employment; Firm growth*
Society – *Sense of pride/belonging to Canada*

Target Population: TV and Film Production Firms and Workers

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	TV and Film Production Workers
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Support for the Canadian Broadcasting Corporation / Radio-Canada

This measure would directly benefit CBC/Radio-Canada and its employees, as well as indirectly benefit all Canadians through the continued broadcasting of CBC/Radio-Canada television and radio news and entertainment programming.

CBC/Radio-Canada employs over 7,500 individuals, approximately 49 per cent of whom are women, 14 per cent visible minorities, eight per cent LGBTQ2, three per cent persons with disabilities, and two per cent Indigenous peoples.

Data Sources: *CBC/Radio-Canada internal data*

Quality of Life Impacts



Prosperity – *Employment*
Society – *Sense of pride/belonging to Canada; Sense of belonging to local community*
Good Governance – *Trust in media*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	CBC/Radio-Canada Employees
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

GBA+ Responsive Approach

To work towards its goal of a workforce and on-air content that is fully representative of the Canadian population, CBC/Radio-Canada has been implementing a Diversity and Inclusion Plan (2018-2021).

Support for the Canadian Book Industry

This measure would directly benefit the Canadian book industry, specifically bookstores and book publishers.

Support for increasing online sales would support many bookstores in all regions of the country, including bookstores in Francophone minority communities, which have been particularly affected by the pandemic. As women make up approximately 70 per cent of the workforce in the English-language book publishing industry, they may particularly benefit from increased support for online sales of Canadian-authored books.

Data Sources: *Nordicity (2018)*

Quality of Life Impacts



Prosperity – *Employment; Protection from income shocks*

Target Population:	Canadian Book Industry and Workers
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Francophone Minority Bookstores
GBA+ Timing:	*Early* ☐☐■ *Later* ☐ *Existing*

Memorial to the Victims of Communism

This initiative directly benefits all Canadians by providing a space to commemorate the victims of totalitarian communism. The memorial indirectly benefits communities who have come to Canada to seek refuge, especially those who came to Canada to escape totalitarian communism and their descendants. By offering a space to hold ceremonies and facilitating collective recognition of specific victim groups, the memorial offers indirect benefits to these communities.

Quality of Life Impacts



Society – *Sense of pride/belonging to Canada; Cultural and historical preservation*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Immigrants and Refugees
GBA+ Timing:	*Early* ☐☐■ *Later* ☐ *Existing*

Boosting Charitable Spending in Our Communities

The government will be consulting during the coming months on increasing the disbursement quota. Increasing the disbursement quota would increase overall levels of expenditures by registered charities on their programs and activities in Canada. This would directly benefit the public, including beneficiaries of charitable programs in Canada and abroad.

Indirectly, an increase in annual disbursements could benefit persons employed in the charitable sector. It is estimated that approximately 75 per cent of individuals employed in the non-profit and charitable sector are women.

Data Sources: *Statistics Canada, theonn.ca*

Quality of Life Impacts



Society – *Charitable giving*

Target Population:	Charitable Sector, All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Charitable Sector
GBA+ Timing:	*Early* ☐■☐ *Later* ☐ *Existing*

Canada Community-Building Fund

This measure will benefit all Canadians through the construction and maintenance of public infrastructure across Canada, including roads, bridges, public transit, community buildings, and water and wastewater projects. Canadians who use this infrastructure will directly benefit from safe and reliable transportation networks, revitalized and greener community spaces, and clean air and drinking water. These projects will also contribute to economic growth and prosperity.

This initiative will indirectly benefit certain industries, such as construction trades and engineering, which tend to predominantly employ men. As recorded in the 2016 Census, those employed by the construction sector identified as:

- 87 per cent men;
- 18 per cent immigrants; and
- 11 per cent visible minorities, including two per cent Black Canadians.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *GDP per capita; Productivity; Employment*
Environment – *Clean drinking water; Water quality in Canadian rivers; Waste management*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Construction Trades and Engineering Sectors
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

National Infrastructure Assessment

This measure will benefit all Canadians by strengthening long-term infrastructure planning, including in the context of transitioning to a net zero economy. It will help all orders of governments to assess infrastructure needs and to prioritize investments that will have the greatest benefits for all communities, urban and rural alike. Ultimately, stronger planning and better decision-making today will result in better infrastructure tomorrow, which will benefit younger and future generations, promote jobs and growth, foster inclusivity and social equality, and reduce greenhouse gas emissions.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*
Additional future quality of life impacts (e.g., prosperity, environment, society)

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Next Step Towards High Frequency Rail in the Toronto-Quebec City Corridor

The infrastructure investments will reduce bottlenecks and improve fluidity and connectivity. Together, this will improve the quality of life of Canadians living in nearby areas and those using VIA Rail services in the Quebec City-Toronto corridor.

The construction of these projects will indirectly benefit certain industries, such as construction trades and engineering, which tend to have workforces that predominantly are men.

Work to further explore the high frequency rail project will support a final investment decision on the project, which could result in direct benefits to people in the Quebec City- Toronto Corridor in the form of faster, more reliable rail service. In the long term, all Canadians could also benefit from lower greenhouse gas emissions as more travellers choose to travel by rail.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Productivity*
Environment – *Greenhouse gas emissions; Air quality*
Society – *Time use*

Target Population: Travelers in the Quebec City to Toronto corridor

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Construction Trades and Engineering

GBA+ Timing: *Early* ■□□ *Later* ■ *Existing*

Canada's National Capital Region

This initiative benefits those living in and visiting the National Capital Region, who access the assets and park lands owned and maintained by the National Capital Commission, such as the Rideau Canal Skateway. Improved transit integration could improve mobility for transit users who are generally lower-income. Indirectly, funding will support men more than women through employment of both skilled and non-skilled labourers in engineering, construction work and landscaping. In the National Capital Region, 11 per cent of workers in the construction industry and 39 per cent of workers in professional, scientific and technical fields are women.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Environment - *Satisfaction with local environment; Conservation areas*
Society – *Accessible environments; Sense of pride/belonging to Canada*

Target Population: National Capital Region

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Construction Sector

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Jobs and Growth in all Communities and the Canada Community Revitalization Fund

The pandemic has profoundly affected businesses in every region of Canada, accelerating structural changes and exposing vulnerable workers and communities.

Underrepresented Canadians disproportionately depend on employment in sectors most impacted by the pandemic, including retail, tourism and accommodations.

These measures will broadly benefit businesses, including those in rural and remote areas.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Household incomes; Firm growth*
Society – *Vibrant communities*

Target Population:	Small Businesses and Regional Economies
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	SMEs in Rural and Remote Communities
GBA+ Timing:	*Early* □□■ *Later* ■ *Existing*

GBA+ Responsive Approach

Regional development agencies will help foster inclusive recovery by prioritizing projects that support businesses operated by, and employing, underrepresented groups, including: women, Black Canadians, racialized communities, Indigenous people, youth, LGBTQ2, new Canadians, official language minority communities, and people with disabilities.

Creating a New Regional Development Agency for British Columbia

Creating a new regional development agency for British Columbia will have regional impacts as there will be greater support for businesses and communities in B.C., including in rural areas. The new regional development agency will result in a limited change in expected gender and diversity impact. More generally, funding through regional development agencies largely benefits SME owners, who are predominantly men as 63.5 per cent of SMEs are majority owned by men, 15.6 per cent of SMEs are majority owned by women, while 20.9 per cent of SMEs are equally owned by men and women. Additionally, SME owners are 12.2 per cent visible minorities, 1.4 per cent Indigenous persons, and 0.5 per cent persons with a disability.

Data Sources: *ISED, Statistics Canada*

Quality of Life Impacts



Prosperity – *Firm growth*
Society – *Sense of belonging to local community*

Target Population:	SMEs in British Columbia
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	SMEs in British Columbia
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

Western Economic Diversification has an employment equity strategy and will work to reduce barriers in the hiring process in order to better serve clients This strategy includes targets to promote recruitment and development of employees from marginalized communities, including women, Indigenous people, Black and other racialized

Investing in Small Craft Harbours

The primary users and expected beneficiaries of these investments reflect the small coastal, rural, and water-side communities where harbours are located, which will benefit from revitalized harbour facilities and community economic development.

The replacement and construction of new small craft harbours directly benefit individual users, primarily those involved in commercial fisheries. This mostly benefits men with relatively lower incomes, as they represent 79 per cent of commercial fish harvesters.

Those who work in the engineering and construction industries are also expected to benefit from this measure. This workforce is predominantly working age men, as they make up 87 per cent of construction workers.

Data Sources: *Internal Data, Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment; Firm growth*
Environment – *Natural disasters and emergencies; Coastal and marine protection*

Target Population: Communities in Coastal Areas

Expected Benefits:

Gender:	*Men* ● ○ ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ● ○ ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Commercial Fisheries, Marine Industry, Rural Communities
GBA+ Timing:	*Early* □ □ ■ *Later* □ *Existing*

Extending the Northern Residents Deduction

This measure will benefit people living in the prescribed Northern and Intermediate Zones. Sixty-two per cent of new travel claimants are expected to be men. New claimants are also likely to be high-income, of working age, and less likely to hold a university degree.

Spouses of new claimants may benefit indirectly from an improvement in family finances. Assuming that the higher-income spouse claims the deduction on behalf of their family, up to 80 per cent of spouses benefitting indirectly from this measure would be women.

Data Sources: *Statistics Canada, tax data*

Quality of Life Impacts



Prosperity – *Household incomes*

Target Population: Residents of the Territories and the Northern Regions of most Provinces

Expected Benefits:

Gender:	*Men* ○ ● ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ○ ● ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Northern Residents
GBA+ Timing:	*Early* □ ■ □ *Later* ■ *Existing*

GBA+ Responsive Approach

To mitigate possible negative impacts of the rule limiting claims to spouses or common-law partners and children, this measure includes an exception for adult dependants who are wholly dependent on the taxpayer and who are, except in the case of a parent or grandparent, so dependent by reason of physical or mental infirmity.

Supporting the Canadian Wine Industry

There is limited gender disaggregated data on direct beneficiaries of this measure. In 2019 however, women represented roughly 35 per cent of the beverage manufacturing sector. At the same time, the majority in the industry were between the age of 25 and 44 years old. Wineries tend to be small businesses, centered in rural areas with the majority employing between 1 and 19 people. In 2016, 57 per cent of grape growers, who stand to indirectly benefit, were 55 years old and over and were mostly men. Seventy per cent of all grape growers operated small farms with gross revenues between $25,000 and $100,000. Indirect benefits are also expected for communities where wine production and wine tourism occur. In 2019, women held just over half (56.3 per cent) of the jobs in the food and accommodation industry. Younger Canadians also held 40.6 per cent of jobs in the industry.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *GDP per capita; Domestic market share*

Target Population: Wineries

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Agriculture Sector
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Supporting Food Processors Following Ratification of New Trade Agreements

Funding to subsidize capital investments for dairy, poultry, and egg processing industries will primarily benefit the owners of the recipient firms.

Canadian dairy and poultry processing is concentrated among a few large firms. Three and five firms, respectively, control a majority of dairy and poultry processing. These include firms privately owned by individuals, publicly listed multinational companies, and farmer-owned co-ops. Overall benefits are expected to be skewed toward men of higher-income.

Farmers have already received and will continue to receive compensation for trade-related impacts.

Quality of Life Impacts



Prosperity – *Household wealth; Business investment*

Target Population: Dairy, Poultry and Egg Processors

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Large dairy, Poultry and Egg Processing Firms
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

GBA+ Responsive Approach

The program will provide advantageous terms to small and medium enterprises relative to large firms to mitigate, but not eliminate, the risk of primarily supporting already dominant firms.

Delivering a Modern Immigration Platform

This investment will benefit newcomers by reducing application processing times and making client service and enhanced supports more accessible. This will help mitigate cost barriers for low-income newcomers, who might require professional assistance to navigate the current paper based process. All Canadians, including firms requiring skilled labour, will benefit from more efficient processing of immigrant applications.

Canada's immigration targets are gender neutral, however men have tended to be over-represented due to a focus on economic immigration. However, in 2019 women represented 50.7 per cent of admissions to Canada.

Quality of Life Impacts



Good Governance – *Confidence in public institutions (modernizing operations)*

Target Population: Newcomers

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Newcomers, International Students

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Enhancing the Temporary Foreign Worker Program

Investments are more likely to directly benefit men since they comprised 82 per cent of all work permit holders in 2019 under the Temporary Foreign Worker Program. These workers also tend to be racialized, have limited knowledge of English or French, have lower wages, and reside in rural or remote areas while working in Canada. In addition, more than half, 57 per cent in 2019, of all workers are in the agriculture sector, such as general farm workers, nursery and greenhouse workers and harvesting labourers. Some workers return year after year, or go on to become permanent residents or citizens.

Data Sources: *Internal Administrative Data*

Quality of Life Impacts



Prosperity – *Employment*

Good Governance – *Discrimination and unfair treatment*

Target Population: Temporary Foreign Workers

Expected Benefits:

Gender:	*Men* ●—○—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Agriculture Sector

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Streamlining Express Entry

This legislative amendment directly benefits newcomers looking to make Canada their home. From a gender perspective, the impact of this amendment will depend on the criteria used to qualify applicants for the Express Entry process. For example, men have historically accounted for a larger proportion of Express Entry candidates (59 per cent) than women (41 per cent). However, if gender is chosen as a selection criteria, it could result in a more gender balanced selection of applicants.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population:	Newcomers
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Newcomers
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Enhancing Client Service and Support

While there are no gender specific impacts associated with this investment, it will permit Immigration, Refugees and Citizenship Canada to maintain enhanced support to its diverse client base.

Canadian citizens, permanent residents, visitors (tourists, international students, foreign workers) and prospective permanent residents will benefit from better service via the Client Support Centre improving call answer rates and email response times.

Quality of Life Impacts



Good Governance – *Confidence in public institutions (service delivery)*

Target Population:	Newcomers and their Families
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Newcomers, International Students
GBA+ Timing:	*Early* □□■ *Later* ■ *Existing*

Support for National Museums and the National Battlefields Commission

By enabling the National Museums and National Battlefields Commission to maintain operations and retain jobs in the wake of financial pressures, this initiative is expected to directly benefit employees of these organizations. The majority of workers employed by these organizations reside in the National Capital Region, but employees also live in Winnipeg, Québec City, and Halifax. The workforce of the National Battlefields Commission is gender-balanced, while the National Museums disproportionately employ women over men. This initiative will ultimately benefit those who utilize the services of the National Museums and National Battlefields Commission, such as educators, researchers, students, and museum visitors. Data show that men, people with higher levels of educational attainment, those with higher household incomes, and people living in urban centres are more likely to visit museums.

Data Source: *Government of Canada, Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment*

Society – *Sense of pride/belonging to Canada; Cultural and historical preservation*

Target Population: Employees of the National Museums and the National Battlefields Commission

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: *Employees of the National Museums, Students, Researchers, Educators, Museum Visitors*

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Enhancing Digital Access to our Heritage

COVID-19 has had a substantial impact on non-national museums and heritage institutions. This measure would benefit these organizations and their workers. Women account for approximately 66 per cent of all paid employees in the heritage sector. The information technology sector is expected to indirectly benefit. This sector is comprised predominantly of men (70 per cent). All Canadians would benefit from the digitization of information and collections and the creation of original content such as educational materials or virtual activities. Data show that youth and those aged 25-49 are most likely to view heritage collections virtually.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Employment*

Society – *Historical and cultural preservation*

Target Population: Employees of Non-national Museums and Heritage Institutions, All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Incon*

Inter-generational: *Youth* ●—○—○ *Senior*

Additional Characteristics: Employees of Museums and Heritage Institutions, Information Technology Sector

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Continuing Support for Critical Food Inspection

All Canadians benefit from greater food safety surveillance and inspection. Agriculture and agri-food businesses that are regulated by the Canadian Food Inspection Agency directly benefit from this measure. These businesses are typically operated by older men in rural areas, as 84 per cent of the farm population live in a rural area, with 71 per cent of agricultural operators being men, and the average age of all farm operators being 55. Similar demographics exist for food processing, as 60 per cent of employees in food processing are men with 46 per cent being 45 or older.

Quality of Life Impacts



Prosperity – *Household incomes*
Health – *Food safety*
Good Governance – *Confidence in public/private institutions*

Target Population:	All Canadians, Agriculture and Agri-Food Sector
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—○—● *Senior*
Additional Characteristics:	Rural Communities
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Extending Emergency Towing Leases

The presence of emergency towing vessels in Pacific waters benefits those in the marine industry, in and around British Columbia, which primarily employs men. Indirectly, emergency towing capacity benefits those living in Indigenous and coastal communities in British Columbia, by preventing marine incidents, negative environmental impacts, and coastal pollution.

Quality of Life Impacts



Environment – *Natural disasters and emergencies; Coastal and marine protection*
Good Governance – *Personal safety; Emergency preparedness*

Target Population:	Marine Sector in British Columbia
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Coastal British Columbia Communities
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Supporting Clean Technology Adoption in Fisheries and Aquaculture

This measure benefits individuals and small to medium-sized companies involved in fisheries and aquaculture enterprises. These operations tend to be located in small coastal and Indigenous communities across Canada, with about 70 to 80 per cent of their workforces being men. Clean technology suppliers in Canada and internationally will also benefit through increased demand.

Quality of Life Impacts



Environment – *Clean tech; Coastal and marine protection*

Target Population:	Commercial Fisheries, Aquaculture Sector
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Coastal and Remote Populations, Clean Tech Suppliers
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*

Continuing the Remote Passenger Rail Program

This measure benefits Indigenous and remote communities in Manitoba, Quebec and Labrador, many of which are only accessible by rail. Residents of these communities are more likely to be low-income, and to rely on rail services in order to access economic opportunities and essential goods and services, including health care.

Quality of Life Impacts



Prosperity – *Household incomes*
Society – *Social cohesion and connections*
Health – *Unmet needs for health and mental health care*

Target Population: Remote Communities

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous and Remote Communities in Manitoba, Quebec, and Labrador
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

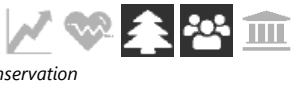
Protecting Canada's Historic Places

Having an approach and legal framework to protect and present nationally significant examples of Canada's cultural heritage should benefit all Canadians. The initiative will directly benefit Indigenous peoples, including First Nations, Inuit, and Métis, through the addition of distinction-based representation on the Historic Sites and Monuments Board of Canada, as well as greater opportunities to protect and present the contributions of Indigenous peoples to Canada's natural and cultural heritage.

By renewing visitor experiences at historic places across Canada, this measure will also benefit middle- and higher-income individuals, highly educated individuals, and individuals over the age of 60, who are the primary clientele of culture and heritage tourism. Tourism businesses in communities that are home to historic places may also benefit from these investments.

Data Sources: *Statistics Canada; Canada Association of University Teachers; Commonwealth of Australia; The College of Estate Management:*

Quality of Life Impacts



Environment - *Conservation*
Society – *Sense of pride/belonging to Canada; Historical and cultural preservation; Social participation*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Tourism
GBA+ Timing:	*Early* ■□□ □ *Existing*

GBA+ Responsive Approach

Parks Canada's Framework for History and Commemoration includes the history of Indigenous peoples and diversity among its priorities. Parks Canada will identify priority designations for review based on Indigenous perspectives and other GBA+ lenses, including women and racialized Canadians, with the goal of acknowledging missing layers of history and removing controversial historical content.

Maintaining Temporary Resident Processing Capacity

Investments will benefit temporary residents in Canada, who have diverse characteristics and are broadly gender-balanced. In 2019, there were over 3.4 million temporary residents in Canada. While visitors and international students were gender-balanced – 52 per cent and 47 per cent were women, respectively – temporary foreign workers were more likely to be men, comprising 63 per cent of all work permit holders.

Data Sources: *Immigration, Refugees and Citizenship Canada*

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population: Temporary Residents

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Visitors, International Students, and Temporary Foreign Workers and their Employers
GBA+ Timing:	*Early* □□■ *Later* ■ *Existing*

Granville Island Emergency Relief Fund Extension

Emergency funding will benefit small businesses on Granville Island, which are predominately in the arts and culture, tourism, and food service industries. This will positively impact the employees of these businesses, many of whom are artists and cultural workers or work in the food service industry, and who earn on average less than the overall workforce. It indirectly benefits metro Vancouver by allowing Granville Island to remain an important tourist and cultural hub in Canada.

Quality of Life Impacts



Prosperity – *Income; Employment; Firm growth*
Society – *Vibrant communities*

Target Population: Small Businesses on Granville Island

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Vancouver Region, Businesses and Employees on Granville Island
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Chapter 7: A More Equal Canada

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 7.

Better Data for Better Outcomes: Understanding the Causes of Inequity through Disaggregated Data

This measure will benefit all Canadians, but particularly racialized sub-populations, Indigenous peoples, and other marginalized groups, including LGBTQ2 individuals and persons with a disability, in Canada through better policies and programs informed by improved data about social and economic inequalities.

This measure will also benefit Canadian researchers who will have better access to relevant data.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Society – *Positive perceptions of diversity*
Good Governance – *Confidence in public institutions; Discrimination and unfair treatment*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Racialized Canadians, LGBTQ2 and Other Marginalized groups
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Improving Access to the Disability Tax Credit

These changes will directly benefit persons with disabilities by increasing the number of individuals that have access to tax relief and other federal supports. This group is expected to include persons with diabetes, inherited metabolic conditions, and impaired mental functions since the changes relate to disability impacts they experience. Within these groups, lower-income Canadians are expected to benefit the most, since they make up a larger portion of persons with disabilities, and a larger portion of beneficiaries of the measures affected by the changes (i.e. those with eligibility linked to the Disability Tax Credit), several of which are designed to provide additional benefits to low-income Canadians. Parents and other family caregivers will also benefit directly, through access to measures such as the Child Disability Benefit, or the ability to claim a transferred Disability Tax Credit.

Data Sources: *Canadian Survey on Disability, Canada Revenue Agency*

Quality of Life Impacts



Prosperity – *Household incomes; Affording everyday needs*
Health – *Unmet health and mental health care needs; Self-rated health and mental health*
Society – *Accessible environments*

Target Population:	Persons with Disabilities and their Caregivers
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Persons with Disabilities and their Caregivers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Recognizing the Contributions of Atomic Workers

Over 99 per cent of the former Atomic Energy of Canada Limited employees who participated in the clean-ups of the two accidents that occurred at Chalk River Laboratories in the 1950s are men and as such the beneficiaries are senior citizen men. If the former employee has passed away, close kin will be eligible to receive the recognition. The families of the former employees will also indirectly benefit from the recognition of their family member.

Data Sources: *Atomic Energy of Canada Limited*

Quality of Life Impacts



Prosperity – *Household incomes*
Society – *Sense of meaning and purpose*
Good Government – *Confidence in public institutions*

Target Population:	Former Atomic Energy of Canada Limited Employees
Expected Benefits:	
Gender:	*Men* ● ○ ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ● ○ ○ ○ *High Income*
Inter-generational:	*Youth* ○ ○ ● *Senior*
Additional Characteristics:	Families of Former Atomic Energy of Canada Limited Employees
GBA+ Timing:	*Early* ☐ ☐ ■ *Later* ☐ *Existing*

National Autism Strategy

A national autism strategy would target all Canadians living with autism spectrum disorder and their families. Autism spectrum disorder is usually diagnosed in childhood so this proposal will include consideration of children and youth. In addition, males are four to five times more likely to be diagnosed with autism spectrum disorder than females.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Health – *Children vulnerable in early development; Functional health status; Unmet health care needs; Unmet needs for mental health care*
Society – *Satisfaction with time use; Sense of belonging to local community; Accessible environments*

Target Population:	People with Autism Spectrum Disorder
Expected Benefits:	
Gender:	*Men* ○ ● ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ● ○ ○ *Senior*
Additional Characteristics:	People with Autism Spectrum Disorder, Caregivers
GBA+ Timing:	*Early* ☐ ■ ☐ *Later* ☐ *Existing*

Establishing a National Framework for Diabetes

Approximately 3.2 million Canadians are living with diabetes and 200,000 new cases are diagnosed each year. People living with pre-existing chronic health conditions, such as obesity, are at increased risk for developing type 2 diabetes, which make up 90 per cent of cases. The rate of diabetes is approximately 16 per cent higher among men and more than twice as high among South Asian and Black adults as compared to Caucasian adults. Further, First Nations adults living on reserve and in northern communities have a significantly higher rate of diabetes. Supporting further research into the causes, treatment, and development of a potential cure for diabetes is also expected to benefit children with juvenile diabetes. Although diabetes is generally more common in men, inequalities in the rates of diabetes by income, education level, and employment are greater among women. For example, women with no high school diploma are 2.2 times more likely to be obese than female university graduates.

Data Sources: *Statistics Canada, Pan-Canadian Health Inequalities Reporting Initiative, Canadian Institute of Health Information, Public Health Agency of Canada*

Quality of Life Impacts



Health – *Physical activity; Fruit and vegetable consumption; Self-rated health*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	South Asian, Black, and First Nations Communities, Canadians with Lower Education levels, Health Researchers
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Taxation of Vaping Products

This measure has both direct benefits and negative impacts that will primarily accrue to youth and to men, since these groups consume vaping products at a higher rate than other demographic groups.

Data Sources: *Health Canada*

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*
Health – *Health-adjusted life expectancy*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Students
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Taxation of Tobacco

There is higher than average consumption of tobacco products among a range of demographic groups. To the extent these users are unable to reduce their tobacco consumption, this measure will carry somewhat regressive impacts as lower income smokers spend more on tobacco products as a share of their income than smokers with higher income. These impacts are not expected to be large, it is estimated that the average daily smoker spent about $3,150 on cigarettes in 2020. The measure would increase the amount of excise duty embedded in the price of cigarettes by about $100 annually. This may have the effect of disincenting tobacco consumption, which may benefit smokers who are able to reduce consumption.

Data Sources: *Statistics Canada, Public Health Agency of Canada*

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*
Health – *Health-adjusted life expectancy*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Smokers who are able to reduce consumption
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Support for Canadian Blood Services

This initiative directly benefits Canadians with medical conditions who rely on plasma-derived products (PDPs) as a life-saving treatment. The conditions for which PDPs are prescribed do not affect one specific demographic group over another, but rather span across all dimensions of sex, age, gender, and diversity.

This initiative indirectly benefits workers in the construction sector in the short-term and workers in the health care sector in the long-term. Indirect benefits are gender-balanced, as 87 per cent of workers in the construction industry are men and 82 per cent of workers in the health care and social assistance sector are women.

Data Sources: *Statistics Canada, Canadian Immunodeficiencies Patient Organization*

Quality of Life Impacts



Prosperity – *Employment*
Health – *Health-adjusted life expectancy; Functional health status*

Target Population: Canadians with Specific Medical Conditions

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Construction and Health Care Sectors
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Ensuring Appropriate Access and Safeguards for Medical Assistance in Dying in Canada

This funding will benefit all Canadians by ensuring that as Canada's MAID framework evolves over time it is implemented in a way that ensures appropriate attention to access, protections, and consistency across all of Canada. This will help ensure that Canadians have equitable access to MAID, regardless of their jurisdiction or medical care provider.

Data Sources: *Health Canada (e.g., Monitoring System for Medical Assistance in Dying in Canada), Canadian Institute for Health Information*

Quality of Life Impacts



Health – *End of life care (access, quality, cultural suitability)*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Chapter 8: Strong Indigenous Communities

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 8.

First Nations Election Cancellation and Postponement Regulations (Prevention of Diseases)

The amendments to the regulations directly benefit all members of First Nations communities where elections are delayed due to public health concerns until they are safe to be held. This reduces the potential for community spread of COVID-19 by avoiding gatherings of people, while ensuring that communities are not faced with a governance gap in the midst of the pandemic.

Quality of Life Impacts



Health – *COVID-19 incidence*
Good Governance – *Confidence in public institutions*

Target Population: First Nations

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* ■□□ *Later* ■ *Existing*

Supporting Indigenous Economies

93 per cent of Indigenous businesses located within Indigenous communities reported that COVID-19 has had a negative economic impact. Negative impacts identified by survey respondents included a decrease in revenues, shutdown of offices and facilities, and, in some cases, temporary or permanent shutdown of their business. These investments will directly benefit Indigenous communities and businesses, helping them to maintain jobs and essential services through the pandemic. It will also support local Indigenous micro-businesses which directly benefit the well-being of individual families and are majority owned by Indigenous women.

Investments to support the resilience of the First Nation Finance Authority will directly support First Nations, benefiting the community as a whole (men, women, youth, and elders).

Data Sources: *Canadian Council for Aboriginal Businesses*

Quality of Life Impacts



Prosperity – *Household incomes; Firm growth; Protection from income shocks*
Society – *Vibrant communities*

Target Population: Indigenous peoples

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—●—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Indigenous peoples, First Nation Communities

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Securitization of First Nations Goods and Services Tax and First Nations Sales Tax Revenues under the First Nations Fiscal Management Act (FNFMA)

This initiative benefits the members of First Nations with First Nations Goods and Services Tax or First Nations Sales Tax revenues seeking long-term financing from the First Nations Finance Authority. The extent to which it will benefit different genders or demographic groups will depend on how First Nations use the funds raised. This initiative is not expected to have negative impacts for any gender or demographic group.

Quality of Life Impacts



Good Governance – *Indigenous self-determination*

Target Population: First Nations

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Indigenous peoples

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Redesigning the Additions to Reserve Policy

This program directly benefits all members of participating First Nations communities by increasing capacity to make additions to reserve lands and ultimately improving the pace of land acquisition. Access to land can result in improved economic opportunities, capacity to develop community infrastructure and housing, and improved sense of belonging to local culture and community. Further, this will support a policy redesign process that will advance self-determination for all community members, while incorporating a wide range of perspectives, with particular attention to the rights and special needs of elders, women, youth, and persons with disabilities, as well as members living off-reserve.

Quality of Life Impacts



Prosperity – *Financial well-being; Acceptable housing*

Society – *Sense of belonging to local community*

Good Governance – *Indigenous self-determination*

Target Population: First Nations

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: First Nations

GBA+ Timing: *Early* ■□□ *Later* ■ *Existing*

Advancing Specific Claims Settlements

Replenishment of the Specific Claims Settlement Fund will ensure resources are available to pay out settlements. Canada does not influence or track how First Nations choose to use settlement funds; however, some communities have previously decided to make investments in social services, infrastructure, and education.

Quality of Life Impacts



Good Governance – *Confidence in public institutions; Indigenous self-determination*

Target Population:	Indigenous peoples, First Nations
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous peoples, First Nations
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Commemorating the Legacy of Residential Schools

This measure is gender balanced and will benefit all Canadians that want to participate in events held throughout the country on the proposed National Day for Truth and Reconciliation. Events may target and encourage participation of certain groups such as Indigenous peoples and young Canadians.

By providing ongoing support for events to commemorate and raise awareness of the history and legacy of residential schools, this measure will also support reconciliation with Indigenous peoples.

Quality of Life Impacts



Society – *Sense of belonging to Canada; Sense of belonging to local community; Social participation*

Target Population:	All Canadians, Indigenous peoples
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Indigenous peoples
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Escalating 10-Year Grant Funding

This investment benefits First Nations bands who receive funding through the 10-Year Grants and their community members. Escalating program funding to respond to price and population growth ensures First Nations communities can continue to provide services that reflect their needs and priorities. It is likely that a range of social and quality of life benefits will result from such investments; however, recipient bands choose how to allocate these funds.

Quality of Life Impacts



Good Governance – *Confidence in public institutions; Indigenous self-determination*
Additional quality of life impacts (e.g. prosperity, health, society) based on First Nations community investments

Target Population:	First Nations
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	First Nations
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Support for Indigenous-led Data Strategies

Indigenous peoples generally experience poorer socio-economic outcomes than Canada's non-Indigenous peoples do, including in the areas of health and well-being, income, and education. This proposal will benefit Indigenous peoples by helping to ensure that Indigenous governments, organizations, and communities have the data they need to implement evidence based governance and service delivery that is founded on culturally relevant visions of well-being. This will help improve outcomes for Indigenous peoples as measured by Indigenous-led and co-developed indicators of health and well-being.

Quality of Life Impacts



Society – *Vibrant communities; Cultural and historical preservation*
Good Governance – *Indigenous self-determination; Confidence in public institutions*

Target Population: Indigenous peoples

Expected Benefits:

Gender:	Men ○ ○ ● ○ ○ Women
Income Distribution:	Low ○ ● ○ ○ ○ High Income
Inter-generational:	Youth ○ ● ○ Senior
Additional Characteristics:	Indigenous peoples

GBA+ Timing: Early ■□□ Later □ Existing

Parks Canada Capacity for Indigenous Engagement

This program directly benefits Indigenous peoples by expanding Parks Canada's capacity to negotiate rights-based agreements, thereby increasing the likelihood of reaching agreements sooner and with a greater number of Indigenous groups. The program is expected to foster reconnection between Indigenous peoples and their traditional territories and restore the historic responsibility of Indigenous peoples to manage their traditional lands and resources, resulting in nation-building and stronger socio-economic outcomes, accruing to women, men and non-binary Indigenous peoples.

Quality of Life Impacts



Environment – *Satisfaction with local environment; Natural capital*
Society – *Sense of belonging to local community*
Good Governance – *Confidence in public institutions; Indigenous self-determination*

Target Population: Indigenous peoples

Expected Benefits:

Gender:	Men ○ ○ ● ○ ○ Women
Income Distribution:	Low ○ ● ○ ○ ○ High Income
Inter-generational:	Youth ● ○ ○ Senior
Additional Characteristics:	Indigenous peoples

GBA+ Timing: Early ■□□ Later □ Existing

Supporting Indigenous Partners for Meaningful Crown Consultation and Engagement

This program benefits Indigenous peoples. The expected outcomes are gender-balanced and will increase opportunities for all community members to participate in consultation and engagement activities.

Quality of Life Impacts



Good Governance – *Confidence in public institutions; Indigenous self-determination*

Target Population: Indigenous peoples

Expected Benefits:

Gender:	Men ○ ○ ● ○ ○ Women
Income Distribution:	Low ○ ○ ● ○ ○ High Income
Inter-generational:	Youth ○ ● ○ Senior
Additional Characteristics:	Indigenous peoples

GBA+ Timing: Early □■□ Later □ Existing

Chapter 9: Protecting Our Shared Values

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 9.

Gun Control

These measures will directly benefit all Canadians, but may disproportionately affect men and women in different ways. Men represented the vast majority of those with a firearms licence who owned restricted or prohibited firearms in 2020, and 90 per cent of those who committed a firearms-related violent crime in 2016. Women are much more likely to be victims of intimate partner violence, representing 86 per cent of victims in police-reported incidents involving a firearm in 2018.

These measures may also have disproportionate impacts on Indigenous communities, which have higher rates of violent firearms offences and intimate partner violence than non-Indigenous communities.

Data Sources: *Statistics Canada; RCMP*

Quality of Life Impacts



Good Governance –*Victimization rate; Crime Severity Index; Personal safety*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Indigenous people
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

GBA+ Responsive Approach

Public awareness and education campaigns to promote responsible and safe use of firearms will make efforts to target men.

Better Job Protections for Parents of Young Victims of Crime

This legislative amendment directly benefits workers in the federally regulated private sector. As there have been fewer than 100 applications since 2013, detailed and reliable gender and demographic data is not available. However, while men account for 62 per cent of the federally regulated work force, administrative data shows that a majority of applicants were women.

Quality of Life Impacts



Prosperity – *Protection from income shocks*

Target Population: Workers in the Federally Regulated Private Sector

Expected Benefits:

Gender:	*Men* ○—○—○—●—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Reforming the Judicial Conduct Review Process

All Canadians will benefit from a reformed review process that will reduce delays, enhance accountability, and ultimately increase public confidence in the courts and justice system. In particular, this measure will benefit those with matters before federally-appointed judges by ensuring any complaints of misconduct are addressed efficiently and transparently.

Women made up 45 per cent of the federally-appointed judiciary as of March 2021. Recent efforts have focused on increasing the diversity of the judiciary. Between October 2019 and October 2020, women comprised 65 per cent of new appointments, while visible minorities represented 17 per cent and Indigenous peoples accounted for three per cent.

Data Sources: *Office of the Commissioner for Federal Judicial Affairs*

Quality of Life Impacts



Good Governance – *Access to fair and equal justice; Resolution of serious legal problems*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Federally-appointed Judiciary

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Freezing Pension Accrual for Judges Recommended for Removal

This initiative will help protect public confidence in the integrity of Canada's federally-appointed judiciary. The proposed legislative amendment will apply to federally-appointed judges regardless of any personal characteristics.

Women made up 45 per cent of the federally-appointed judiciary as of March 2021. Recent efforts have focused on increasing the diversity of the judiciary. Between October 2019 and October 2020, women comprised 65 per cent of new appointments, while visible minorities represented 17 per cent and Indigenous peoples accounted for three per cent.

Data Source: *Office of the Commissioner for Federal Judicial Affairs*

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population: Federally-appointed judges

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Maintaining Federal Court Services during COVID-19

This initiative will benefit all Canadians by enabling access to justice during the COVID-19 pandemic. Canadians who bring matters before the federal courts represent a spectrum of Canada's diverse society, with cases from individuals, businesses and organizations, and government agencies.

Additionally, public health measures will directly benefit individuals who work in federal courts, such as court members, legal professionals, administrative staff, and human resources.

Quality of Life Impacts



Good Governance – *Access to fair and equal justice; Resolution of serious legal problems*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○ ○ ● ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Individuals who Work in Federal Courts
GBA+ Timing:	*Early* □ □ ■ *Later* □ *Existing*

Preventing the Spread of COVID-19 in Correctional Institutions

This funding will disproportionately benefit Correctional Service of Canada staff and groups that are disproportionately incarcerated, notably Black and Indigenous communities, as well as men and people with disabilities and health problems.

For example, Black Canadians account for 7.2 per cent of federal inmates, but only 3.5 per cent of the Canadian population. Similarly, Indigenous peoples account for 30 per cent of those in federal custody, despite only representing approximately five per cent of the population. Among women inmates, 42 per cent are Indigenous. Over 95 per cent of inmates at federal institutions are men.

Data Sources: *Statistics Canada, Correctional Service of Canada, Office of the Correctional Investigator*

Quality of Life Impacts



Health – *Health-adjusted life expectancy; COVID-19 incidence*

Target Population:	Correctional Service of Canada Inmates and Staff
Expected Benefits:	
Gender:	*Men* ● ○ ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Black, Indigenous, Inmates
GBA+ Timing:	*Early* ■ □ □ *Later* □ *Existing*

Enhancing Data Collection on Cyber Security Threats

This initiative is to continue the Cyber Security and Cybercrime Survey program, which allows the government to monitor trends, collect data, and better respond to cyber security threats that could affect people and businesses across the country.

In 2019, 21 per cent of Canadian businesses reported being impacted by cyber security incidents. The industrial sectors most commonly impacted were the information and cultural industries sector, the wholesale trade sector, and the professional, scientific and technical services sector. Better monitoring and information collection of cyber threats to the private sector is expected to benefit all Canadians

Quality of Life Impacts



Good Governance – *Domestic security (cyber); Misinformation/trust in media; Victimization rate*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Canadian Businesses

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Improving How Access to Information Works for Canadians

The review of the *Access to Information Act* and improvements to the Access to Information Program will benefit all Canadians through strengthened transparency and accountability of Canada's federal institutions. Those in the top user groups for access to information services are expected to benefit in particular. These include the media, scholars, librarians, and statisticians. Additionally, Indigenous organizations are expected to benefit as they are significant users of access to information, particularly when seeking information related to land and other claims.

Data Sources: *Treasury Board of Canada Secretariat*

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Media, Scholars, Librarians, Statisticians, Indigenous Organizations

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Supporting NORAD Modernization

These measures will directly benefit all Canadians by improving Canada's national defence capabilities.

The economic activity generated by these measures is expected to benefit Indigenous communities in the North. This measure will also indirectly benefit certain industries, such as construction trades, engineering, and aerospace, which tend to have workforces that predominantly are men.

***Data Sources**: Innovation, Science and Economic Development Canada, and Statistics Canada*

Quality of Life Impacts



Prosperity – *Investment in R&D*
Good Governance – *Domestic security; Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Northern Communities, Construction Trades and Engineering
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

To minimize the potential for negative impacts on marginalized and underrepresented groups, the Department of National Defence will consult with local Indigenous groups and apply a GBA+ screen for research and development agreements with academia and the private sector.

Increasing Canada's Contributions to NATO

All Canadians will benefit from an increase in their defence and security, and the promotion of peace.

The increased contribution to the NATO Readiness Initiative will lead to increased expenditures on the maintenance of defence equipment. This will indirectly benefit Canada's defence industries, whose employees are predominantly men. For example, 81 per cent of employees in aerospace and 87 per cent of employees in shipbuilding are men.

***Data Sources:** Statistics Canada, NATO*

Quality of Life Impacts



Good Governance – *Domestic security; Canada's place in the world*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Canada's Defence Industries
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

Advancing the Safer Skies Initiative

This measure will benefit all Canadians by reducing civil aviation safety risk. As people with higher incomes have a greater propensity for air travel, they are expected to benefit more from this measure than other Canadians. Canadian travellers who fly more frequently near conflict zones due to family ties or work obligations will benefit relatively more than other Canadian travellers.

Data Source: *Statistics Canada*

Quality of Life Impacts



Good Governance – *Personal safety*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○ ○ ● ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ○ ● ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Travellers to conflict-prone areas, Air Sector workers
GBA+ Timing:	*Early* □ ■ □ *Later* □ *Existing*

Sustaining Health Services for the Canadian Armed Forces

This measure benefits all Canadians by ensuring that members of the Canadian Armed Forces receive quality health care so that they are able to deploy when needed.

It will also directly benefit members of the Canadian Armed Forces, who are predominantly men (84 per cent). Indirectly, this measure will benefit health care professionals, who are more highly educated and earn higher incomes than the Canadian population. While Canadian Armed Forces health care personnel are predominantly men, employees in the Canadian health care sector are predominantly women (78.7 per cent).

Data Sources: *Statistics Canada*

Quality of Life Impacts



Health – *Unmet health care needs*
Good Governance – *Domestic security*

Target Population:	Canadian Armed Forces members
Expected Benefits:	
Gender:	*Men* ○ ● ○ ○ ○ *Women*
Income Distribution:	*Low* ○ ○ ● ○ ○ *High Income*
Inter-generational:	*Youth* ○ ● ○ *Senior*
Additional Characteristics:	Canadian Armed Forces members
GBA+ Timing:	*Early* □ □ ■ *Later* ■ *Existing*

Better Equipping Our Coast Guard and Military

The efficient procurement of equipment and ships in support of Canada's defence policy and in support of the Canadian Coast Guard will directly benefit all Canadians.

Indirectly, this measure will benefit workers employed as procurement specialists, who are generally more highly educated and earn higher incomes than the Canadian population.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Environment – *Coastal and marine protection*
Good Governance – *Domestic security*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Procurement specialists

GBA+ Timing: *Early* □□■ *Later* ■ *Existing*

Ensuring Procurement Partners Respect Canada's Economic Interests

This measure could incentivize bidders on defence procurements not to harm Canada's economic interests, potentially benefiting Canadian jobs. However, there is a risk that bidders may decide to withdraw work from Canada as a result of a negative assessment, or due to perceptions that the policy will reduce their opportunities in Canada.

Any impacts would likely directly affect Canada's defence industries, whose employees are predominantly men. For example, 81 per cent of employees in aerospace and 87 per cent of employees in shipbuilding are men.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *GDP per capita; Household incomes*

Target Population: Canadian Defence Industries

Expected Benefits:

Gender: *Men* ●—○—○—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Canadian Defence Industries

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Recapitalization of FinDev Canada

This initiative benefits lower-income workers, including female workers, in the agribusiness, financial services, and Green Growth Sectors in sub-Saharan Africa, Latin America and the Caribbean.

The indirect beneficiaries of this recapitalization are lower-income individuals in sub-Saharan Africa, Latin America and the Caribbean. All Canadians benefit since they are safer and more prosperous when the rest of the world is more prosperous and healthy.

Data Sources: *United Nations, UN Women, OECD, World Bank, ILO, IEA, GTAP*

Quality of Life Impacts



Good Governance – *Canada's place in the world*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ●—○—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Workers in Other Countries
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Supporting Parole Board of Canada Operations

This funding will support the Parole Board of Canada staff, and offenders in Canada seeking parole. Groups that are disproportionately incarcerated and therefore seeking parole will benefit, notably Black and Indigenous communities, as well as men and people with disabilities and health problems. For example, Black Canadians account for 7.2 per cent of federal inmates, but only 3.5 per cent of the Canadian population. Similarly, Indigenous peoples account for 30 per cent of those in federal custody, despite only representing approximately five per cent of the population. Among women inmates, 42 per cent are Indigenous. Over 95 per cent of inmates at federal institutions are men.

Data Sources: *Statistics Canada, Correctional Service of Canada, Office of the Correctional Investigator*

Quality of Life Impacts



Good Governance – *Access to fair and equal justice; Representation in corrections custodial population*

Target Population: Parole Board of Canada Staff and Offenders Seeking Parole

Expected Benefits:

Gender:	*Men* ●—○—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Black, Indigenous, and Offenders Seeking Parole
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Enhancing IM/IT Systems to Support Transparent Lobbying

Effective systems to support transparent lobbying in Canada benefit all Canadians.

Indirect benefits of hiring and spending related to IM/IT systems are expected to accrue unequally to men, due to the over-representation of men in IM/IT fields.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	IM/IT sector
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Leaders' Debates Commission

Enhanced independence and structure around the organization of leaders' debates during federal elections will benefit all Canadians. Groups generally disadvantaged when it comes to broadcasting accessibility, such as minority language communities and Canadians with disabilities, would particularly benefit as part of the Commission's mandate is to ensure accessibility.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics	Disability, Minority language communities
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Modernizing the Department of National Defence's Information Systems

These measures will enhance the operational efficiency and readiness of the Canadian Armed Forces, which will benefit all Canadians. These measures will also directly benefit members of the Canadian Armed Forces and employees of the Department of National Defence, who benefit from these information systems to manage the equipment they need to do their jobs, and to ensure the accuracy of civilian pay. These groups are predominantly men (84 per cent and 59 per cent, respectively). These measures will indirectly benefit workers in the computer science and engineering professions, who will benefit from the associated employment opportunities. This occupational group is approximately 80 per cent men, and of higher education and income than the Canadian population.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Good Governance – *Domestic security; Confidence in public institutions (modernizing operations)*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Military Personnel
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Chapter 10: Responsible Government

This section includes gender and diversity impact analyses for remaining Budget 2021 measures in Chapter 10.

Digital Services Tax

The measure would have a direct impact on large corporations earning revenue from specified digital services. It would benefit all Canadians by ensuring that corporations pay a fair share of tax in respect of their activity in Canada. In terms of indirect impacts, to the extent that Canadian individuals are shareholders of large corporations that pay higher taxes as a result of the measure, and higher taxes result in lower dividend distributions, men and higher-income individuals are more likely to be negatively affected. To the extent that any of the tax is passed on directly or indirectly to Canadian consumers, the impact is likely to be greater on men.

Data Sources: *Canada Revenue Agency, Statistics Canada*

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	Men ○—○—●—○—○ Women
Income Distribution:	Low ○—○—●—○—○ High Income
Inter-generational:	Youth ○—●—○ Senior
Additional Characteristics:	

GBA+ Timing: Early ☐■☐ Later ☐ Existing

Luxury Tax

This measure will likely have negative impacts on higher-income Canadians, as they are more likely to purchase luxury cars, personal aircraft, and boats. The automobile, aviation and boating sectors may also be affected.

Based on vehicle retail sales data and assumptions regarding vehicle sale prices, high income individuals (more likely male) between 30-60 years old in Ontario, Alberta, Quebec, and British Columbia would be the most affected by the tax.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*

Target Population: All Canadians

Expected Benefits:

Gender:	Men ○—○—●—○—○ Women
Income Distribution:	Low ○—○—●—○—○ High Income
Inter-generational:	Youth ○—●—○ Senior
Additional Characteristics:	

GBA+ Timing: Early ☐■☐ Later ☐ Existing

Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners

This measure benefits all Canadians by discouraging the underutilization of Canadian housing by foreign, non-resident owners. The measure predominantly benefits low- and middle-income individuals and households living in urban areas by improving housing affordability through increasing the supply of rental housing and homes available for sale for owner occupancy.

Quality of Life Impacts



Prosperity – *Acceptable housing*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Specific Regions, Individuals of Particular Socio-economic Status
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Tackling Tax Avoidance and Evasion and Strengthening the CRA

The Canadian Revenue Agency (CRA) will further increase targeted audits with a focus on large businesses and better collection of outstanding tax debt. When considering Canadian individuals that are shareholders of large enterprises, tax data show that men, older Canadians and those with higher incomes receive a larger share of taxable dividends compared to other groups.

This will benefit all Canadians via a fair and equitable tax system, increased federal revenues and, lower debt charges.

Tax evasion and aggressive tax planning can be found among all segments of the population but mostly among the wealthiest groups. CRA data also indicate that men are more likely to be non-compliant.

Data Sources: *Canada Revenue Agency, Organisation for Economic Co-operation and Development*

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

GBA+ Responsive Approach

The CRA will establish a monitoring approach that will identify and track certain diversity factors of Canadian taxpayers that are selected for compliance actions and/or educational outreach.

Limitations on Excessive Interest Deductions

This measure aims at protecting the tax base and therefore benefits all Canadians. The primary group targeted by the measure is larger enterprises, and the proposal would affect this group negatively by placing a limit on the amounts of interest they may deduct. To the extent that Canadian individuals are shareholders of these enterprises, it may be assumed that men, older Canadians and those with higher incomes would be more likely to be adversely affected than others. Tax data show that: men received 65 per cent of the value of taxable dividends in 2018; taxpayers in the top income bracket received about 43 per cent of dividends, even though they only comprised one per cent of all tax filers; and seniors and other adults over 30 received 98 per cent of the value of dividends.

Data Sources: *Internal administrative data*

Quality of Life Impacts



Prosperity – *Debt-to-GDP ratio*
Good Governance – *Confidence in public/private institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	

GBA+ Timing: *Early* ☐☐■ *Later* ☐ *Existing*

Hybrid Mismatch Arrangements

This measure aims at protecting the tax base and therefore benefits all Canadians. The primary group targeted for enforcement is large multinational enterprises that use hybrid mismatch arrangements in structuring their cross-border investments. By eliminating the Canadian tax benefit arising from these arrangements, the proposal would affect this group negatively. To the extent that Canadian individuals are shareholders of these enterprises, it may be assumed that men and higher-income individuals would be more likely to be adversely affected. Tax data indicate that corporate distributions are generally received disproportionately by men (who received 63.1 per cent of total dividends paid by corporations to Canadian individuals in 2015) and higher-income individuals.

Data Sources: *Canada Revenue Agency*

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	

GBA+ Timing: *Early* ☐☐■ *Later* ☐ *Existing*

Consultation on Mandatory Disclosure Rules

These measures are aimed at combatting aggressive tax avoidance and evasion. If these measures are enacted, it is expected that the government will be able to collect more tax revenues which will benefit all Canadians.

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*
Good Governance - *Confidence in public/private institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

Action Against Money Laundering and Terrorist Financing

These initiatives will help reduce potential threats to the security and stability of Canada's financial system stemming from money laundering and terrorist financing. Strengthening Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime may benefit people victimized by money laundering, terrorist financing, and offences linked to these crimes. Victimized groups are more likely to include women, children, the elderly, persons with disabilities, persons suffering from addiction, and newcomers to Canada.

Quality of Life Impacts



Prosperity – *Financial stability*
Good Governance – *Domestic security*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Victimized groups

GBA+ Timing: *Early* ■☐☐ *Later* ☐ *Existing*

Action Against Money Laundering and Terrorist Financing-Tax Measures

These initiatives will strengthen the ability of the Canada Revenue Agency to protect the charitable registration system from being abused for terrorist financing purposes.

This specific proposal is targeted at registered charities but is expected to benefit all Canadians, particularly vulnerable and marginalized persons in communities that are likely to be targeted by those supporting terrorism or seeking to radicalize individuals towards violence. Young men are more likely to be susceptible to radicalization efforts.

Quality of Life Impacts



Good Governance – *Confidence in public institutions; Domestic security*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—●—○—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Charitable and Non-profit Sector

GBA+ Timing: *Early* ■☐☐ *Later* ☐ *Existing*

Beneficial Ownership Transparency

Advancing a beneficial ownership registry will help Canada counter a broad array of crimes, for which the gender, ethnicity, age, and socio-economic status of the victims vary greatly. All Canadians are expected to benefit.

Quality of Life Impacts



Good Governance – *Confidence in public/private institutions; Victimization rate*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Combatting Abusive Tax Collection Avoidance Schemes

This is a tax integrity measure that targets aggressive tax planning and the avoidance of the collection of tax debt by a small number of tax planners that are marketing these schemes to wealthy and corporate taxpayers. This measure protects the tax base on behalf of all Canadians to benefit the Canadian population in general.

Data Sources: *Canada Revenue Agency*

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*
Good Governance – *Confidence in public/private institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Improving Duty and Tax Collection on Imported Goods

This initiative is a customs duty compliance measure designed to ensure that all importers value their imported goods on the same basis. This initiative promotes fairness by ensuring that all importers are treated equally. Similarly, the payment process modernizations apply to all importers.

This initiative will result in increased duty revenues to the government, benefiting all Canadians.

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*

Target Population:	All Importers, All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Importers
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Retail Payment Oversight Framework

The retail payment oversight framework will ensure safer and more secure payment services for Canadian businesses and consumers, which broadly represent the Canadian population. While the framework is expected to benefit all Canadians, those with lower levels of financial literacy are expected to greatly benefit from stronger regulatory oversight.

Quality of Life Impacts



Prosperity – *Financial stability*
Good Governance – *Confidence in public private institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:

GBA+ Timing: *Early* □■□ *Later* ■ *Existing*

E-Payroll to Help Businesses

The Canada Revenue Agency will lead consultations and government-wide efforts to analyse and develop potential options to implement an e-payroll solution for the Government of Canada.

A fully operational e-payroll system has the potential to deliver a range of benefits to Canadians. In particular, it could enhance and streamline the delivery of services and benefit payments, which would primarily benefit lower-income Canadians such as single parents and the working poor, through more timely access to income-tested benefits. E-payroll could also lower costs and facilitate compliance for employers. The reduction of administrative burden will support all employers in Canada. As of December 2019, 97.9 per cent of businesses in Canada were small businesses.

Data Sources: *Canada Revenue Agency; Organisation for Economic Co-operation and Development; Innovation, Science and Economic Development Canada*

Quality of Life Impacts



Good Governance – *Confidence in public institutions (modernizing operations)*

Target Population: All Canadians, Employers

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—●—○—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Lower-income Canadians, Employers

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Protecting Taxpayer Information

These investments are designed to protect taxpayers' and benefit recipients' data from unauthorized access and loss, which will directly benefit all Canadians. The Canada Revenue Agency notes that the increased protection of data could be seen as an indirect benefit for groups most often targeted by identity theft – seniors, individuals with an income larger than $75,000, and individuals between 25 and 34 years of age. However, these indirect benefits are difficult to quantify.

Data Sources: *Canada Revenue Agency*

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Seniors

GBA+ Timing: *Early* □□■ *Later* ■ *Existing*

Modernizing CRA Services

The Canada Revenue Agency (CRA) processes over 2 million adjustments to personal income tax returns requested by taxpayers each year. Timely resolution of these adjustments will improve service to all Canadians by ensuring that credits and benefits to which they are entitled are calculated accurately and received in a timely manner. Benefits are expected to accrue for all Canadians that adjust their tax returns. Timeliness of provision of income-tested benefits and government transfers will be positive for diverse groups of vulnerable Canadians, particularly lower-income individuals. In addition, the simplified credit and benefit return and Canada Child Benefit form for Indigenous individuals will further enable quick and easy access to benefits and credits for this group.

Data Sources: *Canada Revenue Agency*

Quality of Life Impacts



Prosperity – *Household incomes; Poverty; Financial well-being*
Good Governance – *Confidence in public institutions (modernizing operations)*

Target Population: All Canadians, Indigenous peoples

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—●—○—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Low-income Canadians
GBA+ Timing: *Early* □■□ *Later* ■ *Existing*

Canadian Digital Service

The Canadian Digital Service (CDS) directly benefits Canadians and all other users of government on-line services. The CDS focuses on services that achieve high standards of accessibility and on meeting the needs of diverse populations, such as veterans, businesses seeking to respond to government tenders, and those applying for COVID-19 economic relief measures. In particular, the CDS focuses on those who might be otherwise underserved or marginalized. Recent work of the CDS has included development of the COVID Alert App, and GC Notify, a platform to provide vital email and text messaging services for an array of COVID-19 services.

Data Sources: *Treasury Board of Canada Secretariat*

Quality of Life Impacts



Society – *Time use*
Good Governance – *Confidence in public institutions (modernizing operations)*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:
GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Measuring What Matters

Improving Statistics Canada's capacity for quality of life measurement is expected to benefit all Canadians. In particular, addressing data gaps will help shed light on how non-economic, societal, and environmental factors are contributing to Canadians' quality of life. Better data will also help to identify and close gaps in socio-economic outcomes for different demographic groups such as women, persons at risk of poverty, black and racialized communities, Indigenous communities, and seniors. Greater emphasis on long-term implications of decision-making benefits younger generations.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Good Governance – *Confidence in public institutions*
Additional quality of life impacts across all domains

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ●—○—○ *Senior*
Additional Characteristics:	Vulnerable and Disadvantaged Groups
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Reducing Government Travel

All Canadians will benefit from fiscal cost savings and the efficient use of federal government resources.

This initiative will lead to somewhat lower travel and other expenditures within federal departments, but it is hard to predict how these reductions will be implemented across departments. In aggregate, these impacts will be more than offset by the increased expenditures associated with new budget measures.

Quality of Life Impacts



Prosperity – *Federal Debt-to-GDP ratio*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Government Information Technology Operations

Measures to support Improving and Defending our Cyber Networks, Modernizing Critical IT Infrastructure by Shared Services Canada, Supporting Efficient, Stable Digital Applications, and the Office of the Chief Information Officer of the Government of Canada are expected to benefit all Canadians through more secure and reliable digital government services and internal operations. Persons with disabilities, over the age of 60, or living in rural or remote areas may benefit most from investments in networking and digital applications if they have difficulty accessing government services in person. Indirectly, men may benefit disproportionately as new IT staff and procurements come from the science, technology, engineering, and math (STEM) field, which has predominantly male workers.

Quality of Life Impacts



Good Governance – *Confidence in public institutions (modernizing operations)*

Target Population:	All Canadians, Federal Public Service Employees
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Technology Workers
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Modernizing Critical IT Infrastructure: Service Canada

This initiative is intended to improve the efficiency of government operations and improve service to beneficiaries. About 55 per cent of the 6.7 million Old Age Security (OAS) beneficiaries are women, while about 54 per cent of roughly 1.8 million new Employment Insurance (EI) claimants annually in recent pre-pandemic years were men. The initiative will also lead to more work for those in the information management / information technology (IMIT) field, which is male dominated.

The intergenerational impact is balanced, as beneficiaries include EI claimants, OAS/GIS recipients and IMIT sector workers.

The overall distributional impact is neutral: the improved service for EI recipients and about 2.2 million lower income seniors who receive the Guaranteed Income Supplement (GIS) under the OAS program is balanced by the positive effects on the higher incomes of IMIT workers.

Data Sources: *EI Monitoring and Assessment Report; Old Age Security and Canada Pension Plan Statistical Bulletin*

Quality of Life Impacts



Good Governance – *Confidence in public institutions (modernizing operations)*

Target Population:	All Canadians, Service Canada Beneficiaries
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Service Canada Beneficiaries, IMIT Workers
GBA+ Timing:	*Early* ■□□ *Later* ■ *Existing*

GBA+ Responsive Approach

The Benefits Delivery Modernization initiative will include an examination of legislative, regulatory, policy and operational barriers to reduce the complexity of applying for and processing applications for the major entitlement programs. Once implemented, these new measures will make it easier for clients to apply to and receive benefits.

Eliminating the Backlog of Pay Problems and Stabilizing Human Resources, Pay, and Pensions

All federal public service employees are expected to benefit from an HR-Pay-Pension system that provides timely and accurate pay and supports employees from recruitment through retirement. Specific employee groups who have been affected the most by pay issues may benefit the most, including employees on maternity, parental, or disability leave; new employees (particularly students); employees departing the public service; and single-income households.

Data Sources: *Treasury Board of Canada Secretariat*

Quality of Life Impacts



Prosperity – *Household incomes*
Good Governance – *Confidence in public institutions*

Target Population: Federal Public Service Employees

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristic: Pay Workers

GBA+ Timing: *Early* □□□ *Later* ■ *Existing*

Advancing Public Service Job Classification

The Classification Program supports a diverse workplace that ensures that the value of work performed by public servants is determined fairly and transparently. It also ensures that qualification standards are free from bias based on gender, age, education, language, culture, and income. This also supports the modernization of various occupational groups in the public service, some of which are comprised mainly of women, ensuring that the principle of equal pay for work of equal value is upheld.

Data Sources: *Treasury Board of Canada Secretariat, Statistics Canada*

Quality of Life Impacts



Prosperity – *Household incomes; Employment*
Good Governance – *Confidence in public institutions*

Target Population: Federal Public Service Employees

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Those Seeking Employment in the Federal Public Service

GBA+ Timing: *Early* □□□ *Later* ■ *Existing*

Modernizing Leave Without Pay Provisions

Amendments to the Public Service Superannuation Regulations will directly benefit federal employees covered by the *Public Service Superannuation Act*, in particular caregivers, who are disproportionally women. Reducing the gendered financial impact of taking caregiving leave can reduce financial pressures on caregivers who opt to take leave without pay.

Data Sources: *Public Services and Procurement Canada, Treasury Board of Canada Secretariat*

Quality of Life Impacts



Prosperity – *Household incomes*
Society – *Someone to count on; Time use*

Target Population: Public Service Employees Covered by the *Public Service Superannuation Act*

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:

GBA+ Timing: *Early* □□□ *Later* ■ *Existing*

Justice Canada Employee Benefit Plan Rate Change

This is a technical adjustment to account for a change to Employee Benefit Plan rates charged on legal services to federal departments.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Improving Federal Asset Management

This measure is expected to benefit all Canadians through improved management of federal assets and greener operations of government by helping to integrate greenhouse gas reduction into real property planning. The real property industry is expected to benefit as consultants are engaged from that sector. Men are slightly more common than women in the federal real property field, representing 59 per cent of the workforce, but women are slightly more represented in the overall public service at around 55 per cent.

Data Sources: *Treasury Board of Canada Secretariat*

Quality of Life Impacts



Environment – *Greening operations*

Society – *Historical and cultural preservation; Accessible environments*

Good Governance – *Confidence in public institution*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Federal Real Property Sector

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Supporting Government Translation and Interpretation Services

This support benefits all Canadians by promoting both official languages and facilitating greater engagement for unilingual speakers. According to the 2016 Census, approximately 90 per cent of people in Canada self-report English-only or French-only as their official language of choice. Translation and interpretation services also improve accessibility for those requiring sign-language interpretation.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Society – *Knowledge of official languages*

Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Procurement Workforce

All Canadians are expected to benefit from an efficient and effective public service. Additionally, current and future public servants of Public Services and Procurement Canada will benefit from an increase in the procurement workforce, and the support for complex contracts. Indirectly, Canadian federal suppliers will benefit from the greater resources available to procurement officers. As of March 31, 2019, Public Services and Procurement's workforce identified as 59.6 per cent women; 3.5 per cent Indigenous peoples; 5.1 per cent persons with disabilities; and, 15.5 per cent members of a visible minority group.

Quality of Life Impacts



Prosperity – *Employment; Productivity*
Environment – *Greening operations*
Good Governance – *Confidence in public institutions*

Target Population: Federal Public Service Employees

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

Public Services and Procurement Canada Program Integrity

All Canadians will ultimately benefit from the measure, which will allow Public Services and Procurement Canada (PSPC) to continue providing procurement support to other departments, including the Public Health Agency of Canada, for personal protective equipment, vaccines, and other necessary services in the fight against COVID-19. Public servants of PSPC will directly benefit from the measure. As of March 31, 2019, PSPC's workforce identified as: 59.6 per cent women, 3.5 per cent Indigenous peoples, 5.1 per cent persons with disabilities, and 15.5 per cent members of a visible minority group.

Quality of Life Impacts



Prosperity – *Employment; Productivity*
Health – *Health-adjusted life expectancy; COVID-19 incidence*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—○—●—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: Federal Public Service Employees

GBA+ Timing: *Early* ☐■☐ *Later* ☐ *Existing*

Supporting the Public Service Occupational Health Program

This program directly benefits federal public service employees. In particular, employees in high-risk and scientific positions from the program's five major client departments (Canada Border Services Agency, Department of Fisheries and Oceans, Global Affairs Canada, Department of National Defence, and Correctional Services Canada) benefit from increased support for the program. Workforces for most of these departments are gender-balanced, with the exception of the Department of Fisheries and Oceans and the Department of National Defence. These departments disproportionately employ men, at 64 per cent and 60 per cent, respectively. The average age of employees across all departments is 43 years old, and the majority of employees speak English as their first language.

Data Source: *Government of Canada*

Quality of Life Impacts



Health – *Self-rated health; Functional health status*

Target Population:	Federal Public Service Employees
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Employees in High-risk and Scientific Positions
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Renewing funding for the Office of Public Service Accessibility

This initiative directly benefits persons with disabilities in the Public Service by addressing barriers and improving representation, accessibility and inclusion. Currently, the representation of persons with disabilities is 5.3 per cent while the latest workforce availability number for persons with disabilities is nine per cent.

Data Sources: *Statistics Canada, 2017 Canadian Survey on Disability, Public Service Employee Survey and Employment Equity Data*

Quality of Life Impacts



Society – *Accessible environments*
Good Governance – *Confidence in public institutions; Discrimination and unfair treatment*

Target Population:	Persons with Disabilities
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Public Service
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Addressing Financial Impacts on Atomic Energy of Canada Limited

Construction and trade workers undertaking capital projects at Chalk River Laboratories, who are mostly men, will benefit from the government addressing COVID-19's financial impacts on Atomic Energy of Canada Limited's operations. Scientific staff undertaking research projects, who are predominantly older men, will also directly benefit.

This proposal will provide an indirect stimulus effect on the communities surrounding Chalk River Laboratories in Renfrew County, Ontario.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Prosperity – *Household incomes*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Nuclear Sector, Chalk River Community
GBA+ Timing:	*Early* □□■ *Later* □ *Existing*

Strengthening Capital Markets Stability and Enforcement

The funding to the Canadian Securities Transition Office will support advice to the Government of Canada on strengthening capital markets systemic risk management and enhancing criminal enforcement. All Canadians benefit from this support.

Quality of Life Impacts



Prosperity – *Financial stability*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □■□ *Later* ■ *Existing*

CRA Administrative Funding for Certain Budget 2019 Measures

This measure provides funding to the Canada Revenue Agency (CRA) for previously announced measures including the administration of the Qualifying Canadian Journalism Organizations designation process, Canadian Journalism Labour Tax Credit, Canada Training Credit, and permitting new types of annuities under registered plans.

This funding is expected to benefit recipients of these credits and other CRA support who would be able to better access these tax measures and avail themselves of additional or enhanced services provided by the CRA. It will also provide new jobs within the federal public service. This measure is expected to be gender balanced. According to statistics from the Treasury Board Secretariat, approximately 55 per cent of employees in the core federal public service were women, and the public service is representative of the broader Canadian population.

Data Sources: *Treasury Board Secretariat: 2018-2019 Annual report to Parliament on Employment Equity in the Public Service of Canada.*

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Recipients of these credits
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Supporting the Ongoing Delivery of Benefits to Canadians

This measure will benefit all Canadians by ensuring in-person services continue to be safely delivered and benefits continue to be delivered on time. This measure indirectly benefits economically vulnerable Canadians who access programs delivered by Service Canada such as Employment Insurance, Old Age Security and the Canada Pension Plan. Investments that support in-person access in Service Canada Centres are likely to benefit Canadians living in rural areas, individuals that are not familiar with digital technologies, and Indigenous people, as data show they are more likely to access in-person services.

Data Sources: *Service Canada*

Quality of Life Impacts



Prosperity – *Protection from income shocks*
Good Governance – *Confidence in public institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Rural Communities, Indigenous peoples
GBA+ Timing:	*Early* □□□ *Later* ■ *Existing*

Budget 2021 Annex Measures

Amendment of the Government Annuities Improvement Act

This initiative has no distributional impact, as it simply eliminates duplicative audit requirements for Government Annuities. Annuitants will continue to have access to the same information through the Public Accounts or the actuarial reports published by the Chief Actuary.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

Extending Temporary Provisions Related to the Employment Insurance Emergency Response Benefit

Extending these provisions should benefit women and men relatively equally, as EI ERB claims were largely gender-balanced. Men and women accounted for 51.4 per cent and 48.5 per cent of all claims, respectively.

Individuals ages 25 and 54 accounted for the majority of claimants. About 3.7 million unique clients received this benefit between March and October 2020.

***Data Sources**: Employment and Social Development Canada.*

Quality of Life Impacts



Prosperity – *Protection from income shocks; Financial well-being*

Target Population: Former EI ERB claimants

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—●—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics: EI ERB claimants

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Labour Program Authority to use the Social Insurance Number

This legislative amendment directly benefits all workers in the federally regulated private sector who need to access program supports (e.g., occupational health and safety) through the Labour Program at Employment and Social Development Canada.

Providing the Labour Program with authority to use the Social Insurance Number is expected to benefit more men than women, as men make up 61 per cent of workers in the federally regulated private sector.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population: Workers in the federally regulated private sector

Expected Benefits:

Gender: *Men* ○—●—○—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* □□■ *Later* □ *Existing*

Social Security Tribunal Reforms

This initiative will have a direct positive impact on a gender-balanced population of individuals above the age of 50, and, in particular, for those with disabilities. Canada Pension Plan disability applicants represented 79 per cent of all appeals in the Income Security stream in 2018-19. The average age of Canada Pension Plan disability beneficiaries is around 55 years.

Data Sources: *Administrative data*

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population:	Persons with Disabilities, Individuals Above Age 50
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—○—● *Senior*
Additional Characteristics:	Persons with Disabilities
GBA+ Timing:	*Early* ■□□ *Later* □ *Existing*

Modernizing the Fiscal Stabilization Program

All provincial governments are eligible for Fiscal Stabilization payments if eligibility criteria are met. The provincial governments have the flexibility to direct Fiscal Stabilization payments according to their priorities and the needs of their residents. The federal government does not place restrictions on, or require reporting on, provincial use of Fiscal Stabilization payments.

Quality of Life Impacts



Prosperity – *Provincial fiscal capacity; Protection from income shocks*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Provinces
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Additional Fiscal Equalization Offset Payments to Nova Scotia

This proposal will exclusively benefit residents of the province of Nova Scotia. The government of Nova Scotia will have the flexibility to direct the payments according to its priorities and the needs of its residents. The federal government does not place restrictions on, or require reporting on, provincial use of additional fiscal equalization offset payments.

Quality of Life Impacts



Prosperity – *Provincial fiscal capacity; Protection from income shocks*

Target Population:	All Canadians Living in Nova Scotia
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Financial Sector Legislative Measures

The measures seek to improve the governance and functioning of Canada's financial sector and institutions, changes which are expected to benefit all Canadians through a strong economy and strong public institutions such as strengthening the Canada Deposit Insurance Corporation, enhancing consumer protection, and ensuring the integrity of Canada's financial system through strong anti-money laundering and anti-terrorist financing policies. Combatting money laundering and terrorist financing will benefit people who are victimized by these and other related crimes, particularly vulnerable groups, such as women and children, who are more likely to be victimized.

Quality of Life Impacts



Prosperity – *Financial well-being*
Good Governance – *Confidence in public institutions*

Target Population: All Canadians
Expected Benefits:
Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: Vulnerable Groups
GBA+ Timing: *Early* ■□□ *Later* ■ *Existing*

Financial Institution Restructuring Powers (FIRP) Extension

These are technical measures that would improve the resolution framework. These powers apply when CDIC takes control of a failing bank and are intended to mitigate contagion and loss of value – they do not affect deposits and payouts.
A sound resolution framework is a foundational element of financial stability in Canada, which will benefit all Canadians, even those who do not rely on the financial security of deposits at CDIC member institutions.

Quality of Life Impacts



Prosperity – *Protection from economic shocks*

Target Population: All Canadians
Expected Benefits:
Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:
GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Strengthening the Canadian Deposit Insurance Framework

These are technical measures that would improve the deposit insurance framework which is a foundational element of financial stability in Canada. Improved financial stability will benefit all Canadians, even those who do not rely on the financial security of deposits at CDIC member institutions.

Canadians are a highly banked population. 99 per cent of Canadians have a bank account.

Quality of Life Impacts



Prosperity – *Protection from economic shocks*

Target Population: All Canadians
Expected Benefits:
Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:
GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

2023 Sunset Date of Financial Institutions Statutes

This measure benefits all Canadians by ensuring federally regulated financial institutions, on which many Canadians rely, can continue to operate beyond 2023.

Quality of Life Impacts



Prosperity – *Financial stability; Firm growth; Protection from income shocks*
Good Governance – *Confidence in public/private institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Revised Framework for Negotiated Contribution Pension Plans

The revised framework will benefit all active workers of federally regulated negotiated contribution pension plans, as well as retirees, and other beneficiaries such as surviving spouses, regardless of identity characteristics. Employees participating in federally regulated pension plans are broadly gender-balanced, with women accounting for approximately 45 per cent of active workers participating in federally regulated private pension plans.

Quality of Life Impacts



Prosperity – *Financial well-being*

Target Population:	Beneficiaries of Private Sector Federally Regulated Negotiated Contribution Pension Plans
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Beneficiaries of federally regulated pension plans
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Audit Authorities

This measure will benefit all Canadians by enhancing the ability of the Canada Revenue Agency to administer the Income Tax Act and other federal statutes.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* □■□ *Later* □ *Existing*

Optimizing Digital in a COVID-19 Environment

These measures encourage the take up of digital services and remove outdated requirements for paper interactions between the Canada Revenue Agency and taxpayers. The measures would allow the Canada Revenue Agency to more efficiently administer the tax system and result in faster, more convenient and accurate service, while also enhancing security.

While some Canadians may have limited access to electronic services, such as internet usage, certain aspects of the measures are intended to mitigate this negative impact.

Quality of Life Impacts



Society – *Time use*
Good Governance – *Confidence in public/private institutions*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:

GBA+ Timing: *Early* □□■ *Later* □ *Existing*

Postdoctoral Fellowship Income

This measure directly benefits postdoctoral fellows who contribute to RRSPs. Men represent approximately 58 per cent of postdoctoral fellows and approximately 53 per cent of RRSP contributors.

Data Sources: *Internal administrative data; Canadian Association of Postdoctoral Scholars*

Quality of Life Impacts



Prosperity – *Financial well-being*

Target Population: Postdoctoral Fellows

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—●—○—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics:

GBA+ Timing: *Early* ■□□ *Later* □ *Existing*

Taxes Applicable to Registered Investments

The measure directly benefits mutual funds that are registered investments, indirectly providing tax relief to taxpayers who invest by means other than their registered retirement savings. It will likely have a small distributional effect in favour of higher-income investors.

Data Sources: *Canada Revenue Agency*

Quality of Life Impacts



Prosperity – *Household wealth*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*
Income Distribution: *Low* ○—○—○—●—○ *High Income*
Inter-generational: *Youth* ○—●—○ *Senior*
Additional Characteristics: High-income Individuals

GBA+ Timing: *Early* □□■ *Later* ■ *Existing*

Fixing Contribution Errors in Defined Contribution Pension Plans

This measure provides an efficient process for employers to correct errors in contributions to registered pension plans in prior taxation years. It has a marginal impact on the growth of individuals' retirement savings.

Data Sources: *Canada Revenue Agency*

Quality of Life Impacts



Prosperity – *Financial well-being*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* □■□ *Later* ■ *Existing*

Input Tax Credit Information Requirements

This measure will amend certain information requirements for businesses that claim input tax credits to recover the Goods and Services Tax/Harmonized Sales Tax that they pay in respect of goods and services used as inputs in their commercial activities. It is expected that the amendments will not have measurable benefits or negative consequences for individuals in Canada on the basis of their gender, age, ethnicity, or other demographic characteristics.

Quality of Life Impacts



Prosperity – *Reducing compliance burden*

Target Population: All Canadians

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—○—●—○—○ *High Inco*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* □■□ *Later* □ *Existing*

GST New Housing Rebate Conditions

This measure benefits individuals buying a new home that may require a co-signor or guarantor in order to secure the necessary financing. These individuals tend to be lower- or middle-income individuals with a particular income or credit profile.

Quality of Life Impacts



Prosperity – *Acceptable housing*

Target Population: New Homeowners

Expected Benefits:

Gender: *Men* ○—○—●—○—○ *Women*

Income Distribution: *Low* ○—●—○—○—○ *High Income*

Inter-generational: *Youth* ○—●—○ *Senior*

Additional Characteristics:

GBA+ Timing: *Early* □■□ *Later* ■ *Existing*

Extending Timelines for the Film or Video Production Tax Credits

This measure directly benefits shareholders of film and video production companies. While shareholders are predominantly male and higher income, no data is available on shareholders in this specific sector. This measure is also expected to indirectly benefit employees in the film or video sector. Statistics Canada data from 2020 for the information, culture and recreation sector indicates that roughly 44 per cent of employees are women.

Data Sources: *Statistics Canada*

Quality of Life Impacts



Society – *Sense of pride/belonging to Canada*

Target Population:	Companies Involved in Film and Video
Expected Benefits:	
Gender:	*Men* ○—●—○—○—○ *Women*
Income Distribution:	*Low* ○—○—○—●—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Shareholders and workers involved in film and video productions
GBA+ Timing:	*Early* ☐■☐ *Later* ☐ *Existing*

Clarifying the Provincial-Use Rebate under the Excise Tax Act

The measure is a technical amendment providing additional clarification on the provincial-use rebate for the excise tax on products such as gasoline and diesel. The measure is not expected to affect individuals differently on the basis of gender, income, age, or other demographic characteristics.

Quality of Life Impacts



Good Governance – *Confidence in public institutions*

Target Population:	All Canadians
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—○—●—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	
GBA+ Timing:	*Early* ■☐☐ *Later* ☐ *Existing*

Tax Treatment of Emergency Benefit Amounts

This measure is expected to disproportionately benefit lower-income individuals. Lower-income individuals are more likely to have experienced unusually high income due to emergency benefit receipt, and could thus benefit from a deduction available in the year of benefit receipt as opposed to the year of repayment.

Quality of Life Impacts



Prosperity – *Protection from income shocks*

Target Population:	Recipients of COVID-19 Benefits
Expected Benefits:	
Gender:	*Men* ○—○—●—○—○ *Women*
Income Distribution:	*Low* ○—●—○—○—○ *High Income*
Inter-generational:	*Youth* ○—●—○ *Senior*
Additional Characteristics:	Recipients of COVID-19 Benefits
GBA+ Timing:	*Early* ☐■☐ *Later* ☐ *Existing*

Annex 6
Tax Measures: Supplementary Information

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Notice of Ways and Means Motion to amend the *Excise Act, 2001* and Other Legislation

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Draft Amendments to Various GST/HST Regulations

Overview

This annex provides detailed information on tax measures proposed in the Budget.

Table 1 lists these measures and provides estimates of their fiscal impact.

The annex also provides Notices of Ways and Means Motions to amend the *Income Tax Act*, the *Excise Tax Act*, the *Excise Act, 2001* and other legislation and draft amendments to various regulations.

In this annex, references to "Budget Day" are to be read as references to the day on which this Budget is presented.

Table 1

Cost of Proposed Tax Measures[1, 2]

Fiscal Costs (millions of dollars)

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026	Total
Personal Income Tax							
Disability Tax Credit	-	19	84	90	91	92	376
Canada Workers Benefit	460	1,795	1,670	1,665	1,665	1,675	8,930
Northern Residents Deductions	-	26	26	26	26	26	128
Postdoctoral Fellowship Income	-	-	-	-	1	1	2
Tax Treatment of COVID-19 Benefit Amounts	-	-	-	-	-	-	-
Fixing Contribution Errors in Defined Contribution Pension Plans	-	1	-	-	-	-	1
Taxes Applicable to Registered Investments	2	6	6	6	6	6	32
Registration and Revocation Rules Applicable to Charities	-	-	-	-	-	-	-
Electronic Filing and Certification of Tax and Information Returns	-	-	-	-	-	-	-
Business Income Tax Measures							
Emergency Business Supports							
Canada Emergency Wage Subsidy	-	10,140	-	-	-	-	10,140
Canada Emergency Rent Subsidy and Lockdown Support	-	1,920	-	-	-	-	1,920
Canada Recovery Hiring Program	-	595	-	-	-	-	595
Immediate Expensing	-	615	1,055	985	-145	-265	2,245
Rate Reduction for Zero-Emission Technology Manufacturers	-	1	10	10	10	15	46
Capital Cost Allowance for Clean Energy Equipment	-	14	22	30	34	42	142
Film or Video Production Tax Credits	-	-	20	25	15	5	65
Mandatory Disclosure Rules	-	-	-	-	-	-	-
Avoidance of Tax Debts	-	-	-	-	-	-	-
Audit Authorities	-	-	-	-	-	-	-

Table 1

Cost of Proposed Tax Measures[1, 2]

Fiscal Costs (millions of dollars)

	2020–2021	2021–2022	2022–2023	2023–2024	2024–2025	2025–2026	Total
International Tax Measures							
Base Erosion and Profit Shifting							
Interest Deductibility Limits[3]	-	-26	-398	-1,329	-1,754	-1,809	-5,316
Hybrid Mismatch Arrangements	-	-	-130	-205	-215	-225	-775
Sales and Excise Tax Measures							
Application of the GST/HST to E-commerce[4]	-	-	-	-	-	-	-
Input Tax Credit Information Requirements	-	-	-	-	-	-	-
GST New Housing Rebate Conditions	-	-	-	-	-	-	-
Rebate of Excise Tax for Goods Purchased by Provinces	-	-	-	-	-	-	-
Excise Duty on Tobacco	-	-415	-440	-435	-425	-420	-2,135
Tax on Select Luxury Goods	-	-34	-140	-140	-145	-145	-604
Customs Tariff and Tax Measures							
Duty and Tax Collection on Imported Goods	-	-88	-150	-150	-150	-150	-688
Other Tax Measures[5]							
Digital Services Tax	-	-200	-700	-800	-800	-900	-3,400
Less: Amounts Provisioned in the Fiscal Framework	-	*200*	*700*	*800*	*800*	*900*	*3,400*
Administrative Costs	-	17	7	4	4	4	35
Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners	-	-	-200	-170	-165	-165	-700

[1] A "–" indicates a nil amount, a small amount (less than $500,000) or an amount that cannot be determined in respect of a measure that is intended to protect the tax base.

[2] Totals may not add due to rounding.

[3] An important proportion of the overall projected revenue impact (75%) relates to the expectation that the measure will help in preventing the shifting of debt into Canada.

[4] The projected revenues from the GST/HST e-commerce proposals are set out in the 2020 Fall Economic Statement and have already been provisioned in the fiscal framework. This budget describes revisions to those proposals and the associated draft legislation in the attached Notice of Ways and Means Motion, following consultations with stakeholders.

[5] Details of these proposed tax measures are presented in Annex 7.

Personal Income Tax Measures

Disability Tax Credit

The Disability Tax Credit (DTC) is a non-refundable tax credit that is intended to recognize the impact of non-itemizable disability-related costs on the ability to pay tax. For 2021, the value of the credit is $1,299.

To be eligible for the DTC, an individual must have a certificate confirming that they have a severe and prolonged impairment in physical or mental functions. The effects of the impairment must be such that, even with appropriate devices, medication and therapy, the individual is blind or is:

- markedly restricted in their ability to perform a basic activity of daily living, or would be so restricted were it not for certain therapy (commonly referred to as "extensive life-sustaining therapy"); or
- significantly restricted in their ability to perform more than one basic activity of daily living where the cumulative effect of those restrictions is comparable to being markedly restricted in a basic activity of daily living.

For these purposes, the *Income Tax Act* recognizes the following basic activities of daily living: walking; feeding or dressing oneself; mental functions necessary for everyday life; speaking; hearing; eliminating bodily waste; and, for the purposes of the "significantly restricted" test noted above, includes seeing.

A valid DTC certificate is also a requirement for accessing certain other tax-related measures, including Registered Disability Savings Plans, the Child Disability Benefit and the disability supplement to the Canada Workers Benefit.

Mental Functions Necessary for Everyday Life

Under current rules, mental functions necessary for everyday life include:

- memory;
- problem-solving, goal-setting and judgement (taken together); and
- adaptive functioning.

To ensure that the eligibility criteria for the DTC better articulate the range of mental functions necessary for everyday life, Budget 2021 proposes that, for the purposes of the DTC, mental functions necessary for everyday life include:

- attention;
- concentration;
- memory;
- judgement;
- perception of reality;

- problem-solving;
- goal-setting;
- regulation of behaviour and emotions;
- verbal and non-verbal comprehension; and
- adaptive functioning.

Life-Sustaining Therapy

Under current rules, extensive life-sustaining therapy is therapy that:

- is essential to sustain a vital function;
- is required to be administered at least three times each week for a total duration averaging not less than 14 hours a week; and
- cannot reasonably be expected to be of significant benefit to an individual who does not have a severe and prolonged impairment in physical or mental functions.

These requirements are intended to allow individuals to qualify for the DTC where they are undergoing therapies that have a significant impact on everyday living, comparable to the impact of being directly restricted in basic activities of daily living.

Under the current rules, time spent on the following activities may be included in determining time spent receiving therapy:

- activities that require the individual to take time away from normal, everyday activities in order to receive the therapy;
- where the therapy requires a regular dosage of medication that needs to be adjusted on a daily basis, activities directly involved in determining the appropriate dosage; and
- in the case of a child who is unable to perform the activities related to the therapy as a result of their age, the time spent by the child's primary caregivers to perform and supervise these activities for the child.

Time spent on the following activities cannot be included in determining time spent receiving therapy: activities related to dietary or exercise restrictions or regimes (even if those restrictions or regimes are a factor in determining the daily dosage of medication), travel time, medical appointments, shopping for medication and recuperation after therapy.

These rules can result in important components of therapy being excluded from the calculation of therapy time. For example, the determination of the appropriate dosage of medicine for treating diabetes in individuals who are insulin-dependent may require precise recording of dietary intake. In a similar fashion, therapy that involves the consumption of medical food or medical formula (such as for treating certain inherited metabolic conditions) may require, as part of the treatment, the precise recording of the dietary intake of particular compounds.

To better recognize these aspects of therapy for the purposes of calculating time spent on therapy, while ensuring that everyday activities (such as normal management of a healthy diet) and discretionary activities are not taken into account for that purpose, Budget 2021 proposes to:

- allow reasonable time spent determining dietary intake and/or physical exertion to be considered part of the therapy, where this information is essential to, and is undertaken for the purpose of, determining the dosage of medication that must be adjusted on a daily basis;
- clarify that the exclusion of time for medical appointments does not apply to appointments to receive therapy or to determine the daily dosage of medication;
- provide that the exclusion of time for recuperation after therapy does not apply to medically required recuperation; and
- in the case of therapy that requires the daily consumption of a medical food or medical formula to limit intake of a particular compound to levels required for the proper development or functioning of the body, allow reasonable time spent on activities that are directly related to the determination of the amount of the compound that can be safely consumed to be considered part of the therapy.

Budget 2021 also proposes that, where an individual is incapable of performing their therapy on their own due to the impacts of their disability, the time reasonably required by another person to assist the individual in performing and supervising the therapy would be allowed to be counted.

Budget 2021 further proposes that the requirement that therapy be administered at least three times each week be reduced to two times each week. The requirement that therapy be of a duration averaging not less than 14 hours a week would remain unchanged.

These proposed changes would apply to the 2021 and subsequent taxation years, in respect of DTC certificates filed with the Minister of National Revenue on or after Royal Assent.

Canada Workers Benefit

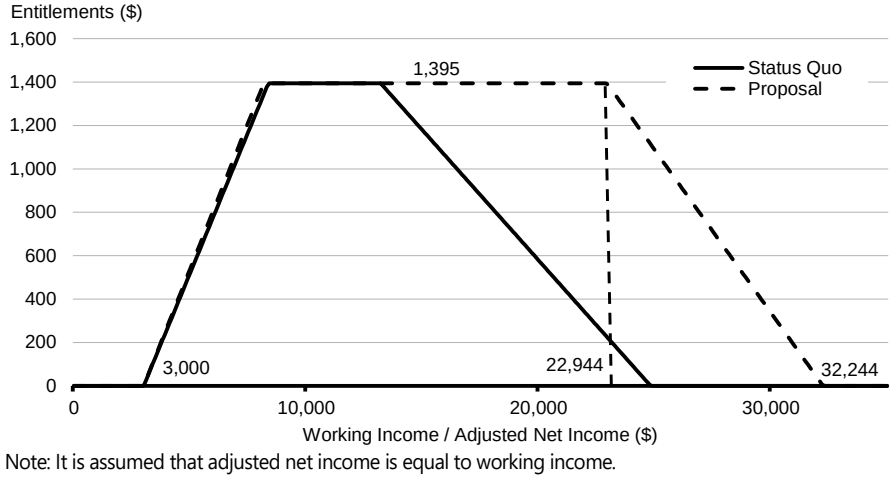
The Canada Workers Benefit (CWB) is a non-taxable refundable tax credit that supplements the earnings of low- and modest-income workers and improves their work incentives. Under current law, in 2021, the CWB grows by 26 cents for every dollar of "working income" (generally employment and business income) in excess of $3,000, up to a maximum entitlement of $1,395 for single individuals without dependants, or $2,403 for families (couples and single parents). The benefit is then reduced by 12 per cent of adjusted net income in excess of $13,194 for single individuals without dependants, or $17,522 for families.

Budget 2021 proposes to enhance the CWB starting in 2021. This enhancement would increase:

- the phase-in rate from 26 per cent to 27 per cent for single individuals without dependants as well as families;
- the phase-out thresholds from $13,194 to $22,944 for single individuals without dependants and from $17,522 to $26,177 for families; and
- the phase-out rate from 12 per cent to 15 per cent.

Chart 1 shows the proposed enhancement of the CWB in 2021 for a single individual without dependants and Chart 2 shows the same for families.

Chart 1
Enhanced Canada Workers Benefit—2021
(Single Individuals without Dependants)

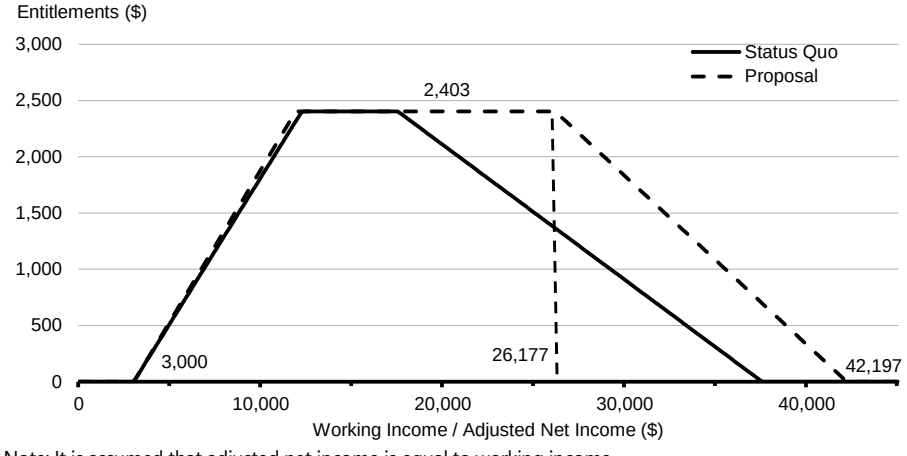


Note: It is assumed that adjusted net income is equal to working income.

Chart 2

Enhanced Canada Workers Benefit—2021

(Single Parents and Couples)



Note: It is assumed that adjusted net income is equal to working income.

The CWB also features a supplement that is available to individuals who are eligible for the Disability Tax Credit. Corresponding changes would be made to the disability supplement's phase-in and reduction rates as well as the reduction threshold. Specifically, the supplement would phase out at a rate of 7.5 per cent for each individual in a couple where both individuals are in receipt of the supplement, and at a rate of 15 per cent otherwise. The reduction threshold would be increased to align with the point at which the base benefit is phased out completely (i.e., from $24,815 under current rules to $32,244, for single individuals without children, and from $37,548 under current rules to $42,197, for families).

To improve work incentives for secondary earners in a couple, Budget 2021 also proposes to introduce a "secondary earner exemption" to the CWB, a special rule for individuals with an eligible spouse. This would allow the spouse or common-law partner with the lower working income to exclude up to $14,000 of their working income in the computation of their adjusted net income, for the purpose of the CWB phase-out.

For example, in the absence of the secondary earner exemption, a dual-earner couple with adjusted family net income of $50,000 would receive no CWB in 2021. Suppose the secondary earner in this couple earned $20,000 of working income. With the introduction of the secondary earner exemption, the secondary earner's adjusted net income would be reduced by the lesser of their working income ($20,000) and $14,000. The resulting adjusted family net income of $36,000 would entitle the couple to a benefit of $930.

The government recognizes the efforts that provinces and territories have taken

to improve work incentives for low- and modest-income individuals and families. To ensure that benefits are harmonized and that the CWB builds on these efforts, the government will continue to allow for province- or territory-specific changes to the design of the benefit through reconfiguration agreements, guided by the following principles:

- they build on actions taken by the province or territory to improve work incentives;
- they are cost-neutral to the federal government;
- they provide for a minimum benefit for all recipients of the benefit; and
- they preserve harmonization of the benefit with existing federal programs.

These measures would apply to the 2021 and subsequent taxation years. Indexation of amounts relating to the CWB would continue to apply after the 2021 taxation year, including the secondary earner exemption.

Northern Residents Deductions

Individuals who live in prescribed northern areas of Canada for at least six consecutive months beginning or ending in a taxation year may claim the Northern Residents Deductions in computing their taxable income for that year. These include both a residency component and a travel component.

The travel component allows a taxpayer receiving employer-provided travel benefits to deduct, in respect of a trip taken by the taxpayer or a member of the taxpayer's household, up to the least of:

- the amount of the employer-provided travel benefit received in respect of the trip;
- the total travel expenses paid for the trip; and
- the cost of the lowest return airfare to the nearest city designated in the *Income Tax Regulations*.

A taxpayer may deduct amounts in respect of travel for any number of trips made to obtain medical services not available locally and up to two trips per person per year for non-medical personal reasons. Residents of the prescribed Northern Zone may claim 100 per cent of the amounts described above, while residents of the prescribed Intermediate Zone may claim 50 per cent.

Budget 2021 proposes to expand access to the travel component of the Northern Residents Deductions. Under the new approach, subject to the other restrictions noted above, a taxpayer would have the option to claim, in respect of each of the taxpayer and each "eligible family member", up to:

- the amount of employer-provided travel benefits the taxpayer received in respect of travel by that individual; or

- a $1,200 standard amount that may be allocated across eligible trips taken by that individual.

After application of the 50-per-cent factor for residents of the Intermediate Zone, the second limit effectively becomes a $600 standard amount.

For these purposes, an eligible family member would be an individual living in the taxpayer's household who is:

- the spouse or common-law partner of the taxpayer;
- a child of the taxpayer (including a child of the taxpayer's spouse or common-law partner) under the age of 18; or
- another individual who is related to the taxpayer and who is wholly dependent on the taxpayer (and/or on the taxpayer's spouse or common-law partner) for support, and who is, except in the case of a parent or grandparent of the taxpayer, so dependent by reason of mental or physical infirmity.

If any taxpayer claims a deduction in respect of an employer-provided benefit for travel by the taxpayer or an eligible family member of the taxpayer in a year, no other taxpayer would be allowed to also claim all or part of the $1,200 standard amount in respect of travel by that first mentioned taxpayer or that eligible family member in that year. If any taxpayer claims all or part of the $1,200 standard amount in respect of travel by an individual, the maximum total amount that could be claimed in respect of that individual by all taxpayers would be $1,200.

Budget 2021 proposes that across all taxpayers in a given individual's household, a maximum of two trips taken by that individual would be allowed to be claimed in total for non-medical personal travel in a year. A taxpayer would continue to be able to claim any number of trips for medical purposes.

In light of the proposed changes described above, claims for a given trip would be limited to the least of:

- the amount of the employer-provided travel benefit received in respect of the trip or the amount allocated to that particular trip by the taxpayer out of the $1,200 standard amount;
- the total travel expenses paid for that trip; and
- the cost of the lowest return airfare to the nearest designated city.

Example:

- Kim and her husband Ryan live in Whitehorse and have a 10-year-old child. Kim has higher income than her husband and claims all travel expenses for the household.
- Kim receives a travel benefit of $1,500 from her employer in respect of each of two non-medical trips she took herself. She also receives a benefit of $1,000 in respect of a non-medical trip that Ryan took. Kim, Ryan, and their child also take one non-medical trip together, but do not receive any travel benefit for this trip.
- Kim may claim up to two trips for non-medical reasons. She decides to claim the two trips for which she received a travel benefit, as the amount of her travel benefit is greater than the $1,200 standard amount. Kim is eligible to claim up to the amount of her travel benefit of $1,500, subject to a limit of her actual expenses and the lowest return airfare, in respect of each trip.
- Kim decides not to claim the amount of the travel benefit she received for Ryan's travel, as the amount she received is less than the $1,200 standard amount. Instead, she allocates the $1,200 standard amount across the two trips that Ryan took, and is eligible to deduct the amount allocated to each trip, subject to the actual expenses and the lowest return airfare for each trip.
- Kim allocates the full $1,200 standard amount to the one trip her child took, and is eligible to deduct up to $1,200 for her child's travel, subject to the actual expenses and the lowest return airfare in respect of that trip.

This measure would apply to the 2021 and subsequent taxation years.

Strategic Environmental Assessment Statement

The proposal would effectively expand access to a rebate on the cost of travel, including carbon-intensive air travel. This may encourage additional travel among northern residents and result in associated greenhouse gas emissions. However, the rules of the deduction allow only two trips to be claimed in respect of any individual for non-medical personal reasons, and further limit the amount that may be claimed in respect of any trip. These rules constrain the circumstances in which an individual may receive a rebate in respect of additional travel taken in response to the proposal. Accordingly, any negative environmental impacts are expected to be negligible.

Postdoctoral Fellowship Income

For income tax purposes, postdoctoral fellows are generally not considered to be students. Thus, postdoctoral fellowship income generally does not qualify for the scholarship exemption from income tax. Although fully included in taxable income, and similar in nature to employment income, postdoctoral fellowship income does not currently qualify as "earned income" for the purpose of determining an individual's contribution limit for a registered retirement savings plan (RRSP).

Budget 2021 proposes to include postdoctoral fellowship income in "earned income" for RRSP purposes. This would provide postdoctoral fellows with additional RRSP room in order to make deductible RRSP contributions.

This measure would apply in respect of postdoctoral fellowship income received in the 2021 and subsequent taxation years. This measure would also apply in respect of postdoctoral fellowship income received in the 2011 to 2020 taxation years, where the taxpayer submits a request in writing to the Canada Revenue Agency for an adjustment to their RRSP room for the relevant years.

Tax Treatment of COVID-19 Benefit Amounts

A range of taxable benefits have been made available to qualified individuals in response to the COVID-19 pandemic. Generally, if a benefit amount is repaid (for example, where an individual determines that they were not eligible for the benefit in question), this amount can only be deducted for income tax purposes in the year the repayment takes place. Therefore, if the repayment does not occur in the same year as the year of receipt of the benefit, an individual may owe tax in respect of the benefit for the year of receipt, while obtaining a deduction for the repayment amount in a future tax year.

Budget 2021 proposes to amend the *Income Tax Act* to allow individuals the option to claim a deduction in respect of the repayment of a COVID-19 benefit amount in computing their income for the year in which the benefit amount was received rather than the year in which the repayment was made. This option would be available for benefit amounts repaid at any time before 2023.

For these purposes, COVID-19 benefits would include:

- Canada Emergency Response Benefits/Employment Insurance Emergency Response Benefits;
- Canada Emergency Student Benefits;
- Canada Recovery Benefits;
- Canada Recovery Sickness Benefits; and
- Canada Recovery Caregiving Benefits.

Individuals may only deduct benefit amounts once they have been repaid. An individual who makes a repayment, but who has already filed their income tax return for the year in which the benefit was received, would be able to request an adjustment to the return for that year.

Budget 2021 also proposes to amend the *Income Tax Act* to ensure that the COVID-19 benefit amounts noted above, and similar provincial or territorial benefit amounts, are included in the taxable income of those individuals who reside in Canada but are considered non-resident persons for income tax purposes. As a result, COVID-19 benefits received by these non-resident persons would be taxable in Canada in a manner generally similar to employment and business income earned in Canada.

Fixing Contribution Errors in Defined Contribution Pension Plans

The rules in the *Income Tax Act* do not currently permit pension plan administrators to accept retroactive contributions to employee accounts under a defined contribution pension plan in order to correct under-contribution errors in respect of prior years. Although in some circumstances over-contribution errors may be corrected by refunding the excess to the contributor, these rules have been found to be cumbersome.

Budget 2021 proposes to provide more flexibility to plan administrators of defined contribution pension plans to correct for both under-contributions and over-contributions. The proposals would permit certain types of errors to be corrected via additional contributions to an employee's account under a defined contribution pension plan to compensate for an under-contribution error made in any of the preceding five years, subject to a dollar limit. The proposals would also permit plan administrators to correct for pension over-contribution errors in

respect of an employee for any of the five years prior to the year in which the excess amount is refunded to the employee or employer, as the case may be, who made the contribution.

To simplify reporting requirements, the proposed rules would require the plan administrator to file a prescribed form in respect of each affected employee, rather than to amend T4 slips for prior years. Additional contributions to correct for under-contributions would reduce the employee's registered retirement savings plan (RRSP) contribution room for the taxation year following the year in which the retroactive contribution is made. To the extent this results in negative RRSP room, it would only impact the employee's contributions in future years. Refunds of over-contributions would generally restore the employee's RRSP contribution room for the taxation year in which the refund is made.

This measure would apply in respect of additional contributions made, and amounts of over-contributions refunded, in the 2021 and subsequent taxation years.

Taxes Applicable to Registered Investments

A trust or corporation that satisfies certain requirements can apply to the Canada Revenue Agency to be a registered investment for registered retirement savings plans (RRSPs), registered retirement income funds or deferred profit sharing plans. The units of a trust, or shares of a corporation, that is a registered investment are qualified investments for the types of plans for which it is registered.

Certain categories of registered investments (e.g., mutual fund trusts and mutual fund corporations) must have a minimum number of investors. A trust or corporation that is a registered investment and is not sufficiently widely held (e.g., a trust that does not have the 150 unit holders required to qualify as a mutual fund trust) is limited to holding investments that would be qualified investments for the types of registered plans for which it is registered. For example, if a trust or corporation is a registered investment for RRSPs, it can hold only investments that are qualified investments for an RRSP.

If a registered investment that is subject to this investment restriction holds property that is not a qualified investment for the type of registered plans for which it is registered, the registered investment is liable to pay a tax under Part X.2 of the *Income Tax Act*. This tax is equal to one per cent of the property's fair market value, at the time it was acquired, for each month that the registered investment holds the property. However, in some cases the effect of the tax can be disproportionate because the tax applies without regard to the proportion of the shares or units of the registered investment that are held by investors that are themselves subject to the qualified investment rules.

Budget 2021 proposes that the tax imposed under Part X.2 of the *Income Tax Act* be pro-rated based on the proportion of shares or units of the registered investment that are held by investors that are themselves subject to the qualified investment rules. For example, if a registered investment is registered for RRSPs and 20 per cent of its units are held by RRSPs while 80 per cent of its units are held by individuals via their non-registered accounts, the monthly tax imposed under Part X.2 would now be 20 per cent of 1 per cent of the fair market value of a non-qualified investment at the time it was acquired.

This measure would apply to taxes imposed under Part X.2 of the *Income Tax Act* in respect of months after 2020. However, the measure would also apply to taxpayers whose tax liability under Part X.2 in respect of months before 2021 has not been finally determined by the Canada Revenue Agency as of Budget Day.

Registration and Revocation Rules Applicable to Charities

In order to further strengthen Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime, Budget 2021 proposes a number of amendments to the *Income Tax Act* in order to limit opportunities for the abuse of charitable registration status for terrorist financing purposes. Budget 2021 also proposes changes to the rules applicable to all registered charities in respect of certain false statements.

Listed Terrorist Entities

Currently, under the *Income Tax Act,* the registration of a charity or other qualified donee may be revoked for non-compliance with the rules, but the Canada Revenue Agency must follow a series of steps in order to do so. In certain cases, a registered charity or other qualified donee may be listed as a terrorist entity under the *Criminal Code* by the Minister of Public Safety and Emergency Preparedness causing it to no longer qualify for registration. There is an administrative process that must be followed for an entity to be listed as a terrorist entity, with appeal rights to the courts.

Budget 2021 proposes to allow the Minister of National Revenue to immediately revoke the registration of a charity or other qualified donee upon its listing as a terrorist entity under the *Criminal Code*.

Ineligible Individuals

Where a charity or Canadian amateur athletic association has an "ineligible individual" as a director, trustee, officer or like official, or where such an individual controls or manages the charity or association, the *Income Tax Act* provides the Minister of National Revenue with the discretion to refuse or revoke its registration, or to suspend its authority to issue official donation receipts. Under current rules, an ineligible individual includes, in general terms:

- an individual who has been convicted of a criminal offence involving financial dishonesty; and
- an individual who – during a period in which a registered charity engaged in conduct that constituted a serious breach of the requirements for its registration and for which its registration was revoked within the previous five years – was a director, trustee, officer or like official of the charity, or controlled or managed the charity.

Budget 2021 proposes to amend the "ineligible individual" definition so that it includes an individual who:

- is, or is a member of, a listed terrorist entity; or
- in respect of a listed terrorist entity, was, during a period in which the entity supported or engaged in terrorist activities,
  - a director, trustee, officer or like official of the entity; or
  - an individual that controlled or managed, directly or indirectly, in any manner whatever, the entity.

The existing rule that requires the Canada Revenue Agency to only consider circumstances occurring within the preceding five-year period would not apply in relation to this measure.

False Statements

The *Income Tax Act* currently allows for the revocation of the registration of a charity where a false statement amounting to culpable conduct is made for the purpose of obtaining registration.

Budget 2021 proposes to allow the Minister of National Revenue to suspend the authority of a registered charity to issue official donation receipts for one year or to revoke its registration where a false statement amounting to culpable conduct was made for the purpose of maintaining its registration.

All of these amendments would apply on Royal Assent.

Electronic Filing and Certification of Tax and Information Returns

To improve the administration of, and compliance with, the tax system, Budget 2021 proposes various amendments to the *Income Tax Act*, *Income Tax Regulations*, *Excise Tax Act*, *Excise Act, 2001*, *Tax Rebate Discounting Act*, *Air Travellers Security Charge Act*, Part 1 of the *Greenhouse Gas Pollution Pricing Act*, and *Electronic Filing and Provision of Information (GST/HST) Regulations*. These proposed measures would improve the Canada Revenue Agency's (CRA) ability to operate digitally, resulting in faster, more convenient and accurate service, while also enhancing security.

Default Method of Correspondence

Notices of Assessment

Budget 2021 proposes to amend the *Income Tax Act* to provide the CRA with the ability to send certain notices of assessment electronically without the taxpayer having to authorize the CRA to do so. This proposal would apply in respect of individuals who file their income tax return electronically and those who employ the services of a tax preparer that files their income tax return electronically. Taxpayers who continue to file their income tax returns with the CRA in paper format would continue to receive a paper notice of assessment from the CRA.

This measure would come into force on Royal Assent of the enacting legislation.

Correspondence with Businesses

Budget 2021 proposes to change the default method of correspondence for businesses that use the CRA's My Business Account portal to electronic only. However, businesses could still choose to also receive paper correspondence. This measure would apply in respect of the *Income Tax Act, Excise Tax Act, Excise Act, 2001, Air Travellers Security Charge Act* and Part 1 of the *Greenhouse Gas Pollution Pricing Act*.

This measure would come into force on Royal Assent of the enacting legislation.

Information Returns

Budget 2021 proposes to amend the *Income Tax Regulations* to allow issuers of T4A (Statement of Pension, Retirement, Annuity and Other Income) and T5 (Statement of Investment Income) information returns to provide them electronically without having to also issue a paper copy and without the taxpayer having to authorize the issuer to do so.

This measure would apply in respect of information returns sent after 2021.

Electronic Filing Thresholds

Tax Preparers

Budget 2021 proposes to amend the rule in the *Income Tax Act* that requires, subject to the exception below, professional preparers of income tax returns to file electronically where they prepare more than 10 income tax returns of corporations or 10 income tax returns of individuals (other than trusts) to apply instead where they file more than 5 of either type of return for a calendar year. Furthermore, the exception for trusts would be removed.

Budget 2021 also proposes to amend the exception in the *Income Tax Act* whereby a tax preparer is allowed to a file a maximum of 10 paper income tax returns of corporations and 10 paper income tax returns of individuals per calendar year to instead allow only a maximum of 5 paper returns of each type per calendar year.

These measures would apply in respect of calendar years after 2021.

Filer of Information Returns

Budget 2021 proposes that the threshold for mandatory electronic filing of income tax information returns for a calendar year under the *Income Tax Act* be lowered from 50 to 5 returns, in respect of a particular type of information return. As such, persons or partnerships that file more than 5 information returns of a particular type for a calendar year would be required to file them electronically.

This measure would apply in respect of calendar years after 2021.

Corporations and GST/HST Registrants

Budget 2021 proposes to eliminate the mandatory electronic filing thresholds for returns of corporations under the *Income Tax Act*, and of Goods and Services Tax/Harmonized Sales Tax (GST/HST) registrants (other than for charities or Selected Listed Financial Institutions) under the *Excise Tax Act*. As such, returns of most corporations and GST/HST registrants under these acts would be required to be filed electronically.

This measure would apply in respect of taxation years that begin after 2021 for the *Income Tax Act* amendments and in respect of reporting periods that begin after 2021 for the *Excise Tax Act*.

Electronic Payments

Budget 2021 proposes to clarify that payments required to be made at a financial institution under the *Income Tax Act*, the GST/HST portion of the *Excise Tax Act*, the *Excise Act, 2001*, the *Air Travellers Security Charge Act* and Part 1 of the

Greenhouse Gas Pollution Pricing Act, include online payments made through such an institution. Budget 2021 also proposes that electronic payments be required for remittances over $10,000 under the *Income Tax Act* and that the threshold for mandatory remittances to be made at a financial institution under the GST/HST portion of the *Excise Tax Act, the Excise Act,* 2001, the *Air Travellers Security Charge Act* and Part 1 of the *Greenhouse Gas Pollution Pricing Act* be lowered from $50,000 to $10,000.

This measure would apply to payments made on or after January 1, 2022.

Handwritten Signatures

Budget 2021 proposes to eliminate the requirement that signatures be in writing on certain prescribed forms, as follows:

- Forms prescribed under the *Income Tax Act*:
  - T183, Information Return for Electronic Filing of an Individual's Income Tax and Benefit Return;
  - T183CORP, Information Return for Corporations Filing Electronically; and
  - T2200, Declaration of Conditions of Employment.
- Forms prescribed under the *Tax Rebate Discounting Act*:
  - RC71, Statement of Discounting Transaction; and
  - RC72, Notice of the Actual Amount of the Refund of Tax.

This measure would come into force on Royal Assent of the enacting legislation.

Business Income Tax Measures

Emergency Business Supports

The government has introduced a number of support measures to help businesses and other organizations affected by the COVID-19 pandemic, including the Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy and the Lockdown Support.

Program details in respect of these three measures have been announced through June 5, 2021 and the application of these measures cannot be extended by regulation beyond June 2021.

Budget 2021 proposes to extend the Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy and the Lockdown Support until September 2021. The subsidy rates would gradually decline over the July-to-September period. The proposed details of these programs from June 6, 2021 to September 25, 2021 are described below.

Budget 2021 also proposes to provide the government with the legislative authority to add additional qualifying periods for the wage subsidy, the rent subsidy and the Lockdown Support until November 20, 2021, should the economic and public health situation warrant it.

Canada Emergency Wage Subsidy

The government introduced the Canada Emergency Wage Subsidy to prevent further job losses and encourage employers to quickly rehire workers previously laid off as a result of COVID-19. The measure provides eligible employers that have experienced a decline in revenues with a wage subsidy for eligible remuneration paid to their employees.

Support for Active Employees

The wage subsidy for active employees includes a base subsidy for employers that have experienced a decline in revenues as well as a top-up wage subsidy that is available to employers that have experienced a decline in revenues of at least 50 per cent. The maximum combined base subsidy and top-up wage subsidy rate is set at 75 per cent through the qualifying period ending on June 5, 2021.

Budget 2021 proposes the wage subsidy rate structures set out in Table 2 for June 6, 2021 to September 25, 2021. As illustrated in the table, the subsidy rates would be gradually phased out starting on July 4, 2021. Furthermore, only employers with a decline in revenues of more than 10 per cent would be eligible for the wage subsidy as of that date.

Table 2

Canada Emergency Wage Subsidy Base and Top-up Rate Structure, Periods 17 to 20

(June 6, 2021 to September 25, 2021)

	Period 17 June 6 – July 3	**Period 18 July 4 – July 31**	**Period 19 August 1 – August 28**	**Period 20 August 29 – September 25**
Maximum weekly benefit per employee*	$847	$677	$452	$226
Revenue decline:				
70% and over	75% (i.e., Base: 40% + Top-up: 35%)	60% (i.e., Base: 35% + Top-up: 25%)	40% (i.e., Base: 25% + Top-up: 15%)	20% (i.e., Base: 10% + Top-up: 10%)
50-69%	Base: 40% + Top-up: (revenue decline - 50%) x 1.75 (e.g., 40% + (60% revenue decline - 50%) x 1.75 = 57.5% subsidy rate)	Base: 35% + Top-up: (revenue decline - 50%) x 1.25 (e.g., 35% + (60% revenue decline - 50%) x 1.25 = 47.5% subsidy rate)	Base: 25% + Top-up: (revenue decline - 50%) x 0.75 (e.g., 25% + (60% revenue decline - 50%) x 0.75 = 32.5% subsidy rate)	Base: 10% + Top-up: (revenue decline - 50%) x 0.5 (e.g., 10% + (60% revenue decline - 50%) x 0.5 = 15% subsidy rate)
>10-50%	Base: revenue decline x 0.8 (e.g., 30% revenue decline x 0.8 = 24% subsidy rate)	Base: (revenue decline - 10%) x 0.875 (e.g., (30% revenue decline - 10%) x 0.875 = 17.5% subsidy rate)	Base: (revenue decline - 10%) x 0.625 (e.g., (30% revenue decline - 10%) x 0.625 = 12.5% subsidy rate)	Base: (revenue decline - 10%) x 0.25 (e.g., (30% revenue decline - 10%) x 0.25 = 5% subsidy rate)
0-10%	Base: revenue decline x 0.8 (e.g., 5% revenue decline x 0.8 = 4% subsidy rate)	0%	0%	0%

* The maximum weekly benefit per employee is equal to the maximum combined base subsidy and top-up wage subsidy for the qualifying period applied to the amount of eligible remuneration paid to the employee for the qualifying period, on remuneration of up to $1,129 per week.

Requirement to Repay Wage Subsidy

Budget 2021 proposes to require a publicly listed corporation to repay wage subsidy amounts received for a qualifying period that begins after June 5, 2021 in the event that its aggregate compensation for specified executives during the 2021 calendar year exceeds its aggregate compensation for specified executives during the 2019 calendar year.

For the purpose of this proposed rule, a publicly listed corporation's specified executives will be its Named Executive Officers whose compensation is required to be disclosed under Canadian securities laws in its annual information circular provided to shareholders, or similar executives in the case of a corporation listed in another jurisdiction. This generally includes its chief executive officer, chief financial officer, and three other most highly compensated executives. A corporation's executive compensation for a calendar year will be calculated by prorating the aggregate compensation of its specified executives for each of its taxation years that overlap with the calendar year.

The amount of the wage subsidy required to be repaid would be equal to the lesser of:

- the total of all wage subsidy amounts received in respect of active employees for qualifying periods that begin after June 5, 2021; and
- the amount by which the corporation's aggregate specified executives' compensation for 2021 exceeds its aggregate specified executives' compensation for 2019.

This requirement to repay would be applied at the group level and would apply to wage subsidy amounts paid to any entity in the group.

Support for Furloughed Employees

A separate wage subsidy rate structure applies for furloughed employees. The wage subsidy for furloughed employees is aligned with the benefits provided through Employment Insurance (EI) through June 5, 2021 to ensure equitable treatment of such employees between the two programs.

To ensure that the wage subsidy for furloughed employees remains aligned with benefits available under EI, Budget 2021 proposes that the weekly wage subsidy for a furloughed employee from June 6, 2021 to August 28, 2021 be the lesser of:

- the amount of eligible remuneration paid in respect of the week; and
- the greater of:
  - $500; and
  - 55 per cent of pre-crisis remuneration for the employee, up to a maximum subsidy amount of $595.

The wage subsidy for furloughed employees would continue to be available to eligible employers that qualify for the wage subsidy for active employees for the relevant period until August 28, 2021. Employers will also continue to be entitled to claim under the wage subsidy their portion of contributions in respect of the Canada Pension Plan, EI, the Quebec Pension Plan and the Quebec Parental Insurance Plan in respect of furloughed employees.

Reference Periods

For the purposes of the wage subsidy, an employer's decline in revenues is generally determined by comparing the employer's revenues in a current calendar month with its revenues in the same calendar month, pre-pandemic. An employer may also elect to use an alternative approach, which compares the employer's monthly revenues relative to the average of its January 2020 and February 2020 revenues. A deeming rule provides that an employer's decline in revenues for any particular qualifying period is the greater of its decline in revenues for the particular qualifying period and the immediately preceding qualifying period.

Budget 2021 proposes the reference periods set out in Table 3 for determining an eligible employer's decline in revenues for the qualifying periods from June 6, 2021 to September 25, 2021.

Table 3
Canada Emergency Wage Subsidy Reference Periods, Periods 17 to 20
(June 6, 2021 to September 25, 2021)

Timing	**Period 17 June 6 – July 3**	**Period 18 July 4 – July 31**	**Period 19 August 1 – August 28**	**Period 20 August 29 – September 25**
General approach	June 2021 over June 2019 **or** May 2021 over May 2019	July 2021 over July 2019 **or** June 2021 over June 2019	August 2021 over August 2019 **or** July 2021 over July 2019	September 2021 over September 2019 **or** August 2021 over August 2019
Alternative approach	June 2021 **or** May 2021 over average of January and February 2020	July 2021 **or** June 2021 over average of January and February 2020	August 2021 **or** July 2021 over average of January and February 2020	September 2021 **or** August 2021 over average of January and February 2020

Employers that had chosen to use the general approach for prior periods would be required to continue to use that approach. Similarly, employers that had chosen to use the alternative approach would be required to continue to use the alternative approach.

Baseline Remuneration

Under the general rules, an eligible employer's entitlement to the wage subsidy for a furloughed employee, as well as an active employee in certain circumstances, is determined through a calculation that takes into account both the employee's current and baseline (pre-crisis) remuneration.

Baseline remuneration means the average weekly eligible remuneration paid to an eligible employee by an eligible employer during the period beginning January 1, 2020 and ending March 15, 2020. Any period of seven or more consecutive days for which the employee was not remunerated is excluded from the calculation. However, the eligible employer may elect, for each qualifying period in respect of an employee, an alternative baseline period for calculating the average weekly eligible remuneration.

To ensure that the alternative baseline remuneration periods for a particular qualifying period continue to generally reflect the corresponding calendar months covered by the qualifying period, Budget 2021 proposes to allow an eligible employer to elect to use the following alternative baseline remuneration periods:

- March 1 to June 30, 2019 or July 1 to December 31, 2019, for the qualifying period between June 6, 2021 and July 3, 2021; and
- July 1 to December 31, 2019, for qualifying periods beginning after July 3, 2021.

Canada Emergency Rent Subsidy

The government introduced the Canada Emergency Rent Subsidy to provide direct relief to organizations that continue to be economically impacted by the COVID-19 pandemic. Under the rent subsidy, qualifying organizations that have experienced a decline in revenues are eligible for a subsidy on qualifying expenses.

Rate Structure

The maximum base rent subsidy rate is set at 65 per cent through the qualifying period ending on June 5, 2021.

Budget 2021 proposes the base rent subsidy rate structures set out in Table 4 for June 6, 2021 to September 25, 2021. As illustrated in the table, the subsidy rates would be gradually phased out starting on July 4, 2021. Furthermore, only organizations with a decline in revenues of more than 10 per cent would be eligible for the base rent subsidy and, as discussed below, the Lockdown Support.

Table 4

Canada Emergency Rent Subsidy Base Rate Structure*, Periods 17 to 20**

(June 6, 2021 to September 25, 2021)

	Period 17 June 6 – July 3	**Period 18 July 4 – July 31**	**Period 19 August 1 – August 28**	**Period 20 August 29 – September 25**
Revenue decline:				
70% and over	65%	60%	40%	20%
50-69%	40% + (revenue decline - 50%) x 1.25 (e.g., 40% + (60% revenue decline - 50%) x 1.25 = 52.5% subsidy rate)	35% + (revenue decline - 50%) x 1.25 (e.g., 35% + (60% revenue decline - 50%) x 1.25 = 47.5% subsidy rate)	25% + (revenue decline - 50%) x 0.75 (e.g., 25% + (60% revenue decline - 50%) x 0.75 = 32.5% subsidy rate)	10% + (revenue decline - 50%) x 0.5 (e.g., 10% + (60% revenue decline - 50%) x 0.5 = 15% subsidy rate)
>10-50%	Revenue decline x 0.8 (e.g., 30% revenue decline x 0.8 = 24% subsidy rate)	(Revenue decline - 10%) x 0.875 (e.g., (30% revenue decline - 10%) x 0.875 = 17.5% subsidy rate)	(Revenue decline - 10%) x 0.625 (e.g., (30% revenue decline - 10%) x 0.625 = 12.5% subsidy rate)	(Revenue decline - 10%) x 0.25 (e.g., (30% revenue decline - 10%) x 0.25 = 5% subsidy rate)
0-10%	Revenue decline x 0.8 (e.g., 5% revenue decline x 0.8 = 4% subsidy rate)	0%	0%	0%

* Expenses for each qualifying period are capped at $75,000 per location and are subject to an overall cap of $300,000 that is shared among affiliated entities.

** Period 17 of the Canada Emergency Wage Subsidy would be the tenth period of the Canada Emergency Rent Subsidy. Period identifiers have been aligned for ease of reference.

Revenue-Decline Calculation

Both the rent subsidy and the wage subsidy use the same calculation to determine an organization's revenue decline. As a result, the same reference periods are used to calculate an organization's decline in revenues for the wage subsidy and the rent subsidy. Likewise, if an organization elects to use an alternative method for computing its revenue decline under the wage subsidy, it must use that alternative method for the rent subsidy.

Purchase of Business Assets

In order to qualify for the wage subsidy, an applicant must have had a payroll account with the Canada Revenue Agency (or engaged a qualifying payroll

service provider). For the purpose of the rent subsidy, an applicant is required to have a business number with the CRA.

If certain conditions are met, the wage subsidy rules provide that an eligible entity that purchases the assets of a seller will be deemed to meet the payroll account requirement if the seller met the requirement.

Budget 2021 proposes to introduce a similar deeming rule that would apply in the context of the rent subsidy, where the seller met the business number requirement. This measure would apply as of the start of the rent subsidy.

Lockdown Support

For locations that must cease operations or significantly limit their activities under a public health order issued under the laws of Canada, a province or territory, the government introduced the Lockdown Support through the Canada Emergency Rent Subsidy program to provide additional help. In order to qualify for the Lockdown Support, an applicant must qualify for the base rent subsidy.

Budget 2021 proposes to extend, for the qualifying periods from June 6, 2021 to September 25, 2021, the current 25-per-cent rate for the Lockdown Support.

Canada Recovery Hiring Program

Budget 2021 proposes to introduce the new Canada Recovery Hiring Program to provide eligible employers with a subsidy of up to 50 per cent on the incremental remuneration paid to eligible employees between June 6, 2021 and November 20, 2021.

An eligible employer would be permitted to claim either the hiring subsidy or the Canada Emergency Wage Subsidy for a particular qualifying period, but not both.

The proposed details of the hiring subsidy are described below.

Eligible Employers

Employers eligible for the Canada Emergency Wage Subsidy would generally be eligible for the hiring subsidy. However, a for-profit corporation would be eligible for the hiring subsidy only if it is a Canadian-controlled private corporation (including a cooperative corporation that is eligible for the small business deduction). Other eligible employers would include individuals, non-profit organizations, registered charities, and certain partnerships.

Corporations and trusts that are ineligible for the Canada Emergency Wage Subsidy because they are public institutions would not be eligible for the hiring subsidy. Public institutions generally include municipalities and local governments, Crown corporations, wholly owned municipal corporations, public universities, colleges, schools and hospitals.

Eligible employers (or their payroll service provider) would be required to have had a payroll account open with the Canada Revenue Agency on March 15, 2020.

Eligible Employees

An eligible employee must be employed primarily in Canada by an eligible employer throughout a qualifying period (or the portion of the qualifying period throughout which the individual was employed by the eligible employer).

The hiring subsidy would not be available for furloughed employees. A furloughed employee is an employee who is on leave with pay, meaning they are remunerated by the eligible employer but do not perform any work for the employer. An employee would not be considered to be on leave with pay for the purposes of the hiring subsidy if they are on a period of paid absence, such as vacation leave, sick leave, or a sabbatical.

Eligible Remuneration and Incremental Remuneration

The types of remuneration eligible for the Canada Emergency Wage Subsidy would also be eligible for the hiring subsidy. Eligible remuneration generally includes salary, wages, and other remuneration for which employers are required to withhold or deduct amounts on account of the employee's income tax obligations. However, it does not include severance pay, or items such as stock option benefits or the personal use of a corporate vehicle. The amount of remuneration for employees would be based solely on remuneration paid in respect of the qualifying period.

Incremental remuneration for a qualifying period means the difference between an employer's total eligible remuneration paid to eligible employees for the qualifying period and its total eligible remuneration paid to eligible employees for the baseline period. In both the qualifying period and the baseline period, eligible remuneration for each eligible employee would be subject to a maximum of $1,129 per week.

As is currently the case for the Canada Emergency Wage Subsidy, the eligible remuneration for a non-arm's length employee for a week could not exceed their baseline remuneration determined for that week. More information on baseline remuneration is available in the supplementary information on Emergency Business Supports.

The applicable dates for the calculation of the incremental remuneration are shown in Table 5.

Table 5

Canada Recovery Hiring Program Dates Used to Calculate Incremental Remuneration, Periods 17* to 22

(June 6, 2021 to November 20, 2021)

Qualifying period	Period 17	Period 18	Period 19	Period 20	Period 21	Period 22
Qualifying period dates	June 6 to July 3, 2021	July 4 to July 31, 2021	August 1 to August 28, 2021	August 29 to September 25, 2021	September 26 to October 23, 2021	October 24 to November 20, 2021
Baseline period	March 14 to April 10, 2021					
*Period 17 of the Canada Emergency Wage Subsidy would be the first period of the Canada Recovery Hiring Program. Period identifiers have been aligned for ease of reference.						

Subsidy Amount

Provided that an eligible employer's decline in revenues exceeds the revenue-decline threshold for a qualifying period (see *Revenue-Decline Threshold* below), its subsidy in that qualifying period would be equal to its incremental remuneration multiplied by the applicable hiring subsidy rate for that qualifying period. These hiring subsidy rates are shown in Table 6.

Table 6

Canada Recovery Hiring Program Rates, Periods 17* to 22

(June 6, 2021 to November 20, 2021)

	Period 17 June 6 – July 3	Period 18 July 4 – July 31	Period 19 August 1 – August 28	Period 20 August 29 – September 25	Period 21 September 26 – October 23	Period 22 October 24 – November 20
Hiring subsidy rate	50%	50%	50%	40%	30%	20%
*Period 17 of the Canada Emergency Wage Subsidy would be the first period of the Canada Recovery Hiring Program. Period identifiers have been aligned for ease of reference.						

Revenue-Decline Threshold

To qualify for a hiring subsidy in a qualifying period, an eligible employer would have to have experienced a decline in revenues sufficient to qualify for the Canada Emergency Wage Subsidy in that qualifying period. For qualifying periods where the Canada Emergency Wage Subsidy is no longer in effect, an eligible employer would have to have experienced a decline in revenues of more than 10 per cent. As such, an eligible employer's decline in revenues would have to be more than:

- 0 per cent, for the qualifying period between June 6, 2021 and July 3, 2021; and

- 10 per cent, for qualifying periods between July 4, 2021 and November 20, 2021.

An employer's decline in revenues would be determined in the same manner as under the Canada Emergency Wage Subsidy. This method compares the employer's revenues in a current calendar month with its revenues in the same calendar month, pre-pandemic. An employer can also elect to use an alternative approach, which compares the employer's monthly revenues relative to the average of its January 2020 and February 2020 revenues. A deeming rule provides that an employer's decline in revenues for any particular qualifying period is the greater of its decline in revenues for the particular qualifying period and the immediately preceding qualifying period.

Employers that had chosen to use the general approach for prior periods of the Canada Emergency Wage Subsidy would be required to continue to use that approach for the hiring subsidy. Similarly, employers that had chosen to use the alternative approach would be required to continue to use the alternative approach.

The reference periods set out in Table 7 would be used to determine an eligible employer's decline in revenues for the qualifying periods from June 6, 2021 to November 20, 2021.

Table 7
Canada Recovery Hiring Program Reference Periods, Periods 17* to 22
(June 6, 2021 to November 20, 2021)

Timing	**Period 17** **June 6 – July 3**	**Period 18** **July 4 – July 31**	**Period 19** **August 1 – August 28**	**Period 20** **August 29 – September 25**	**Period 21** **September 26 – October 23**	**Period 22** **October 24 – November 20**
General approach	June 2021 over June 2019 **or** May 2021 over May 2019	July 2021 over July 2019 **or** June 2021 over June 2019	August 2021 over August 2019 **or** July 2021 over July 2019	September 2021 over September 2019 **or** August 2021 over August 2019	October 2021 over October 2019 **or** September 2021 over September 2019	November 2021 over November 2019 **or** October 2021 over October 2019
Alternative approach	June 2021 **or** May 2021 over average of January and February 2020	July 2021 **or** June 2021 over average of January and February 2020	August 2021 **or** July 2021 over average of January and February 2020	September 2021 **or** August 2021 over average of January and February 2020	October 2021 **or** September 2021 over average of January and February 2020	November 2021 **or** October 2021 over average of January and February 2020
*Period 17 of the Canada Emergency Wage Subsidy would be the first period of the Canada Recovery Hiring Program. Period identifiers have been aligned for ease of reference.						

An application for the hiring subsidy for a qualifying period would be required to be made no later than 180 days after the end of the qualifying period.

Immediate Expensing

The capital cost allowance (CCA) system determines the deductions that a business may claim each year for income tax purposes in respect of the capital cost of its depreciable property. With some exceptions, depreciable property is divided into CCA classes and a CCA rate for each class of property is prescribed in the *Income Tax Regulations*.

Prior to November 21, 2018, the CCA allowed in the first year that a property was available for use was generally limited to half the amount that would otherwise be available (the "half-year" rule). On November 21, 2018, the government announced a temporary enhanced first-year allowance, referred to as the Accelerated Investment Incentive, equal to up to three times the previously applicable first-year allowance. In addition, the government announced immediate expensing for investments in machinery and equipment used in manufacturing or processing, as well as for specified clean energy generation equipment.

Budget 2021 proposes to provide temporary immediate expensing in respect of certain property acquired by a Canadian-Controlled Private Corporation (CCPC). This immediate expensing would be available for "eligible property" acquired by a CCPC on or after Budget Day and that becomes available for use before January 1, 2024, up to a maximum amount of $1.5 million per taxation year. The immediate expensing would only be available for the year in which the property becomes available for use. The $1.5 million limit would be shared among associated members of a group of CCPCs. The limit would be prorated for taxation years that are shorter than 365 days. The half-year rule would be suspended for property for which this measure is used. For those CCPCs with less than $1.5 million of eligible capital costs, no carry-forward of excess capacity would be allowed.

Eligible Property

Eligible property under this new measure would be capital property that is subject to the CCA rules, other than property included in CCA classes 1 to 6, 14.1, 17, 47, 49 and 51, which are generally long lived assets.

Interactions of the Immediate Expensing with Other Provisions

CCPCs with capital costs of eligible property in a taxation year that exceed $1.5 million would be allowed to decide to which CCA class the immediate expensing would be attributed and any excess capital cost would be subject to the normal CCA rules. The availability of other enhanced deductions under existing rules – such as the full expensing for manufacturing and processing machinery and equipment and for clean energy equipment, introduced in the 2018 Fall Economic Statement – would not reduce the maximum amount available under this new measure. In other words, a CCPC may expense up to $1.5 million in addition to all other CCA claims under existing provisions of the *Income Tax Act*, provided the total CCA deduction does not exceed the capital cost of the property.

Immediate expensing under this new rule would not change the total amount that can be deducted over the life of a property – the larger deduction taken in the first year in respect of a property would eventually be offset by a smaller deduction, if any, in respect of the property in future years.

Example of Benefits of Immediate Expensing of $1.5 million

A CCPC invests $2,000,000 in equal amounts for two properties, one falling under CCA Class 7, and the other under Class 10. Under this scenario, the CCPC would be allowed a total first-year deduction of up to $1,725,000 versus $675,000 under the existing rules, as illustrated in the table below. This would represent an additional deduction of $1,050,000 in the first year.

CCA Class (rate)	Cost of Acquisitions	Immediate Expensing	1st Year Allowance on Remainder of Class*	Total 1st Year Allowance	Current 1st Year Allowance*
Class 7 (15%)	1,000,000	1,000,000	0	1,000,000	225,000
Class 10 (30%)	1,000,000	500,000	225,000	725,000	450,000
Total	2,000,000	1,500,000	225,000	1,725,00	675,000

*Assuming eligible for the triple first-year allowance under the Accelerated Investment Incentive

Restrictions

The *Income Tax Act* and the *Income Tax Regulations* include a series of rules designed to protect the integrity of the CCA regime and the tax system more broadly. These include rules related to limited partners, specified leasing properties,

specified energy properties and rental properties. In certain circumstances, these rules can restrict a CCA deduction, or a loss in respect of such a deduction, that would otherwise be available. These integrity rules would continue to apply.

Certain additional restrictions would be placed on property eligible for this new measure. Property that has been used, or acquired for use, for any purpose before it was acquired by the taxpayer would be eligible for the immediate expensing only if both of the following conditions are met:

- neither the taxpayer nor a non-arm's length person previously owned the property; and
- the property has not been transferred to the taxpayer on a tax-deferred "rollover" basis.

Coming Into Force

This measure would apply for eligible property that is acquired on or after Budget Day and that becomes available for use before 2024.

Strategic Environmental Assessment Statement

This temporary measure is expected to encourage capital investments across all sectors of the economy and in a variety of assets. It is unclear whether it would result in net positive or negative environmental effects.

The consumption, transportation and fabrication of capital assets can lead to various negative environmental effects. These effects would be unequal across sectors and types of investments. For example, investment in certain capital intensive industries is associated with higher greenhouse gas and air pollutant emissions, water and soil pollution, and faster depletion of natural resources. These activities are subject to applicable federal and provincial environmental regulations. There may be positive offsetting environmental impacts if the measure causes businesses to upgrade to the latest technology, as newer technologies are generally more efficient and greener than older technologies.

Overall, the measure could have both positive and negative impacts on the achievement of some of the Federal Sustainable Development Strategy goals, in particular those of Effective Action on Climate Change, Clean Growth, Pristine Lakes and Rivers, Sustainably Managed Lands and Forests, and Safe and Healthy Communities. Based on available data, it is not possible to assess whether the net environmental impact would be positive or negative in the short run. In the long run, the net environmental impact is not expected to be significant, given that the measure would be temporary.

Rate Reduction for Zero-Emission Technology Manufacturers

Budget 2021 proposes a temporary measure to reduce corporate income tax rates for qualifying zero-emission technology manufacturers. Specifically, taxpayers would be able to apply reduced tax rates on eligible zero-emission technology manufacturing and processing income of:

- 7.5 per cent, where that income would otherwise be taxed at the 15 per cent general corporate tax rate; and
- 4.5 per cent, where that income would otherwise be taxed at the 9 per cent small business tax rate.

Eligible Zero-Emission Technology Manufacturing or Processing Activities

This measure would apply in respect of income from the following zero-emission technology manufacturing or processing activities:

- manufacturing of solar energy conversion equipment, such as solar thermal collectors, photovoltaic solar arrays and bespoke supporting structures or frames, but excluding passive solar heating equipment (e.g., a masonry wall installed to absorb solar energy);
- manufacturing of wind energy conversion equipment, such as wind turbine towers, nacelles and rotor blades;
- manufacturing of water energy conversion equipment, such as hydroelectric, water current, tidal and wave energy conversion equipment;
- manufacturing of geothermal energy equipment;
- manufacturing of equipment for a ground source heat pump system;
- manufacturing of electrical energy storage equipment used for storage of renewable energy or for providing grid-scale storage or other ancillary services (e.g., voltage regulation), including battery, compressed air and flywheel storage systems;
- manufacturing of zero-emission vehicles (i.e., plug-in hybrid vehicles with a battery capacity of at least seven kilowatt-hours, electric vehicles and hydrogen-powered vehicles) and the conversion of vehicles into zero-emission vehicles;
- manufacturing of batteries and fuel cells for zero-emission vehicles;
- manufacturing of electric vehicle charging systems and hydrogen refuelling stations for vehicles;
- manufacturing of equipment used for the production of hydrogen by electrolysis of water;

- production of hydrogen by electrolysis of water; and
- production of solid, liquid or gaseous fuel (e.g., wood pellets, renewable diesel and biogas) from either carbon dioxide or specified waste material (i.e., wood waste, municipal waste, sludge from an eligible sewage treatment facility, plant residue, spent pulping liquor, food and animal waste, manure, pulp and paper by-product and separated organics), but excluding the production of by-products which is a standard part of another industrial or manufacturing process (e.g., the production of wood chips, black liquor or hog fuel as part of another wood transformation process).

For each of the manufacturing activities described above, eligible activities would include the manufacturing of components or sub-assemblies only if such equipment is purpose-built or designed exclusively to form an integral part of the relevant system. For example, manufacturing of wind turbine rotor blades may be an eligible activity, but manufacturing of general use tires, fasteners, wiring, transformers, paint, piping or concrete would not.

Eligible activities would exclude all activities that do not qualify as manufacturing or processing for the purposes of the capital cost allowance rules.

Calculation of Eligible Income

It is proposed that a taxpayer's eligible income generally be equal to its "adjusted business income" multiplied by the proportion of its total labour and capital costs that are used in eligible activities. The definition of "adjusted business income" as well as the method used to determine labour and capital costs would be substantially based on those used in calculating manufacturing and processing profits under current tax rules.

All of a taxpayer's labour and capital costs would be deemed to be labour and capital costs that are used in eligible activities if all or substantially all of its labour and capital costs are related to eligible activities.

The government welcomes feedback from stakeholders on the proposed allocation method for these purposes. Interested parties are invited to send written representations by June 18, 2021 to the Department of Finance Canada, Tax Policy Branch at: ZETM-FTZE@canada.ca.

Minimum Proportion of Eligible Activities

A taxpayer would qualify for the reduced tax rates on its eligible income only if at least 10 per cent of its gross revenue from all active businesses carried on in Canada is derived from eligible activities.

Reduced Rate for Small Businesses

Certain small businesses currently benefit from a reduced federal corporate income tax rate of 9 per cent – a preference relative to the general corporate income tax rate of 15 per cent. This rate reduction is provided through the "small business deduction" and applies on up to $500,000 per year of qualifying active business income (i.e., up to the business limit) of a Canadian-controlled private corporation (CCPC).

For taxpayers with income subject to both the general and the small business corporate tax rates, taxpayers would be able to choose to have their eligible income taxed at either the reduced rate of 4.5 per cent for small businesses or the general reduced rate of 7.5 per cent. The amount of income taxed at the 4.5 per cent rate plus the amount of income taxed at the small business rate of 9 per cent would not be allowed to exceed the business limit.

Treatment of Dividends

The tax system has two dividend tax credit (DTC) rates and gross-up factors to recognize the two different corporate income tax rates that generally apply to corporations. The enhanced DTC and gross-up are applied to dividends distributed to an individual from corporate income taxed at the general corporate tax rate ("eligible dividends"). The ordinary DTC and gross-up are applied to dividends distributed to an individual from corporate income not taxed at the general corporate tax rate ("non-eligible dividends"). At the federal level, the enhanced and ordinary dividend tax credit correspond to 15 per cent and 9 per cent of the grossed-up amount of the dividend, respectively.

Given the targeted application, temporary nature, and gradual phase-out of the proposed measure, no changes to the DTC rates or the allocation of corporate income for the purpose of dividend distributions are proposed. That is, income subject to the general reduced rate would continue to give rise to eligible dividends and the enhanced dividend tax credit, while income subject to the reduced rate for small businesses would continue to give rise to non-eligible dividends and the ordinary dividend tax credit.

Application and Phase-Out

The reduced tax rates would apply to taxation years that begin after 2021. The reduced rates would be gradually phased out starting in taxation years that begin in 2029 and fully phased out for taxation years that begin after 2031 (as shown in Table 8).

Table 8
Schedule of Reduced Tax Rates

Taxation years that begin in:	2022 to 2028	2029	2030	2031	2032 or later
Reduced Tax Rate on Income Eligible for the Small Business Deduction	4.5%	5.625%	6.75%	7.875%	9%
Reduced Tax Rate on Other Eligible Income	7.5%	9.375%	11.25%	13.125%	15%

Strategic Environmental Assessment Statement

Overall, the measure is expected to have positive environmental impacts by lowering emissions of greenhouse gases and air particulates.

The measure could indirectly lower the price of zero-emission technology equipment, which could lead to a greater adoption of zero-emission technology in Canada, helping to reduce emissions of greenhouse gases and air particulates. This would contribute to achieving the Federal Sustainable Development Strategy targets relating to increasing the percentage of Canadians living in areas where air quality standards are achieved to 85 per cent by 2030, and having 90 per cent of electricity generated from renewable and non-emitting sources by 2030. In addition, the proposal would help advance the government's commitment to exceed Canada's target of reducing total greenhouse gas emissions by 30 per cent relative to 2005 levels by 2030, and the government's commitment of net-zero greenhouse gas emissions by 2050.

However, increased manufacturing activities in Canada could directly increase emissions of greenhouse gases and air particulates, as well as increase production of industrial waste. This could partially offset some of the positive environmental impacts of the measure.

Capital Cost Allowance for Clean Energy Equipment

Under the *Income Tax Act* taxpayers are entitled to deduct a portion of the capital cost of a depreciable property, as capital cost allowance (CCA), in computing their income for each taxation year. With some exceptions, CCA deductions are claimed by class of property and are calculated on a declining-balance basis.

Under the CCA regime, Classes 43.1 and 43.2 of Schedule II to the *Income Tax Regulations* provide accelerated CCA rates (30 per cent and 50 per cent, respectively) for investments in specified clean energy generation and energy conservation equipment. Class 43.2 generally includes property that would otherwise be included in Class 43.1, except that in certain cases Class 43.2 imposes stricter eligibility criteria. In addition, property in these classes that is

acquired after November 20, 2018 and that becomes available for use before 2024 is eligible for immediate expensing while property that becomes available for use after 2023 and before 2028 is subject to a phase-out from these immediate expensing rules.

Providing accelerated CCA is an exception to the general practice of setting CCA rates based on the useful life of assets. Accelerated CCA provides a financial benefit by deferring taxation.

In addition, if the majority of the tangible property in a project is eligible for inclusion in Class 43.1 or 43.2, certain intangible project start-up expenses (e.g., engineering and design work, and feasibility studies) are treated as Canadian Renewable and Conservation Expenses. These expenses can be deducted in full in the year incurred, carried forward indefinitely for use in future years, or transferred to investors using flow-through shares.

To support investment in clean technologies, Budget 2021 proposes to expand Classes 43.1 and 43.2 to include the following:

- pumped hydroelectric storage equipment;
- electricity generation equipment that uses physical barriers or dam-like structures to harness the kinetic energy of flowing water or wave or tidal energy;
- active solar heating systems, ground source heat pump systems, and geothermal energy systems that are used to heat water for a swimming pool;
- equipment used to produce solid and liquid fuels (e.g., wood pellets and renewable diesel) from specified waste material or carbon dioxide;
- a broader range of equipment used for the production of hydrogen by electrolysis of water; and
- equipment used to dispense hydrogen for use in hydrogen-powered automotive equipment and vehicles.

Accelerated CCA would be available in respect of these types of property only if, at the time the property becomes available for use, the requirements of all Canadian environmental laws, by-laws and regulations applicable in respect of the property have been met.

Classes 43.1 and 43.2 currently include certain systems that burn fossil fuels and/or waste fuels to produce either electricity or heat, or both. The eligibility criteria for these systems have not been modified since they were first set approximately 25 and 15 years ago, for Classes 43.1 and 43.2 respectively. Additionally, Classes 43.1 and 43.2 include certain systems that derive up to one half of their fuel energy input from fossil fuels.

To ensure the incentive provided by Classes 43.1 and 43.2 is consistent with the

government's current environmental objectives, Budget 2021 proposes changes in the eligibility criteria for the following types of equipment:

- fossil-fuelled cogeneration systems;
- fossil-fuelled enhanced combined cycle systems;
- specified waste-fuelled electrical generation systems with an electrical capacity greater than 3 megawatts;
- specified waste-fuelled heat production equipment for which more than one quarter of the total fuel energy input is from fossil fuels; and
- producer gas generating equipment for which more than one quarter of the total fuel energy input is from fossil fuels.

Each of these measures is discussed in more detail below.

Pumped Hydroelectric Energy Storage Equipment

Pumped hydroelectric storage is one type of electrical energy storage system that uses electricity to pump water uphill into a reservoir, where it can be held until needed and released for the generation of electricity. This form of storage can provide environmental benefits by displacing fossil-fuelled power generation when demand is highest and by facilitating the integration of electricity generated from intermittent renewable energy sources. A range of electrical energy storage equipment, other than pumped hydroelectric storage, is currently eligible under Classes 43.1 and 43.2.

Budget 2021 proposes to expand Class 43.1 and 43.2 eligibility for electrical energy storage property by removing the exclusion for pumped hydroelectric storage. Eligible pumped hydroelectric storage property would include reversing turbines, transmission equipment, dams, reservoirs and related structures, but not buildings or property used solely for backup electrical energy.

Water Current, Wave or Tidal Energy Technologies Using Physical Barriers

The current rules generally include in Class 43.1 and 43.2 equipment that generates electricity using kinetic energy of flowing water or wave or tidal energy. Equipment that generates electricity by diverting or impeding the natural flow of water, or by using physical barriers or dam-like structures, is currently ineligible.

Budget 2021 proposes to expand Class 43.1 and 43.2 eligibility by removing these restrictions.

Active Solar Heating, Ground Source Heat Pump and Geothermal Energy Systems Used to Heat a Swimming Pool

Ground source heat pump, active solar heating and geothermal energy systems can provide renewable energy for various residential, commercial and industrial applications, such as water or space heating. Active solar heating systems use a solar collector to heat an actively circulated liquid or gas medium. Ground source heat pump systems exchange heat with the earth at depths of tens of metres while geothermal energy systems extract steam or hot water directly from the earth through wells drilled to depths of up to several thousand metres. Most active solar heating, ground source heat pump and geothermal energy systems are eligible under Classes 43.1 and 43.2, other than systems used to heat water for use in a swimming pool.

Budget 2021 proposes to expand Class 43.1 and 43.2 eligibility by removing the exclusion of active solar heating and ground-source heat pump systems used to heat swimming pools. Similarly, it is proposed to remove the exclusion for geothermal energy systems used to heat swimming pools, except where geothermal water is used directly in a pool or spa.

Equipment Used to Produce Fuel from Specified Waste Material or Carbon Dioxide

Solid, liquid and gaseous renewable fuels may be derived from organic material through a broad range of mechanical, bio-chemical and thermo-chemical processes. It is also possible to produce liquid synthetic fuels from carbon dioxide. Depending on the type of fuels, different applications are possible, for example: direct combustion to generate electricity or heat; injection into natural gas distribution networks; and fuelling vehicles. Equipment used for the production of gaseous renewable fuels (e.g., biogas and producer gas) from certain waste material (e.g., wood, food and animal waste) is generally eligible under Class 43.1 and 43.2. Certain equipment used to produce liquid renewable fuels is eligible under Class 43.1 and 43.2 if it is used to convert wood waste or plant residue into bio-oil that is used primarily for the purpose of generating heat used directly in an industrial process or a greenhouse, generating electricity, or generating electricity and heat.

Budget 2021 proposes to expand eligibility under Class 43.1 and 43.2 to equipment used to convert specified waste material into bio-coal or pellets (including torrefied pellets), but excluding standard equipment used to make wood chips, hog fuel and black liquor. Eligible property would include equipment where all or substantially all of the use of the equipment is in a system that produces bio-coal or pellets (including torrefied pellets) from specified waste material, including storage equipment, materials handling equipment and ash-

handling equipment. However, eligible property would not include the following:

- equipment used for shredding, drying or cutting organic material (other than equipment all or substantially all of the use of which is to produce fuel for sale);
- vehicles; and
- buildings or other structures.

Budget 2021 also proposes to expand eligibility under Class 43.1 and 43.2 to a broader range of equipment used to produce liquid biofuels (e.g., ethanol, biodiesel and renewable diesel) from specified waste material or carbon dioxide. Eligible property would include equipment where all or substantially all of the use of the equipment is to produce liquid fuels from specified waste material, including related piping, storage equipment, materials handling equipment, ash-handling equipment and equipment used to remove non-combustibles and contaminants from the fuels produced. However, eligible property would not include the following:

- equipment used to produce spent pulping liquor;
- vehicles; and
- buildings or other structures.

For all of these proposed changes, "specified waste material" would include wood waste, municipal waste, sludge from an eligible sewage treatment facility, plant residue, spent pulping liquor, food and animal waste, manure, pulp and paper by-product, and separated organics.

Hydrogen Production by Electrolysis of Water

Hydrogen can provide a clean source of energy with which to generate electricity or heat, or to fuel zero-emission vehicles, and it can also be used in a variety of industrial processes. Currently, hydrogen is mainly produced by steam methane reformation, but it can also be produced by electrolysis of water. When powered by renewable energy, hydrogen produced by electrolysis of water maximizes the environmental benefits of using hydrogen as an energy supply by minimizing its lifecycle carbon intensity. Equipment used to produce hydrogen by electrolysis of water is eligible under Classes 43.1 and 43.2 when it is ancillary to a fixed-location fuel cell and all or substantially all of the electricity used to power the production process is generated using specified renewable energy sources. These renewable energy sources include: the kinetic energy of flowing water; wave or tidal energy; geothermal, photovoltaic or wind energy conversion; and hydroelectric equipment.

Budget 2021 proposes to expand eligibility under Classes 43.1 and 43.2 to include a broader range of equipment used to produce hydrogen by electrolysis of water. Eligible property would include: equipment where all or substantially all of the use of the equipment is to produce hydrogen by electrolysis of water, including electrolysers, rectifiers and other ancillary electrical equipment; water

treatment and conditioning equipment; and equipment used for hydrogen compression and storage. Eligible property would not include:

- hydrogen transmission or distribution equipment;
- electrical transmission or distribution equipment;
- vehicles or auxiliary electrical generating equipment; and
- buildings or other structures.

For greater certainty, eligible property would not be required to be powered by renewable energy sources eligible for inclusion in Class 43.1 or 43.2.

Hydrogen Refuelling Equipment

Hydrogen fuel cell electric vehicles are a nascent zero-emission mode of transportation in Canada that require specific refuelling infrastructure. In Budget 2016, the government announced support for business investments in electric vehicle charging infrastructure by expanding Class 43.1 to include electric vehicle charging stations capable of supplying more than 10 kilowatts of continuous power, and by expanding Class 43.2 to include such stations that are capable of supplying at least 90 kilowatts of continuous power.

To support greater use of hydrogen-powered vehicles, Budget 2021 proposes to expand eligibility under Classes 43.1 and 43.2 to include hydrogen refuelling equipment. Eligible property would include equipment used to dispense hydrogen for use in hydrogen-powered automotive equipment and vehicles, including vaporization, compression, storage and cooling equipment. Eligible property would not include:

- hydrogen production equipment;
- hydrogen transmission equipment;
- electrical transmission and distribution equipment;
- vehicles or auxiliary electrical generating equipment; and
- buildings or other structures.

Fossil-Fuelled Cogeneration Systems

Fossil-fuelled cogeneration systems generate both electricity and useful heat using fossil fuels as the energy source (typically natural gas). Due to the use of heat that would otherwise be wasted, these systems offer an efficient use of fossil fuels. However, they still produce greenhouse gas emissions and, as such, cannot achieve net-zero emissions on a lifecycle basis.

Budget 2021 proposes to remove these systems from Classes 43.1 and 43.2.

Fossil-Fuelled Enhanced Combined Cycle Systems

A combined cycle system uses two different heat engines simultaneously to

produce electricity. It is usually composed of a gas turbine and a steam turbine, where the residual heat from the gas turbine is used to generate steam to drive the steam turbine, resulting in higher efficiency than using the gas turbine alone. An "enhanced combined cycle system" is a type of combined cycle system in which thermal waste from one or more natural gas compressor systems is recovered and used to contribute at least 20 per cent of the energy input of a combined cycle process in order to enhance the generation of electricity.

These systems burn natural gas as a fuel and must be located where there is no other viable host for the waste heat. Similar to fossil-fuelled cogeneration systems, enhanced combined cycle systems offer an efficient use of fossil fuels but cannot achieve net-zero emissions on a lifecycle basis.

Budget 2021 proposes to remove these systems from Classes 43.1 and 43.2.

Specified Waste-Fuelled Electrical Generation Systems

Specified waste-fuelled electrical generation systems generate electricity (and, in the case of cogeneration systems, electricity and useful heat) using certain specified waste fuels, or a mix of specified waste fuels and fossil fuels (co-fired systems). These specified waste fuels include "eligible waste fuel" (biogas, bio-oil, digester gas, landfill gas, municipal waste, plant residue, pulp and paper waste, and wood waste), producer gas and spent pulping liquor. The co-firing of specified waste fuels with fossil fuels may be done for technical, economic, or fuel availability reasons.

Budget 2021 proposes to remove from Classes 43.1 and 43.2 specified waste-fuelled electrical generation systems for which more than one quarter of their total fuel energy input is from fossil fuels, determined on an annualized basis.

Classes 43.1 and 43.2 apply energy efficiency requirements for specified waste-fuelled electrical generation systems that co-fire with fossil fuels. These energy efficiency requirements are expressed in the form of maximum heat rate thresholds, which are defined as the ratio of the fuel energy input over the electrical and heat energy output. In contrast, there are no heat rate thresholds for systems that burn only specified waste fuels.

To promote the efficient use of waste fuels, Budget 2021 proposes that eligibility for Classes 43.1 and 43.2 for all specified waste-fuelled electrical generation systems be subject to a heat rate threshold. Systems with an electrical output capacity of three megawatts or less will be exempt from this requirement.

Eligible specified waste-fuelled electrical generation systems would be those that do not exceed a heat rate threshold of 11,000 BTU per kilowatt-hour. The heat rate would be calculated as shown below:

$$Heat\ Rate = \frac{(2 \times F_{fossil}) + F_{waste}}{E + (H \div 3412)}$$

where:

- F_{fossil} is the energy content of the fossil fuel consumed by the system in a year in BTU (excluding solution gas), calculated based on the fuel's higher heating value;
- F_{waste} is the energy content of the specified waste fuel consumed by the system in a year in BTU, calculated based on the fuel's higher heating value;
- E is the gross electrical energy produced by the system in a year in kilowatt-hours; and
- H is the net useful energy in the form of heat exported from the system to a thermal host in a year in BTU.

Specified Waste-Fuelled Heat Production Equipment

Specified waste-fuelled heat production equipment produces heat primarily from eligible waste fuel or producer gas, meaning that more than half of the total fuel energy input must be eligible waste fuel or producer gas. The remaining fuel energy input may be from fossil fuels.

To align with the changes proposed to the eligibility requirements for specified waste-fuelled electrical generation systems, Budget 2021 proposes to remove from Classes 43.1 and 43.2 specified waste-fuelled heat production equipment for which more than one quarter of the total fuel energy input is from fossil fuels, determined on an annualized basis.

Producer Gas Generating Equipment

Producer gas generating equipment generates producer gas from eligible waste fuel using a thermo-chemical conversion process (generally referred to as "gasification"). More than half of the total fuel energy input must be eligible waste fuel, while the remaining fuel energy input may be from fossil fuels.

To align with the changes proposed to the eligibility requirements for specified waste-fuelled electrical generation systems and specified waste-fuelled heat production equipment, Budget 2021 proposes to exclude from Classes 43.1 and 43.2 producer gas generating equipment for which more than one quarter of the total fuel energy input is from fossil fuels, determined on an annualized basis.

Similarly, there is currently a requirement for producer gas to be generated primarily from eligible waste fuel for it to be an eligible fuel for specified waste-fuelled electrical generation systems and for specified waste-fuelled heat production equipment.

For specified waste-fuelled electrical generation systems and specified waste-fuelled heat production equipment, Budget 2021 proposes to remove from the eligible fuels producer gas generated from more than one-quarter fossil fuel energy input.

Timing of Changes

The expansion of Classes 43.1 and 43.2 would apply in respect of property that is acquired and that becomes available for use on or after Budget Day, where it has not been used or acquired for use for any purpose before Budget Day.

The removal of certain property from eligibility for Classes 43.1 and 43.2, as well as the application of the new heat rate threshold for specified waste-fuelled electrical generation systems, would apply in respect of property that becomes available for use after 2024.

Strategic Environmental Assessment Statement

These measures are expected to have a positive environmental impact by encouraging investment in technologies that would reduce emissions of greenhouse gases and air pollutants. This would help advance the government's commitments to exceed Canada's target of reducing total greenhouse gas emissions by 30 per cent relative to 2005 levels by 2030, and to achieve net-zero greenhouse gas emissions by 2050. These measures would also contribute to the Federal Sustainable Development Strategy goals of growing the clean technology industry in Canada, and ensuring all Canadians have access to affordable, reliable and sustainable energy.

Film or Video Production Tax Credits

In recognition of the disruptions caused by the COVID-19 pandemic on film and video productions, Budget 2021 proposes to temporarily extend certain timelines for the Canadian Film or Video Production Tax Credit (CPTC) and the Film or Video Production Services Tax Credit (PSTC).

The CPTC provides a 25-per-cent refundable tax credit on qualified labour expenditures and is available to productions certified to be Canadian film or video productions. The PSTC provides a 16-per-cent refundable credit on qualified Canadian labour expenditures and is available to foreign films and videos produced in Canada.

Extending Timelines for the CPTC

Budget 2021 proposes to extend by 12 months the following timelines with respect to the CPTC:

- The 24-month period to incur qualifying expenditures before the date that principal photography begins.
- The timeline to submit a certificate of completion to the Canadian Audiovisual Certification Office within 24 months of the end of the tax year in which principal photography began. This new 12-month extension would apply in addition to the existing 18-month extension that is available in this respect.
- The requirement that there be a written agreement with a Canadian distributor or with a broadcaster licensed by the Canadian Radio-television and Telecommunications Commission to show the production in Canada within 24 months of its completion.

Extending Timelines for the PSTC

Budget 2021 also proposes to extend by 12 months the 24-month timelines in respect of when aggregate expenditure thresholds must be met for film or video productions for the purposes of the PSTC.

In respect of both the CPTC and the PSTC, taxpayers would be required to file a waiver with the Canada Revenue Agency and the Canadian Audiovisual Certification Office in order to extend the assessment limitation period in respect of the relevant years to take into account this 12-month extension.

These measures would be available in respect of productions for which eligible expenditures were incurred by taxpayers in their taxation years ending in 2020 or 2021.

Mandatory Disclosure Rules

The lack of timely, comprehensive and relevant information on aggressive tax planning strategies is one of the main challenges faced by tax authorities worldwide. Early access to such information provides the opportunity to respond quickly to tax risks through informed risk assessments, audits and changes to legislation.

The *Income Tax Act* contains rules requiring that certain transactions be reported to the Canada Revenue Agency (CRA). However, the CRA's experience with these rules since their introduction indicates that they are not sufficiently robust to address these concerns.

The *Base Erosion and Profit Shifting Project*, *Action 12: Final Report* (BEPS Action 12 Report) of the Organisation for Economic Co-operation and Development and the Group of 20 makes a number of recommendations relating to the enactment of mandatory disclosure rules. Many of the measures recommended in the BEPS Action 12 Report have been implemented in countries with comparable tax systems. In addition to measures recommended by the BEPS Action 12 Report, the United States and Australia both have reporting requirements for specified taxpayers that reflect uncertainty in relation to tax in their audited financial statements. The experience in these countries provides a useful model for developing similar rules in Canada.

The government is consulting on proposals to enhance Canada's mandatory disclosure rules. This consultation will address:

- changes to the *Income Tax Act*'s reportable transaction rules;
- a new requirement to report notifiable transactions;
- a new requirement for specified corporations to report uncertain tax treatments; and
- related rules providing for, in certain circumstances, the extension of the applicable reassessment period and the introduction of penalties.

It is proposed that, to the extent the proposed measure applies to taxation years, amendments made as a result of this consultation would apply to taxation years that begin after 2021. To the extent the proposed measure applies to transactions, the amendments would apply to transactions entered into on or after January 1, 2022. However, the penalties would not apply to transactions that occur before the date on which the enacting legislation receives Royal Assent.

Stakeholders are invited to provide comments on the proposals set out below, as well as on draft legislation and sample notifiable transactions which are expected to be released in the coming weeks as part of the consultation. Comments should be directed to the Department of Finance by September 3, 2021. Please send your comments to fin.taxdisclosure-divulgationfiscale.fin@canada.ca.

Reportable Transactions

The *Income Tax Act* contains rules that require that certain transactions entered into by, or for the benefit of, a taxpayer be reported to the CRA. In order for a transaction to be reportable under those rules, it must be an "avoidance transaction", as that term is defined for the purposes of the general anti-avoidance rule in the *Income Tax Act*. As well, the transaction must bear at least two of the following three generic hallmarks:

- A promoter or tax advisor in respect of the transaction is entitled to fees, often referred to as "contingent fees", that are to any extent:
  - attributable to the amount of the tax benefit from the transaction;

  - contingent upon the obtaining of a tax benefit from the transaction; or
  - attributable to the number of taxpayers who participate in the transaction or who have been provided access to advice given by the promoter or advisor regarding the tax consequences of the transaction.
- A promoter or tax advisor requires "confidential protection" with respect to the transaction.
- The taxpayer, or the person who entered into the transaction for the benefit of the taxpayer, obtains "contractual protection" in respect of the transaction (otherwise than as a result of a fee described in the first hallmark). For these purposes, contractual protection includes:
  - any form of insurance (other than standard professional liability insurance) or other protection (including an indemnity, compensation or a guarantee) that, either immediately or in the future and either absolutely or contingently:
    - protects a person against a failure to achieve any tax benefit from the transaction; or
    - pays for or reimburses any expense, fee, tax, interest, penalty or similar amount that may be incurred by a person in the course of a dispute in respect of a tax benefit from the transaction; and
  - any form of undertaking provided by a promoter, or by any person who does not deal at arm's length with the promoter, that provides, either immediately or in the future and either absolutely or contingently, assistance, directly or indirectly in any manner whatever, to a person in the course of a dispute in respect of a tax benefit from the transaction.

A reportable transaction includes all the transactions in a series of transactions if at least one of the transactions in the series is an avoidance transaction. If more than one party is required to report the transaction, a report by any of the parties can satisfy the requirement. A reportable transaction must be reported to the CRA on or before June 30 of the calendar year following the calendar year in which the transaction first became a reportable transaction.

While the current rules are intended to provide the CRA with the information it needs, they currently result in only limited reporting by taxpayers.

The BEPS Action 12 Report recommends that countries introducing mandatory disclosure regimes include a mixture of generic and specific hallmarks, with the existence of each of them resulting in a requirement for disclosure. Generic hallmarks target features that are common to promoted schemes, such as the requirement for confidentiality or the payment of a contingent fee. Specific hallmarks target particular areas of concern, such as trading in losses.

The BEPS Action 12 Report notes that the purpose of a mandatory disclosure regime is to provide the relevant tax administration with information on a wider range of tax policy and revenue risks than those raised by transactions that would be classified as avoidance under a general anti-avoidance rule. A "reportable scheme" for disclosure purposes should generally be broader than the definition of tax avoidance schemes covered by a general anti-avoidance rule and should also cover transactions that are perceived to be aggressive or high-risk from a tax planning perspective.

The BEPS Action 12 Report also notes that Canada's current June 30 reporting deadline renders it less able than other countries to react quickly to tax avoidance planning. It also concludes that the advantage of requiring both promoters and taxpayers to report is that this may have a stronger deterrent effect on both the supply (promoter) and demand (taxpayer) side of avoidance schemes. A dual reporting approach can also reduce the risk of inadequate disclosure because, for example, a taxpayer's disclosure can be checked against the promoter's disclosure to assess whether the information provided is accurate and complete.

To improve the effectiveness of Canada's mandatory disclosure rules and to bring them in line with international best practices, amendments to the reportable transaction rules are proposed. In particular, it is proposed that only one generic hallmark need be present in order for a transaction to be reportable. It is also proposed that the definition of "avoidance transaction" for these purposes be amended so that a transaction be considered an avoidance transaction if it can reasonably be concluded that one of the main purposes of entering into the transaction is to obtain a tax benefit.

It is proposed that a taxpayer who enters into a reportable transaction, or another person who enters into such a transaction in order to procure a tax benefit for the taxpayer, would be required to report the transaction to the CRA within 45 days of the earlier of:

- the day the taxpayer becomes contractually obligated to enter into the transaction or a person who entered into the transaction for the benefit of the taxpayer becomes contractually obligated to enter into the transaction; and
- the day the taxpayer enters into the transaction or a person who entered into the transaction for the benefit of the taxpayer enters into the transaction.

It is further proposed that reporting (as a reportable transaction) of a scheme that, if implemented, would be a reportable transaction be required to be made by a promoter or advisor (as well as by persons who do not deal at arm's length with the promoter or advisor and who are entitled to receive a fee with respect to the transaction) within the same time limits. In addition, it is proposed that an exception to the reporting requirement be available for advisors to the extent that solicitor-client privilege applies.

Notifiable Transactions

As noted above, the BEPS Action 12 Report recommends that an effective mandatory disclosure regime include a mixture of specific and generic hallmarks. Specific hallmarks target particular areas of concern. The report recommends the timely disclosure of specific tax schemes to allow governments to quickly develop targeted and appropriate responses to them.

The United States has mandatory disclosure regimes relating to "listed transactions" and "transactions of interest", which are noted in the BEPS Action 12 Report. A U.S. listed transaction is a transaction that is the same as, or substantially similar to, one that the Internal Revenue Service (IRS) has determined to be a tax avoidance transaction and has identified by notice or other form of published guidance. A U.S. transaction of interest is a transaction that the IRS and the U.S. Treasury Department consider to be a transaction that has the potential for tax avoidance or evasion, but for which they lack sufficient information to make that determination.

Similar rules are also in force in the United Kingdom (disclosure of tax avoidance schemes or DOTAS), Australia (disclosed in the reportable tax position schedule, under category C), and the European Union. Quebec has also enacted a measure that requires taxpayers who have carried out certain transactions to file an information return with Revenu Québec.

To provide the CRA with pertinent information relating to tax avoidance transactions (including series of transactions) and other transactions of interest on a timely basis, it is proposed to introduce a category of specific hallmarks known as "notifiable transactions". Under this approach, the Minister of National Revenue would have the authority to designate, with the concurrence of the Minister of Finance, a transaction as a notifiable transaction.

Similar to the approach taken by the United States, notifiable transactions would include both transactions that the CRA has found to be abusive and transactions identified as transactions of interest. The description of a notifiable transaction would set out the fact patterns or outcomes that constitute that transaction in sufficient detail to enable taxpayers to comply with the disclosure rule. It would also include examples in appropriate circumstances. Sample descriptions of notifiable transactions will be issued as part of the consultation.

A taxpayer who enters into a notifiable transaction, or a transaction or series of transactions that is substantially similar to a notifiable transaction – or another person who enters into such a transaction or series in order to procure a tax benefit for the taxpayer – would be required to report the transaction or series in prescribed form to the CRA within 45 days of the earlier of:

- the day the taxpayer becomes contractually obligated to enter into the

transaction or series or a person who entered into the transaction or series for the benefit of the taxpayer becomes contractually obligated to enter into the transaction or series; and

- the day the taxpayer enters into the transaction or series or a person who entered into the transaction or series for the benefit of the taxpayer enters into the transaction or series.

A promoter or advisor who offers a scheme that, if implemented, would be a notifiable transaction, or a transaction or series of transactions that is substantially similar to a notifiable transaction – as well as a person who does not deal at arm's length with the promoter or advisor and who is entitled to receive a fee in respect of the transaction – would be required to report within the same time limits. In addition, it is proposed that an exception to the reporting requirement be available for advisors to the extent that solicitor-client privilege applies.

These proposed amendments are intended to provide information to the CRA and would not change the tax treatment of a transaction.

For example, in a recent decision of the Tax Court of Canada (*Paletta* v. *The Queen*) involving a taxpayer who entered into an aggressive series of transactions referred to as straddle planning, which was designed to defer indefinitely tax payable under the *Income Tax Act*, the CRA tried unsuccessfully to reassess the taxpayer for relevant taxation years outside the normal reassessment period. This series of transactions resulted in an immediate loss realization and an indefinite gain deferral for the taxpayer. Since the burden associated with the reassessment of a taxation year made after the normal reassessment period in a case such as *Paletta* requires the CRA to prove that the taxpayer made a misrepresentation on their tax return that was attributable to neglect, carelessness or wilful default, such a reassessment is challenging and time consuming for the CRA. If the transactions associated with this aggressive straddle planning had been designated as a notifiable transaction, the CRA would have been notified in time to be able to assess the taxpayer within the normal reassessment period. The proposed notifiable transaction regime would allow the CRA to challenge planning like this in a timely manner, based on their merits.

Uncertain Tax Treatments

An uncertain tax treatment is a tax treatment used, or planned to be used, in an entity's income tax filings for which there is uncertainty over whether the tax treatment will be accepted as being in accordance with tax law. At present, there is no requirement in Canada to disclose uncertain tax treatments. However, both the United States and Australia have reporting requirements related to uncertain tax treatments. In addition, the United Kingdom recently conducted a public consultation with respect to the introduction of uncertain tax treatment reporting requirements and has announced its intention to enact the required legislation. In

this regard, it was noted that large corporations are already familiar with the Australian and the U.S. reporting regimes, and that this would facilitate transitioning taxpayers into a similar regime in the United Kingdom. The same can be said for the introduction of a similar regime in Canada.

Under the U.S. uncertain tax positions rule, a corporation meeting an asset threshold, and certain other conditions, must report (under Schedule UTP) when it has taken a tax position on a U.S. income tax return and either the corporation or a related party has recorded a reserve with respect to that tax position in its audited financial statements. Similarly, under the Australian rules, a corporation meeting a revenue threshold, and certain other conditions, must report (under category B: Tax uncertainty in financial statements) when it has taken a tax position on an Australian income tax return for a year and either the corporation or a related party has recognized or disclosed uncertainty with respect to that tax position in its audited financial statements.

It is proposed that a similar reporting regime be implemented in Canada. As such, specified corporate taxpayers would be required to report particular uncertain tax treatments to the CRA.

Introducing such requirement in Canada would:

- allow the CRA to more efficiently identify issues and allocate its resources for compliance activities; and
- ensure the CRA is able to conduct its audit activities with respect to transactions at issue in a timely manner.

Accounting Rules Regarding Uncertain Tax Treatments

If a corporation's financial statements, or those of its corporate parent, are prepared in accordance with Canadian generally accepted accounting principles (GAAP) and there is uncertainty regarding a tax position taken, or planned to be taken, in its tax return, the effect of that uncertainty might need to be reflected in those financial statements. Canadian GAAP provides that International Financial Reporting Standards (IFRS) are to be used by public corporations, and may be adopted by private corporations if they choose to do so. IFRS provide that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. "Taxation authority" in this context refers to the body or bodies that decide whether tax treatments are acceptable under tax law, and in the Canadian context ultimately means the courts. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, IFRS provide that the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used, or planned to be used, in its income tax filings.

However, if an entity concludes it is not probable that the taxation authority will accept a particular uncertain tax treatment (and thus, as described by the IFRS Interpretations Committee, it is probable that the entity will receive or pay amounts relating to the uncertain tax treatment), the entity shall reflect the effect of that uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates by using either the most likely amount or the expected value, depending on which method the entity expects to better predict the resolution of the uncertainty.

As such, Canadian public corporations, and those Canadian private corporations that choose to use IFRS, have an existing requirement to identify uncertain tax treatments for financial statement purposes. When such a corporation determines that it is not probable that the taxation authority will accept an uncertain tax treatment (including an uncertain tax treatment relating to an entity controlled by the corporation), the effect of that uncertainty is reflected in the corporation's financial statements (which would be presented on a consolidated basis with those entities it controls).

Requirement to Report Uncertain Tax Treatments

It is proposed that specified corporate taxpayers be required to report particular uncertain tax treatments to the CRA. A reporting corporation would generally be required to report an uncertain tax treatment in respect of a taxation year where the following conditions are met:

- The corporation is required to file a Canadian return of income for the taxation year. That is, the corporation is a resident of Canada or is a non-resident corporation with a taxable presence in Canada.
- The corporation has at least $50 million in assets at the end of the financial year that coincides with the taxation year (or the last financial year that ends before the end of the taxation year). This threshold would apply to each individual corporation.
- The corporation, or a related corporation, has audited financial statements prepared in accordance with IFRS or other country-specific GAAP relevant for domestic public companies (e.g., U.S. GAAP).
- Uncertainty in respect of the corporation's Canadian income tax for the taxation year is reflected in those audited financial statements (i.e., the entity concluded it is not probable that the taxation authority will accept an uncertain tax treatment and thus, as described by the IFRS Interpretations Committee, it is probable that the entity will receive or pay amounts relating to the uncertain tax treatment).

The determination of whether a corporation has $50 million in assets would be made using the carrying value of the assets on the corporation's balance sheet at the end of the financial year. If the corporation did not prepare a balance sheet,

or did not prepare a balance sheet in accordance with Canadian GAAP (or other country-specific GAAP relevant for domestic public companies), the amounts used would be those that would have been reflected in a balance sheet prepared in accordance with GAAP. Banks and insurance corporations that are regulated by the Superintendent of Financial Institutions, or a similar provincial authority, would use the amounts in the statements accepted by that authority for regulatory purposes.

As noted above, Canadian GAAP require that the audited financial statements of public corporations be prepared in accordance with IFRS. As a result, the requirement to report particular uncertain tax treatments would apply to Canadian public corporations, subject to the asset threshold. Since IFRS require that a public corporation's financial statements be prepared on a consolidated basis with those corporations that it controls, the requirement to report particular uncertain tax treatments would also apply, subject to the asset threshold, to those corporations that are controlled by a Canadian public corporation.

The requirement to report particular uncertain tax treatments would apply to a private corporation that meets the asset threshold if it, or a related corporation, has audited financial statements prepared in accordance with IFRS. While normally a private corporation would not have audited financial statements prepared in accordance with IFRS, where it does, those statements would be presented on a consolidated basis with those corporations it controls and would, when appropriate, reflect uncertainty pertaining to uncertain tax treatments relating to those corporations.

The requirement to report particular uncertain tax treatments would also apply to a corporation if it meets the asset threshold and it, or a related corporation, has audited financial statements prepared in accordance with another country-specific GAAP relevant for domestic public corporations (e.g., U.S. GAAP). For example, the requirement to report would apply, subject to the asset threshold, if a U.S.-resident corporation had taken a tax position on its Canadian income tax return for a year and recorded a reserve with respect to that tax position in its audited financial statements prepared in accordance with U.S. GAAP. This part of the proposal is meant to ensure that the requirement to report particular uncertain tax treatments would apply appropriately where a corporation is a Canadian corporation controlled by a non-resident corporation or is a non-resident corporation with a taxable presence in Canada (e.g., carrying on business in Canada through a permanent establishment).

For each reportable uncertain tax treatment of a corporation, the corporation would be required to provide prescribed information, such as the quantum of taxes at issue, a concise description of the relevant facts, the tax treatment taken (including the relevant sections of the *Income Tax Act*) and whether the uncertainty relates to a permanent or temporary difference in tax. It is expected

that there would be a limited administrative burden for reporting corporations as the information to be reported would not be extensive and would be readily available given the need to analyze uncertain tax treatments as part of the preparation of financial statements.

It is proposed that uncertain tax treatments be required to be reported at the same time that the reporting corporation's Canadian income tax return is due. The introduction of a requirement to report particular uncertain tax treatments is intended to provide information to the CRA to allow it to more efficiently administer and enforce the *Income Tax Act*. It would not directly impact the income tax liabilities of corporate taxpayers.

Reassessment Period

When a taxpayer files an income tax return for a taxation year, the CRA is required to perform an initial examination of the return and to assess tax payable, if any, with all due dispatch. The CRA then normally has a fixed period, referred to as the "normal reassessment period", after its initial examination beyond which it is precluded from reassessing the taxpayer (i.e., reassessment of the taxation year becomes statute-barred). The normal reassessment period is generally three or four years, depending on the type of taxpayer.

In support of the new mandatory disclosure rules, it is proposed that, where a taxpayer has a reporting requirement in respect of a transaction relevant to the taxpayer's income tax return for a taxation year, the normal reassessment period would not commence in respect of the transaction until the taxpayer has complied with the reporting requirement. As a result, if a taxpayer does not comply with a mandatory disclosure reporting requirement for a taxation year in respect of a transaction, a reassessment of the year in respect of the transaction would not become statute-barred.

Penalties

The BEPS Action 12 Report recommends that countries introduce financial penalties that apply when disclosure rules are not complied with and that consideration be given to percentage-based penalties based upon transaction size or the extent of any tax savings.

Taxpayer Penalty

To support the proposed reporting requirements, it is proposed that, with respect to persons who enter into reportable or notifiable transactions, or for whom a tax benefit results from a reportable or notifiable transaction, a penalty of $500 per week apply for each failure to report a reportable transaction or a notifiable transaction,

- up to the greater of $25,000 and 25 per cent of the tax benefit; or
- for corporations that have assets that have a total carrying value of $50 million or more, a penalty of $2,000 per week, up to the greater of $100,000 and 25 per cent of the tax benefit.

Promoter Penalty

It is also proposed that, with respect to advisors and promoters of reportable or notifiable transactions, as well as with respect to persons who do not deal at arm's length with them and who are entitled to a fee with respect to the transactions, a penalty be imposed for each failure to report equal to the total of:

- 100 per cent of the fees charged by that person to a person for whom a tax benefit results;
- $10,000; and
- $1,000 for each day during which the failure to report continues, up to a maximum of $100,000.

In order to avoid imposing two sets of penalties upon a person who both 1) enters into a reportable or notifiable transaction for the benefit of another person, and 2) is a person who does not deal at arm's length with an advisor or promoter in respect of the reportable or notifiable transaction and is entitled to a fee, it is proposed that such a person be subject only to the greater of the penalties discussed above.

Uncertain Tax Treatment Penalty

For corporations subject to the requirement to report uncertain tax treatments, it is proposed that the penalty for failure to report each particular uncertain tax treatment be $2,000 per week, up to a maximum of $100,000.

Avoidance of Tax Debts

The *Income Tax Act* has an anti-avoidance rule (the "tax debt avoidance rule") that is intended to prevent taxpayers from avoiding their tax liabilities by transferring their assets to non-arm's length persons for insufficient consideration. In these circumstances, the rule causes the transferee to be jointly and severally liable with the transferor for tax debts of the transferor for the current or any prior taxation year, to the extent that the value of the property transferred exceeds the amount of consideration given for the property.

Some taxpayers are engaging in complex transactions that attempt to circumvent the tax debt avoidance rule. This planning seeks to avoid the technical application of the rule by:

- arranging for a tax debt to crystallize after the end of the taxation year in which the property transfer occurs;

- arranging for the transferor to be dealing at arm's length with the transferee at the time of the property transfer; or
- stripping out net asset value of the transferor using a series of transactions that does not breach the point-in-time valuation test for the property transferred and consideration given therefor.

This planning is often packaged with highly aggressive tax plans that attempt to eliminate the underlying tax liability of the transferor so that, if the latter planning fails, the Canada Revenue Agency would be unable to collect the tax debt because the indebted taxpayer has been stripped of their assets.

Budget 2021 proposes a number of measures to address this planning, as well as a penalty for those who devise and promote such schemes. The specific proposals are outlined below.

Deferral of Tax Debts

An anti-avoidance rule would be introduced that would provide that, for the purposes of the tax debt avoidance rule, a tax debt would be deemed to have arisen before the end of the taxation year in which a transfer of property occurs if it is reasonable to conclude that:

- the transferor (or a person that does not deal at arm's length with the transferor) had knowledge (or would have knowledge if they had made reasonable inquiries) that there would be a tax amount owing by the transferor (or there would be a tax amount owing if not for additional tax planning done as part of the series of transactions that includes the transfer) that would arise after the end of the taxation year; and
- one of the purposes for the transfer of property was to avoid the payment of the future tax debt.

Avoidance of Non-Arm's Length Status

Budget 2021 proposes an anti-avoidance rule that would provide that, for the purposes of the tax debt avoidance rule, a transferor and transferee that, at the time of a transfer of property, would otherwise be considered to be dealing with each other at arm's length, would be deemed to have not been dealing with each other at arm's length at that time if:

- at any time within a series of transactions or events that includes the transfer, the transferor and transferee do not deal at arm's length; and
- it is reasonable to conclude that one of the purposes of a transaction or event (or a series of transactions or events) within that series was to cause the transferor and transferee to deal at arm's length at the time of transfer.

Valuations

A rule would be introduced such that, for transfers of property that are part of a series of transactions or events, the overall result of the series would be considered in determining the values of the property transferred and the consideration given for the property, rather than simply using those values at the time of the transfer.

Penalty

A penalty would also be introduced for planners and promoters of tax debt avoidance schemes. The penalty would be equal to the lesser of:

- 50 per cent of the tax that is attempted to be avoided; and
- $100,000 plus the promoter's or planner's compensation for the scheme.

This penalty would mirror an existing penalty in the so-called "third-party civil penalty" rules in the *Income Tax Act* in respect of certain false statements, including the standard for its application.

Application

The rules would apply in respect of transfers of property that occur on or after Budget Day.

Other Statutes

Similar amendments would be made to comparable provisions in other federal statutes (e.g., section 325 of the *Excise Tax Act*, section 297 of the *Excise Act, 2001* and section 161 of the *Greenhouse Gas Pollution Pricing Act*).

Audit Authorities

The *Income Tax Act* provides the Canada Revenue Agency (CRA) with the authority to audit taxpayers and otherwise ensure compliance with the *Income Tax Act*. The scope of this authority was the subject of a recent court decision which called into question the extent to which CRA officials can require persons to answer all proper questions and to provide all reasonable assistance relating to the administration or enforcement of the *Income Tax Act*. The decision also called into question the extent to which CRA officials can require that questions be answered orally.

To ensure that the CRA has the authority it needs to conduct audits and undertake other compliance activities, Budget 2021 proposes amendments to the *Income Tax Act*, the *Excise Tax Act*, the *Excise Act, 2001*, the *Air Travellers Security Charge Act* and Part 1 of the *Greenhouse Gas Pollution Pricing Act*. These amendments would confirm that CRA officials have the authority to require

persons to answer all proper questions, and to provide all reasonable assistance, for any purpose related to the administration or enforcement of the relevant statute. They would also provide that CRA officials have the authority to require persons to respond to questions orally or in writing, including in any form specified by the relevant CRA official. These amendments would allow the CRA to undertake audit and other compliance activities in the same manner as it did prior to the decision.

These measures would come into force on Royal Assent.

International Tax Measures

Base Erosion and Profit Shifting

The government is committed to safeguarding Canada's tax system and to that end continues to be an active participant in multilateral efforts to address base erosion and profit shifting (BEPS). BEPS primarily refers to international tax planning arrangements used by multinational enterprises to reduce their taxes by exploiting the interaction between domestic and international tax rules – for example, through shifting profits earned in Canada to other jurisdictions. (Some BEPS issues also have implications for domestic tax avoidance arrangements, and need not focus exclusively upon planning arrangements used by multinational enterprises.) The government has already implemented the measures agreed to as minimum standards under the action plan developed by the Organisation for Economic Co-operation and Development (OECD) and the Group of 20 (G20) to address BEPS (the BEPS Action Plan). These minimum standards address:

- the exchange of information on confidential tax rulings to counter harmful tax practices;
- the adoption of treaty rules to address treaty shopping and other forms of abuse of Canada's tax treaties;
- the exchange of country-by-country reports on the global distribution of income, taxes and business activities of multinational enterprises; and
- making dispute resolution mechanisms in tax treaties more effective.

Canada has followed through on other BEPS recommendations by accepting the new transfer pricing guidance developed under the BEPS project, continuing to strengthen its robust foreign affiliate regime, and ratifying the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting* (which allows countries to modify the application of their existing tax treaties to put in place anti-BEPS measures without having to individually renegotiate those treaties).

Budget 2021 builds on this work by proposing to implement the best practices recommended by the BEPS Action Plan on interest deductibility and hybrid mismatch arrangements. More details on the interest deductibility and hybrid mismatch arrangements measures are set out below. In addition, the government is proposing consultations on enhancements to Canada's transfer pricing and mandatory disclosure rules. The transfer pricing and mandatory disclosure measures are discussed elsewhere in these budget documents.

Interest Deductibility Limits

In general, businesses obtain external funding for their operations through either debt or equity. In Canada, as in most jurisdictions, interest expenses in respect of such debt are generally deductible against the income of the borrower. However, the deductibility of interest raises the potential that excessive debt or interest expense can be placed in Canadian businesses in a way that erodes the tax base, for example, through:

- interest payments to related non-residents in low-tax jurisdictions;
- the use of debt to finance investments that earn non-taxable income; or
- having Canadian businesses bear a disproportionate burden of a multinational group's third-party borrowings.

A number of rules provide some measure of protection of the Canadian tax base from erosion due to excessive debt and interest expense. These include the thin capitalization rules, which limit the deductibility of interest expense where the amount of debt owing to specified non-residents exceeds a 1.5-to-1 debt-to-equity ratio. However, the scope of these rules is limited.

A number of countries – notably other members of the G7 and the European Union member states – have introduced, or are in the process of introducing, limitations on interest deductibility that are consistent with the recommendations in the Action 4 Report of the BEPS Action Plan. The recommended approach described in that report limits the amount of net interest expense (i.e., interest expense, including payments economically equivalent to interest, as well as other financing-related expenses, less interest and financing-related income) that may be deducted to a fixed share of earnings. This "earnings-stripping" approach to limiting interest deductibility provides broad protection against base erosion, while still allowing businesses to deduct reasonable amounts of interest.

Budget 2021 proposes to introduce an earnings-stripping rule consistent with the recommendations in the Action 4 Report. The new rule would limit the amount of net interest expense that a corporation may deduct in computing its taxable income to no more than a fixed ratio of "tax EBITDA", which is that corporation's taxable income before taking into account interest expense, interest income and income tax, and deductions for depreciation and amortization, where each of these items is as determined for tax purposes. For these purposes:

- As it is based on a corporation's taxable income, tax EBITDA would exclude, among other things, dividends to the extent they qualify for the inter-corporate dividend deduction or the deduction for certain dividends received from foreign affiliates.
- Interest expense and interest income would include not only amounts that are legally interest, but also certain payments that are economically equivalent to interest, and other financing-related expenses and income.
- The measure of interest expense would exclude interest that is not deductible under existing income tax rules, including the thin capitalization rules, which would continue to apply.
- Interest expense and interest income related to debts owing between Canadian members of a corporate group would generally be excluded. This is intended to ensure, among other things, that the new rule does not impact on corporate transactions that are undertaken within Canadian corporate groups to allow the losses of one group member to be offset against the income of another group member. In addition, a mechanism would be included to ensure that the new rule does not impact on certain variants of these transactions that involve the generation of a loss in a group entity through the payment of interest on intra-group debt and the subsequent absorption of this entity by another group entity in order to claim a carryforward of the loss.

The new earnings-stripping rule would also apply to trusts, partnerships and Canadian branches of non-resident taxpayers.

Exemptions from the new rule would be available for:

- Canadian-controlled private corporations that, together with any associated corporations, have taxable capital employed in Canada of less than $15 million (i.e., the top end of the phase-out range for the small business deduction); and
- groups of corporations and trusts whose aggregate net interest expense among their Canadian members is $250,000 or less.

Interest denied under the earnings-stripping rule would be able to be carried forward for up to twenty years or back for up to three years. Denied interest would be allowed to be carried back to taxation years that begin prior to the effective date of the rule, to the extent that the taxpayer would have had the capacity to absorb these denied expenses, had the proposed rule been in effect for those years. In determining whether the taxpayer would have had the capacity to absorb the denied expenses in those years, any such capacity would be reduced by overall net interest expense, in aggregate for all those years, of Canadian members of the taxpayer's group that exceeded the fixed ratio (or the group ratio, discussed below, if higher).

Canadian members of a group that have a ratio of net interest to tax EBITDA below the fixed ratio would generally be able to transfer the resultant unused capacity to deduct interest to other Canadian members of the group whose net interest expense deductions, including denied deductions carried over from another year, would otherwise be limited by the rule. The definition of a group for this purpose will be included in the draft legislative proposals.

The proposed measure also includes a "group ratio" rule that would allow a taxpayer to deduct interest in excess of the fixed ratio of tax EBITDA where the taxpayer is able to demonstrate that the ratio of net third party interest to book EBITDA of its consolidated group implies that a higher deduction limit would be appropriate. The determination of the amount of unused capacity to deduct interest, which can be transferred between the Canadian members of a group, would take into consideration the higher group ratio.

The consolidated group, for purposes of the group ratio rule, would comprise the parent company and all of its subsidiaries that are fully consolidated in the parent's audited consolidated financial statements. Measures of net third party interest expense and book EBITDA under this rule would be based on the group's audited consolidated financial statements with appropriate adjustments, including an exclusion for certain interest payments to creditors that are outside the consolidated group but are related to, or are significant shareholders of, Canadian group entities. As set out in the Action 4 report, adjustments would also be necessary to address the impact of entities with negative book EBITDA. These adjustments would ensure that, where a group has negative book EBITDA, such that it is not possible to calculate a meaningful group ratio, the group can nonetheless benefit from the group ratio rule. Adjustments would also be made to ensure that, where the group as a whole has positive book EBITDA but includes one or more entities with negative book EBITDA, the group does not benefit from an inappropriately high group ratio.

Consistent with the rationale of the group ratio rule, it is expected that standalone Canadian corporations and Canadian corporations that are members of a group none of whose members is a non-resident would, in most cases, not have their interest expense deductions limited under the proposed rule. Measures to reduce the compliance burden on these entities and groups will be explored.

While there are base erosion risks associated with interest deductions by financial institutions, there are challenges in applying an earnings-stripping rule to certain types of financial institutions, and there is no clear way to address these challenges. One reason is that many financial institutions earn substantial amounts of interest income as part of their regular business activity and these amounts may frequently exceed their interest expense. As the proposal is based on a concept of net interest expense, this could result in the proposed earnings-stripping rule having no impact on these financial institutions, and could provide

significant capacity to shelter the interest expense of other members of the financial institution's group. It is therefore proposed to not allow banks and life insurance companies to transfer unused capacity to deduct interest to other members of their corporate groups that are not also regulated banking or insurance entities. Further consideration will be given to whether there are targeted measures that could address base erosion concerns associated with excessive interest deductions by regulated banks and life insurance companies, and comments are invited from stakeholders in this regard.

In order to facilitate transition to the new rule and in particular having regard to the impact of the pandemic on corporate earnings, it would be phased in, with a fixed ratio of 40 per cent for taxation years beginning on or after January 1, 2023 but before January 1, 2024 (the transition year), and 30 per cent for taxation years beginning on or after January 1, 2024. In addition, taxpayers that have interest deductions denied for the transition year would be able to carry back the denied interest and deduct it in any of the three preceding years, as discussed above, using the 40-per-cent fixed ratio (or the group ratio for that earlier year, if higher) to determine their capacity to absorb carried-back interest in those preceding years. Where interest deductions are denied for a year following the transition year, carrybacks of denied interest to the transition year or an earlier year would be allowed using the 30-per-cent fixed ratio (or the group ratio for the transition year or that earlier year, as the case may be, if higher) to determine their capacity to absorb carried-back interest in those preceding years. Carrybacks to the transition year would also be subject to the constraint, similar to the provision described above in relation to pre-transition years, that the taxpayer's capacity in the transition year to absorb carried-back denied interest would be reduced by the overall deductible net interest expense of Canadian members of the taxpayer's group that exceeded the 30-per-cent ratio (or the group ratio, if higher) in the transition year. For example, the unused capacity in the transition year of an entity with a tax-EBITDA ratio of 25 per cent (and ignoring the group ratio for purposes of this example) would be reduced to the extent another Canadian group entity incurred net interest expense in the transition year in excess of 30 per cent of its tax EBITDA and the deduction of this excess interest expense was not denied in the transition year by virtue of the 40-per-cent fixed ratio in that year.

This measure would apply to taxation years that begin on or after January 1, 2023 (with an anti-avoidance rule to prevent taxpayers from deferring the application of the measure, or of the 30-per-cent fixed ratio) and would apply with respect to existing as well as new borrowings. Draft legislative proposals are expected to be released for comment in the summer.

Hybrid Mismatch Arrangements

Hybrid mismatch arrangements are cross-border tax avoidance structures that exploit differences in the income tax treatment of business entities or financial instruments under the laws of two or more countries to produce mismatches in tax results.

The Action 2 report of the BEPS Action Plan recommends detailed rules for countries to adopt in their domestic legislation to ensure that multinational enterprises cannot derive tax benefits from the use of hybrid mismatch arrangements. The two main forms of hybrid mismatch addressed by the Action 2 recommendations are:

- **Deduction/non-inclusion mismatches:** These arise where a country allows a deduction in respect of a cross-border payment, the receipt of which is not included within a reasonable period of time in ordinary income in the other country. For these purposes, "ordinary income" generally means income that is subject to income tax at the recipient's full tax rate and does not benefit from any exemption, exclusion, deduction, credit or comparable tax relief.
- **Double deduction mismatches:** These arise where a tax deduction is available in two or more countries in respect of a single economic expense.

The Action 2 recommendations also address a form of hybrid mismatch known as imported mismatches. These generally arise where a payment is deductible by an entity resident in one country and included in the ordinary income of a recipient entity resident in a second country, but that ordinary income is set off against a deduction under a hybrid mismatch arrangement between the second entity and an entity resident in a third country.

A supplement to the Action 2 report recommends additional rules to address branch mismatch arrangements, which generally produce mismatches similar to hybrid mismatch arrangements. These mismatches occur where the residence country of a taxpayer takes a different view from that of the country where the taxpayer's branch is located as to the allocation of income and expenditures between the two countries.

The Action 2 recommendations reflect a broad international consensus that hybrid mismatch and branch mismatch arrangements (collectively, hybrid arrangements) significantly erode the tax bases of affected countries. Hybrid arrangements may also have other adverse effects, such as distorting investment decisions and providing an unfair competitive advantage to multinational enterprises over domestic businesses.

The Action 2 report recognizes that coordinated international action is required in order to address the negative impacts of hybrid arrangements, without giving rise to double taxation or other unintended consequences. Accordingly, the Action 2 recommendations outline a common approach that is intended to ensure countries have consistent rules that operate in a coordinated manner. A number of countries (including the United States, the United Kingdom, Australia and the European Union member states) have already implemented, or committed to implement, rules consistent with the Action 2 recommendations.

There are existing Canadian income tax rules that the government can use to challenge certain hybrid arrangements. However, further specific legislative measures would provide certainty and, as noted above, there are significant advantages to adopting the common approach in the Action 2 report.

Budget 2021 proposes to implement rules consistent with the Action 2 recommendations, with appropriate adaptations to the Canadian income tax context.

In general terms, under the main proposed rules, payments made by Canadian residents under hybrid mismatch arrangements would not be deductible for Canadian income tax purposes to the extent that they give rise to a further deduction in another country or are not included in the ordinary income of a non-resident recipient. Conversely, to the extent that a payment made under such an arrangement by an entity that is not resident in Canada is deductible for foreign income tax purposes, no deduction in respect of the payment would be permitted against the income of a Canadian resident. Any amount of the payment received by a Canadian resident would also be included in income, and, if the payment is a dividend, it would not be eligible for the deduction otherwise available for certain dividends received from foreign affiliates. In effect, these rules would neutralize a mismatch by aligning the Canadian income tax treatment with the income tax treatment in the foreign country.

Rules implementing other Action 2 recommendations – such as those on branch mismatch arrangements, imported mismatch arrangements and reverse hybrids (i.e., entities that are fiscally transparent under the laws of the country where they are formed, but are treated as a separate entity under the laws of an investor's country) – would be introduced to the extent relevant and appropriate in the Canadian context.

Consistent with the Action 2 recommendations:

- The proposed rules would be mechanical in nature and would not be conditioned on a purpose test.
- With limited exceptions, the proposed rules would apply in respect of payments between related parties and payments under certain arrangements between unrelated parties that are designed to produce a mismatch.

- The ordering rules recommended by the report would also apply to ensure that the proposed rules are coordinated with similar rules in other countries.

The proposed rules to address hybrid arrangements would be implemented in two separate legislative packages. The first package would comprise rules implementing (with any modifications required for the Canadian income tax context) the recommendations in Chapters 1 and 2 of the Action 2 report. These would generally be intended to neutralize a deduction/non-inclusion mismatch arising from a payment in respect of a financial instrument.

The first legislative package would be released for stakeholder comment later in 2021, and those rules would apply as of July 1, 2022.

The second legislative package would be released for stakeholder comment after 2021, and those rules would apply no earlier than 2023. This package would comprise rules consistent with the Action 2 recommendations that were not addressed in the first package.

Sales and Excise Tax Measures

Application of the GST/HST to E-commerce

In the Fall Economic Statement 2020, the Government of Canada proposed a number of changes to the Goods and Services Tax/Harmonized Sales Tax (GST/HST) system to ensure that the GST/HST applies in a fair and effective manner to the growing digital economy:

- The government proposed that non-resident vendors supplying digital products or services (including traditional services) to consumers in Canada be required to register for the GST/HST and to collect and remit the tax on their taxable supplies to Canadian consumers. Distribution platform operators would also be required to register for the GST/HST and to collect and remit the tax on the supplies to Canadian consumers that they facilitate. To support compliance with these requirements, a simplified GST/HST registration and remittance framework would be available to non-resident vendors and non-resident distribution platform operators that are not carrying on business in Canada (e.g., have no permanent establishment in Canada).
- The government proposed that distribution platform operators be required to register under the normal GST/HST rules and to collect and remit GST/HST in respect of sales of goods shipped from a fulfillment warehouse or another place in Canada, when those sales are made by non-registered vendors through distribution platforms. Non-resident vendors that make sales on their own (i.e., not made through a distribution platform) would also be required to register under the normal GST/HST rules and to collect and remit GST/HST in respect of sales of goods shipped from a fulfillment warehouse or another place in Canada.

- The government proposed to apply the GST/HST on all supplies of short-term accommodation in Canada facilitated through a digital accommodation platform. Under the proposal, the GST/HST would be required to be collected and remitted on short-term accommodations supplied in Canada through an accommodation platform by either the property owner or the accommodation platform operator. A simplified GST/HST registration and remittance framework would be available to non-resident accommodation platform operators that are not carrying on business in Canada.

These measures would come into force on July 1, 2021.

The government also released draft legislative proposals in relation to the measures and invited interested parties to submit comments on these proposals and the associated draft legislation.

Budget 2021 proposes amendments to these proposals and the associated draft legislation, which take into consideration comments received from stakeholders. These amendments are intended to ensure that the proposals and draft legislation operate effectively and to clarify the application of certain provisions. The substantive proposed amendments are set out below.

Proposed Amendments

Safe Harbour Rules

Under the proposals, platform operators would be required to collect and remit the GST/HST on the supplies they facilitate by third parties that are not registered under the existing GST/HST framework. In many cases, platform operators may rely on information provided by third parties on the transactions they make for determining whether the platform operator is required to collect and remit tax.

Budget 2021 proposes additional rules that would:

- impose joint and several, or solidary, liability on a platform operator and a third-party supplier for the collection and remittance of tax, if the third-party supplier provides false information to the platform operator; and
- limit the liability of a platform operator for failure to collect and remit tax, if the platform operator reasonably relied on the information provided by a third-party supplier.

These proposed rules would ensure that a platform operator is not held liable for failing to collect and remit tax as a result of having relied in good faith on information provided by a third-party supplier. Under the proposed rules, the platform operator would be relieved from liability to the extent that it did not collect and remit tax (i.e., where it partially collected tax, it would remain liable for those amounts) and the third-party supplier that provided false information would be liable for any amounts not collected.

Eligible Deductions

Budget 2021 proposes an amendment to clarify that suppliers registered for the GST/HST under the simplified framework are eligible to deduct amounts for bad debts and certain provincial HST point-of-sale rebates to purchasers (e.g., in respect of audio books) from the tax that they are required to remit, and that public libraries and similar institutions are eligible to claim a rebate for the GST paid on audio books acquired from those suppliers. For instance, a supplier that writes off a bad debt in respect of an amount of GST/HST that they had remitted but for which they are subsequently unable to collect from a purchaser, would be able to deduct the uncollectable bad debt amount from the GST/HST that they are required to remit for a reporting period.

Threshold Amount Determination

Under the proposal for cross-border digital products and services, a non-resident vendor or distribution platform operator with sales to consumers in Canada that exceed, or are expected to exceed, $30,000 over a 12-month period is required to register for the GST/HST under the simplified framework and charge the GST/HST on their sales. Budget 2021 proposes an amendment to the proposals to clarify that supplies of digital products or services that are GST/HST-free (i.e., zero-rated) are not included in the calculation of the threshold amount for determining if a person is required to be registered for the GST/HST under the simplified framework.

Platform Operator Information Return

Under the proposals, platform operators would be required to file an annual information return if they facilitate a supply of short-term accommodation situated in Canada or a sale by a non-registered vendor of goods that are located in a fulfillment warehouse in Canada. Budget 2021 proposes an amendment to clarify that the requirement to file an annual information return applies only to platform operators that are registered or are required to be registered for the GST/HST.

Authority for the Minister of National Revenue to Register a Person

The proposals describe the non-resident vendors and platform operators that are required to register under the simplified framework and obligations for these entities. Budget 2021 proposes an amendment to provide the Minister of National Revenue the authority to register a person that the Minister believes should be registered under the simplified framework. This authority already exists in respect of the existing GST/HST framework and in the rules of other jurisdictions that have adopted similar e-commerce measures.

Administration and Compliance Approach

The government expects that affected businesses and platform operators will comply with their obligations to register, collect and remit the GST/HST as set out under the new rules and legislative provisions to ensure that the GST/HST applies effectively and fairly to e-commerce transactions.

In line with the best practices of other jurisdictions that have adopted similar measures, the Canada Revenue Agency (CRA) will work closely with affected businesses and platform operators to assist them in meeting their obligations. Where the affected businesses and platform operators show that they have taken reasonable measures but are unable to meet their new obligations for operational reasons, the CRA will take a practical approach to compliance and exercise discretion in administering these measures during a 12-month transition period, starting from the July 1, 2021 coming into force date.

Additional Technical Information and Contact Information

Persons seeking additional technical information regarding the proposed measures may contact the CRA at 1-833-585-1463 (for calls from Canada and the United States – toll-free) or 1-613-221-3154 (for calls from elsewhere – collect calls accepted). Persons may also request a written technical explanation from the CRA. https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/1-4/excise-gst-hst-rulings-interpretations-service.html

Input Tax Credit Information Requirements

Under the GST/HST, businesses can claim input tax credits (ITCs) to recover the GST/HST that they pay for goods and services used as inputs in their commercial activities. Allowing businesses to recover the GST/HST in this manner helps ensure that the tax that they pay on their inputs does not become embedded in the final price of goods and services, and thereby makes Canadian businesses more competitive.

Information Requirements to Support ITC Claims

Businesses must obtain and retain certain information in order to support their ITC claims. The required information is contained in documents provided by their suppliers, such as invoices or receipts.

The information requirements for these documents are graduated, with progressively more information required when the amount paid or payable in respect of a supply equals or exceeds thresholds of $30 or $150.

In addition, under the ITC information rules, either the supplier or an intermediary (i.e., a person that causes or facilitates the making of a supply on behalf of the

supplier) must provide its business name and, depending on the amount paid or payable in respect of the supply, its GST/HST registration number, on the supporting documents. However, for the purposes of these rules, an intermediary currently does not include a billing agent (i.e., an agent that collects consideration and tax on behalf of an underlying vendor but does not otherwise cause or facilitate a supply). Billing agents therefore currently cannot provide their GST/HST registration number and/or business name as part of the required ITC information. Instead, the recipient of the supply must obtain the business name and registration number of the underlying vendor.

To simplify tax compliance for businesses, Budget 2021 proposes to increase the current ITC information thresholds to $100 (from $30) and $500 (from $150), and to allow billing agents to be treated as intermediaries for purposes of the ITC information rules.

These measures would come into force on the day after Budget Day.

GST New Housing Rebate Conditions

The GST New Housing Rebate entitles homebuyers to recover 36 per cent of the GST (or the federal component of the HST) paid on the purchase of a new home priced up to $350,000. The maximum rebate is $6,300. The GST New Housing Rebate is phased out for new homes priced between $350,000 and $450,000. There is no GST New Housing Rebate for new homes priced at $450,000 or more.

In addition to the above price thresholds, several other conditions must be met in order for a purchaser to qualify for the GST New Housing Rebate. In particular, the purchaser must be acquiring the new home for use as their primary place of residence or as the primary place of residence of a relation (i.e., an individual related by blood, marriage, common-law partnership or adoption, or a former spouse or former common-law partner). Under the current rules, if two or more individuals who are not considered relations for GST New Housing Rebate purposes buy a new home together, all of those individuals must meet this condition – otherwise none of them will be eligible for the GST New Housing Rebate.

Budget 2021 proposes to remove the condition that where two or more individuals buy a new home together, each of them must be acquiring the home for use as their primary place of residence or the primary place of residence of a relation. Instead, the GST New Housing Rebate would be available as long as the new home is acquired for use as the primary place of residence of any one of the purchasers or a relation of any one of the purchasers.

In addition to new homes purchased from a builder, the GST New Housing Rebate is available in respect of owner-built homes, co-op housing shares and homes constructed on leased land. The proposed change to the rebate

conditions would also be applicable in these circumstances. The proposed change would also apply to new housing rebates in respect of the provincial component of the HST.

This measure would apply to a supply made under an agreement of purchase and sale entered into after Budget Day. However, in the case of a rebate for owner-built homes, the measure would apply where construction or substantial renovation of the residential complex is substantially completed after Budget Day.

Rebate of Excise Tax for Goods Purchased by Provinces

Under the *Excise Tax Act*, provinces are provided relief from the federal excise tax embedded in the price of motive fuels, air conditioners in automobiles, and fuel inefficient vehicles (i.e., the "green levy"), which they purchase or import for the province's own use. In particular, when these goods are sold to a province, for the province's own use, either the province or the vendor is entitled to a rebate equal to the amount of the embedded tax (the "provincial-use rebate").

The provincial-use rebate applies only in a province that does not have an agreement with the federal government under which, in general terms, the province and the federal government mutually agree to pay each other's taxes. Where a province that does not have such an agreement with the federal government purchases these goods from a vendor, the provincial-use rebate can either be claimed by the province itself (in which case the province would be expected to have paid the embedded tax) or by the vendor (in which case the province would be expected not to have paid the embedded tax). Only one party (either the vendor or the province) is entitled to the rebate.

To clarify which party is eligible to claim the provincial-use rebate, Budget 2021 proposes to create a joint election mechanism to specify that the vendor alone would be eligible to apply for the rebate only if it jointly elects with the province to be the eligible party. If no joint election were made, then only the province would be eligible to apply for the rebate.

This measure would apply in relation to these goods purchased or imported by a province on or after January 1, 2022.

Excise Duty on Tobacco

Budget 2021 proposes to increase the tobacco excise duty rate by $4 per carton of 200 cigarettes, along with corresponding increases to the excise duty rates for other tobacco products outlined in Table 9.

Inventories of cigarettes held by certain manufacturers, importers, wholesalers and retailers at the beginning of the day after Budget Day would be subject to an inventory tax of $0.02 per cigarette (subject to certain exemptions). Taxpayers would have until June 30, 2021 to file a return and pay the cigarette inventory tax.

Table 9
Tobacco Excise Duty Rate Structure

Products	Current Excise Duty Rates (Effective April 1, 2021)	Proposed Excise Duty Rates after Budget Day
Cigarettes (per five cigarettes or fraction thereof)	$0.62725	$0.72725
Tobacco Sticks (per stick)	$0.12545	$0.14545
Manufactured Tobacco (per 50 grams or fraction thereof)	$7.84062	$9.09062
Cigars	$27.30379 per 1,000 cigars plus the greater of $0.09814 per cigar and 88 per cent of the sale price or duty-paid value	$31.65673 per 1,000 cigars plus the greater of $0.11379 per cigar and 88 per cent of the sale price or duty-paid value

This measure would come into force on the day after Budget Day.

Excise Duty on Vaping Products

Budget 2021 proposes to implement a tax on vaping products in 2022 through the introduction of a new excise duty framework.

The government invites input from industry and stakeholders on these proposals to help ensure the effective imposition and collection of excise duties on vaping products. Written comments should be sent by June 30, 2021 to: fin.vaping-taxation-vapotage.fin@canada.ca.

Tax Base

A new excise duty framework on vaping products is proposed to be introduced as part of the existing *Excise Act, 2001* ("the Act"), which currently applies excise duties on tobacco, wine, spirits, and cannabis products. The new duty would apply solely to vaping liquids that are produced in Canada or imported and that are intended for use in a vaping device in Canada. These liquids generally contain vegetable glycerin, as well as any combination of propylene glycol, flavouring, nicotine, or other ingredients, all of which must comply with Health Canada regulations. The new duty would apply to these vaping liquids whether or not they contain nicotine. Cannabis-based vaping products would be explicitly exempt from this framework, as they are already subject to cannabis excise duties under the Act.

Duty Rate

The proposed framework would impose a single flat rate duty on every 10 millilitres (ml) of vaping liquid or fraction thereof, within an immediate container (i.e., the container holding the liquid itself). This rate could be in the order of $1.00 per 10 ml or fraction thereof, and the excise duty would be calculated and imposed based on the volume of the smallest immediate container holding the liquid.

- To illustrate, if a retail package contains four separate pods of 1.0 ml of vaping liquid, each pod would be considered a separate container for the purpose of the duty. The duty would be calculated based on the volume of liquid in each separate pod (i.e., $1.00 per pod, for a total of $4.00 for the retail package), and not on the total volume of liquid in the package.
- Larger volumes of liquids, a 30 ml container for example, would be subject to excise duties of $3.00, while a 100 ml container would bear an excise duty burden of $10.00.

Generally, the flat rate would be imposed and payable at the time of packaging or importation. The last federal licensee in the supply chain who packaged the vaping product for final retail sale, including vape shops holding an excise licence, as applicable, would be liable to pay the applicable excise duty.

Administration

The Canada Revenue Agency (CRA) would be responsible for administering and enforcing the new excise duty framework for vaping products, including ensuring compliance with the general application and administrative rules contained within the Act. The Canada Border Services Agency (CBSA) would be responsible for administering and enforcing the framework at the border. To promote compliance with the taxation of vaping products, penalty and offence provisions broadly

similar to those applying to alcohol, tobacco and cannabis duties would apply.

Licensing and Registration Requirements

Manufacturers and importers of dutiable vaping products would be required to obtain a licence for their activities from the CRA. This would include any vape shops that would like to obtain and then use non-duty paid, bulk vaping products to mix or manufacture new vaping products on-site for immediate or subsequent sale to final customers, upon which duty would apply and need to be remitted.

Applicants who wished to obtain licences from the CRA would be expected to meet a number of criteria, similar to those for other excisable products already enumerated under the Act and its regulations, such as not having acted to defraud the government in the past five years. Licences for vaping product manufacturers and importers would be issued for a maximum of three years and would not be automatically renewed.

Excise Stamping Requirements

It is proposed that all dutiable vaping products removed from the premises of a federal licensee to enter the Canadian duty-paid market would be required to be packaged in a container intended for sale at the retail level (a "retail package"), and would be required to bear an excise stamp showing that duties have been paid. As with the current tobacco and cannabis stamping programs, a stamp would need to be affixed to a retail package:

- in a conspicuous place on the package;
- in a manner that seals the package (i.e., once the package is opened the stamp cannot be in a condition to be re-used);
- in a manner that the stamp remains affixed to the package after the package is opened; and
- in a manner that does not obstruct any information that is required under an Act of Parliament to appear on the package, including potential Health Canada warnings.

The issuance of stamps would be administered by the CRA, and the stamps would be sold through an authorized provider.

The Act would also prohibit the possession or sale of any unstamped dutiable vaping products by a person unless otherwise allowed under the Act. These allowances would include those made for persons licensed or registered with the CRA, and could further include those for:

- A person who is transporting the product under circumstances and conditions prescribed by regulations; or
- A licensee who has imported bulk vaping liquids intended for use in a vaping device but which require further processing, manufacturing, or packaging.

Reporting Requirements

All licensees would be required to submit to the CRA a monthly duty and information return. The return would include the following required information:

- the quantity (e.g., liquid volume) of products manufactured or imported;
- the amount of excise duty payable;
- inventory details, such as opening, additions, reductions, and closing; and
- the quantity of products sent for export under any special permit authorizations.

Imports and Exports

Importations of vaping products subject to the proposed taxation framework would be subject to excise duties, unless duty is not payable (e.g., if the product is not yet in a state where it could be entered into the retail market for sale to a final consumer). Exportations of vaping products would not be subject to excise duties. Stamps would also be made available to producers outside of Canada, as is the case for tobacco products.

Non-Dutiable Vaping Products

Aside from exports of non-duty paid vaping products, the Act could provide for certain circumstances in which vaping products would be non-dutiable. For example, duty would not be payable on vaping products taken for analysis or re-worked/destroyed (in a manner approved by the Minister) by a licensee or by the Minister. This would include vaping products delivered to a person prescribed by regulations for destruction by that person in circumstances prescribed by regulations.

Personal Use

Registration and licensing would not be required for individuals who mix vaping liquids strictly for their own personal consumption.

Federal-provincial-territorial Taxation Coordination

The government will also work collaboratively with any provinces and territories that may be interested in a federally coordinated approach to taxing these products, which could be achieved through the implementation of taxation on a common base of vaping products through federal legislation.

A coordinated framework for the taxation of vaping products could include an initial federal rate, with an additional rate to follow in respect of products intended for consumption in provinces and territories choosing to participate.

Licensees would have to apply an excise stamp with an indicator (e.g., colour) of the intended provincial or territorial market.

Tax on Select Luxury Goods

Budget 2021 proposes to introduce a tax on the retail sale of new luxury cars and personal aircraft priced over $100,000, and boats priced over $250,000, effective as of January 1, 2022. For vehicles, aircraft and boats sold in Canada, the tax would apply at the point of purchase if the final sale price paid by a consumer (not including the GST/HST or provincial sales tax) is above the $100,000 or $250,000 price threshold, as the case may be. Importations of vehicles, aircraft and boats would also be subject to the tax.

Tax Base

Luxury Vehicles

It is proposed that all new passenger vehicles typically suitable for personal use be included in the base, including coupes, sedans, station wagons, sports cars, passenger vans and minivans equipped to accommodate less than 10 passengers, SUVs, and passenger pick-up trucks.

It is proposed that the following vehicles typically purchased for personal use be excluded from the base:

- Motorcycles and certain off-road vehicles, such as all-terrain vehicles and snowmobiles;
- Racing cars (i.e., vehicles that are not street legal and are owned solely for on-track or off-road racing); and
- Motor homes (commonly known as recreational vehicles, or RVs) that are designed to provide temporary living, sleeping, or eating accommodation for travel, vacation, seasonal camping, or recreational use.

For greater certainty, off-road, construction, and farm vehicles would fall outside the scope of the tax. Similarly, certain commercial (e.g., heavy-duty vehicles such as some trucks and cargo vans) and public sector (such as buses, police cars and ambulances) vehicles, as well as hearses, would not be subject to the tax.

Aircraft

It is proposed that the tax apply to all new aircraft typically suitable for personal use, including aeroplanes, helicopters and gliders. As a general rule, it is proposed that large aircraft typically used in commercial activities, such as those equipped for the carriage of passengers and having a certified maximum carrying capacity of more than 39 passengers, be excluded from the base. Smaller aircraft

used in certain commercial (such as public transportation) and public sector (police, military and rescue aircraft, air ambulances) activities would also be excluded from the base.

Boats

It is proposed that the tax apply to new boats such as yachts, recreational motorboats and sailboats, typically suitable for personal use. Smaller personal watercraft (e.g., water scooters) would be excluded from the base. For greater certainty, floating homes, commercial fishing vessels, ferries, and cruise ships would fall outside the scope of the tax.

Tax Rate

For vehicles and aircraft priced over $100,000, the amount of the tax would be the lesser of 10 per cent of the full value of the vehicle or the aircraft, or 20 per cent of the value above $100,000.

For boats priced over $250,000, the amount of the tax would be the lesser of 10 per cent of the full value of the boat or 20 per cent of the value above $250,000.

Point of Imposition

The tax would generally apply at the final point of purchase of new luxury vehicles, aircraft and boats in Canada. In the case of imports, application would generally be either at the time of importation (in cases where there will not be a further sale of the goods in Canada) or at the time of the final point of purchase in Canada following importation.

Upon purchase or lease, the seller or lessor would be responsible for remitting the full amount of the federal tax owing, regardless of whether the good was purchased outright, financed, or leased over a period of time.

Exports will not be subject to the tax, in line with their treatment under other taxation regimes.

Treatment under the GST/HST

The GST/HST would apply to the final sale price, inclusive of the proposed tax.

Next Steps

Further details will be announced in the coming months.

Customs Tariff and Tax Measures

Duty and Tax Collection on Imported Goods

Budget 2021 proposes amendments to the *Customs Act* to improve the collection of duties and taxes on imported goods.

Currently, some importers with foreign ties value their goods at a lower price than most Canadian importers by using a previous foreign sale price. This practice results in a lower value of duties and taxes paid when importing these goods into Canada. The amendments to the *Customs Act* and related regulations would ensure that all importers value their goods using the value of the last sale for export to a purchaser in Canada, ensuring fairness for all importers and enhancing consistency with international rules.

A second element to the proposal would support a broad modernization of payment processes for commercial importers in the *Customs Act* and regulations. These changes will support the implementation and enforcement of a streamlined and harmonized billing cycle for commercial importations that will include flexibility to make good-faith corrections without incurring penalties or interest. These changes would coincide with implementation of key functionalities of the CBSA Assessment and Revenue Management initiative that is set to serve as a single portal for commercial importers.

Previously Announced Measures

Budget 2021 confirms the government's intention to proceed with the following previously announced tax and related measures, as modified to take into account consultations and deliberations since their release:

- Legislative proposals released on March 3, 2021 in respect of "baseline remuneration" for the Canada Emergency Wage Subsidy.
- Legislative proposals released on February 24, 2021 in respect of the Canada Emergency Wage Subsidy, the Canada Emergency Rent Subsidy and the Lockdown Support.
- Legislative proposals released on January 19, 2021 in respect of temporary adjustments to the Child Care Expense and Disability Supports deductions.
- Legislative proposals released on December 21, 2020 relating to temporary adjustments to the automobile standby charge to take into account COVID-19.
- Legislative proposals released on December 16, 2020 extending timelines in respect of flow-through shares by 12 months.
- Legislative proposals released on December 15, 2020 relating to capital cost allowance claims for purchases of zero-emission automotive equipment and vehicles.
- The anti-avoidance rules consultation and the income tax measures announced on November 30, 2020 in the Fall Economic Statement in respect of:
  - registered disability savings plans;
  - employee stock options; and
  - patronage dividends paid in shares.
- Measures announced on November 30, 2020 in the Fall Economic Statement regarding Goods and Services Tax/Harmonized Sales Tax relief on face masks and face shields.
- Legislative proposals announced on November 27, 2020 to facilitate the conversion of Health and Welfare Trusts to Employee Life and Health Trusts.
- Regulatory proposals announced on July 2, 2020 providing relief for Deferred Salary Leave Plans and Registered Pension Plans during the COVID-19 pandemic.
- Legislative proposals released on April 17, 2020 to clarify support for Canadian journalism.
- The income tax measure announced on December 20, 2019 to extend the maturation period of amateur athletes trusts maturing in 2019 by one year, from eight years to nine years.

- The income tax measure announced on December 9, 2019 to increase the Basic Personal Amount to $15,000 by 2023.
- The income tax measure announced on August 29, 2019 to clarify the definition of a shared-custody parent.
- Legislative proposals released on July 30, 2019 to implement Budget 2019 income tax measures in respect of:
  - multi-unit residential properties;
  - permitting additional types of annuities under registered plans;
  - contributions to specified multi-employer pension plans for older members;
  - pensionable service under an individual pension plan;
  - the allocation to redeemers methodology for mutual funds;
  - character conversion transactions;
  - electronic delivery of requirements for information;
  - the transfer pricing rules;
  - the foreign affiliate dumping rules; and
  - cross-border share lending arrangements.
- Measures released on July 30, 2019 modifying previously enacted measures from the November 21, 2018 Fall Economic Statement and Budget 2019, in respect of:
  - the Accelerated Investment Incentive;
  - the expensing of the cost of machinery and equipment used in the manufacturing or processing of goods and the cost of specified clean energy equipment; and
  - the expensing of the cost of certain zero-emission vehicles.
- Legislative proposals released on May 17, 2019 relating to the Goods and Services Tax/Harmonized Sales Tax.
- Remaining regulatory proposals released on July 27, 2018 relating to the Goods and Services Tax/Harmonized Sales Tax.
- The income tax measures announced in Budget 2018 to implement enhanced reporting requirements for certain trusts to provide additional information on an annual basis.
- Measures confirmed in Budget 2016 relating to the Goods and Services Tax/Harmonized Sales Tax joint venture election.

Budget 2021 also reaffirms the government's commitment to move forward as required with technical amendments to improve the certainty and integrity of the tax system.

Notices of Ways and Means Motions

Notice of Ways and Means Motion to Amend the Income Tax Act and Other Related Legislation

That it is expedient to amend the *Income Tax Act* (the "Act") and other related legislation as follows:

Disability Tax Credit

1 The Act is modified to give effect to the proposals relating to the Disability Tax Credit as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Canada Workers Benefit

2 (1) The portion of subsection 117.1(1) of the Act before paragraph (b) is replaced by the following:

Annual adjustment

117.1 (1) Each specified amount in relation to tax payable under this Part or Part I.2 for a taxation year shall be adjusted so that the amount to be used for the year under the provision for which the amount is relevant is the total of

(a) the amount that would, but for subsection (3), be the amount to be used under the relevant provision for the preceding taxation year, and

(2) Section 117.1 of the Act is amended by adding the following after subsection (1):

Annual adjustment — amounts

(2) For the purposes of subsection (1), each of the following amounts is a specified amount in relation to tax payable under this Part or Part I.2 for a taxation year:

(a) the amount of $300 referred to in subparagraph 6(1)(b)(v.1);

(b) the amount of $1,000 referred to in the formula in paragraph 8(1)(s);

(c) the amount of $400,000 referred to in the formula in paragraph 110.6(2)(a);

(d) each of the amounts expressed in dollars in subsection 117(2);

(e) each of the amounts expressed in dollars in the description of B in subsection 118(1);

(f) the amount of $12,298 in the description of A in subsection 118(1.1);

(g) the amount of $15,000 in paragraph (d) of the description of F in subsection 118(1.1);

(h) each of the amounts expressed in dollars in subsection 118(2);

(i) the amount of $1,000 referred to in subsection 118(10);

(j) the amount of $15,000 referred to in subsection 118.01(2);

(k) each of the amounts expressed in dollars in subsection 118.2(1);

(l) each of the amounts expressed in dollars in subsection 118.3(1);

(m) each of the amounts expressed in dollars in subsection 122.5(3);

(n) the amount of $2,500 referred to in subsection 122.51(1);

(o) each of the amounts expressed in dollars in subsection 122.51(2);

(p) the amounts of $14,000 referred to in subsection 122.7(1.3);

(q) the amounts of $1,395 and $2,403 in the description of A, and each of the amounts expressed in dollars in the description of B, in subsection 122.7(2);

(r) the amount of $720 in the description of C, and each of the amounts expressed in dollars in the description of D, in subsection 122.7(3);

(s) the amount of $10,000 in the description of B in subsection 122.91(2); and

(t) each of the amounts expressed in dollars in Part I.2.

(3) Subsections (1) and (2) apply to the 2021 and subsequent taxation years. However, the adjustment provided for in subsection 117.1(1) of the Act, as enacted by subsection (1), does not apply

(a) for the 2021 to 2023 taxation years, in respect of paragraph 117.1(2)(g) of the Act, as enacted by subsection (2); and

(b) for the 2021 taxation year, in respect of paragraphs 117.1(2)(p), (q) and (r) of the Act, as enacted by subsection (2).

3 (1) Section 122.7 of the Act is amended by adding the following after subsection (1.2):

Secondary earner exemption

(1.3) For the purposes of subsections (2) and (3),

(a) if an eligible individual had an eligible spouse for a taxation year and the working income for the year of the eligible individual was less than the working income for the year of the eligible spouse, the eligible individual's adjusted net income for the year is deemed to be the amount, if any, by which the eligible individual's adjusted net income for the year (determined without reference to this subsection) exceeds the lesser of

(i) the eligible individual's working income for the year, and

(ii) $14,000; and

(b) if an eligible individual had an eligible spouse for a taxation year and the working income for the year of the eligible individual was greater than or equal to the working income for the year of the eligible spouse, the eligible spouse's adjusted net income for the year is deemed to be the amount, if any, by which the eligible spouse's adjusted net income for the year (determined without reference to this subsection) exceeds the lesser of

(i) the eligible spouse's working income for the year, and

(ii) $14,000.

(2) The descriptions of A and B in subsection 122.7(2) of the Act are replaced by the following:

A is

(a) if the individual had neither an eligible spouse nor an eligible dependant, for the taxation year, the lesser of $1,395 and 27% of the amount, if any, by which the individual's working income for the taxation year exceeds $3,000, and

(b) if the individual had an eligible spouse or an eligible dependant, for the taxation year, the lesser of $2,403 and 27% of the amount, if any, by which the total of the working incomes of the individual and, if applicable, of the eligible spouse, for the taxation year, exceeds $3,000; and

B is

(a) if the individual had neither an eligible spouse nor an eligible dependant, for the taxation year, 15% of the amount, if any, by which the adjusted net income of the individual for the taxation year exceeds $22,944, and

(b) if the individual had an eligible spouse or an eligible dependant, for the taxation year, 15% of the amount, if any, by which the total of the adjusted net incomes of the individual and, if applicable, of the eligible spouse, for the taxation year, exceeds $26,177.

(3) The descriptions of C and D in subsection 122.7(3) of the Act are replaced by the following:

C is the lesser of $720 and 27% of the amount, if any, by which the individual's working income for the taxation year exceeds $1,150; and

D is

(a) if the individual had neither an eligible spouse nor an eligible dependant, for the taxation year, 15% of the amount, if any, by which the individual's adjusted net income for the taxation year exceeds $32,244,

(b) if the individual had an eligible spouse for the taxation year who was not entitled to deduct an amount under subsection 118.3(1) for the taxation year, or had an eligible dependant for the taxation year, 15% of the amount, if any, by which the total of the adjusted net incomes of the individual and, if applicable, of the eligible spouse, for the taxation year, exceeds $42,197, and

(c) if the individual had an eligible spouse for the taxation year who was entitled to deduct an amount under subsection 118.3(1) for the taxation year, 7.5% of the amount, if any, by which the total of the adjusted net incomes of the individual and of the eligible spouse, for the taxation year, exceeds $42,197.

(4) Subsections (1) to (3) are deemed to have come into force on January 1, 2021.

Northern Residents Deductions

4 The Act is modified to give effect to the proposals relating to Northern Residents Deductions as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Postdoctoral Fellowship Income

5 (1) The definition *earned income* in subsection 146(1) of the Act is amended by adding the following after paragraph (b):

(b.01) an amount included under paragraph 56(1)(n) in computing the taxpayer's income for a period in the year throughout which the taxpayer was resident in Canada in connection with a program that consists primarily of research and does not lead to a diploma from a college or a Collège d'enseignement général et professionnel, or a bachelor, masters, doctoral or equivalent degree,

(2) Subsection (1) applies in respect of the definition "earned income" under subsection 146(1) of the Act for taxation years after 2020. However, it also applies in respect of the definition "earned income" under subsection 146(1) of the Act for the 2011 to 2020 taxation years, for the purpose of determining the taxpayer's "RRSP deduction limit" under subsection 146(1) of the Act in respect of a taxation year after 2020 during which the taxpayer makes a request in writing with the Minister of National Revenue for an adjustment to their "earned income" for any of those prior years.

Tax Treatment of COVID-19 Benefit Amounts

6 (1) Subparagraph 56(1)(r)(iv) of the Act is replaced by the following:

(iv) financial assistance provided under a program established by a government, or government agency, in Canada that provides income replacement benefits similar to income replacement benefits provided under a program established under the *Employment Insurance Act*, other than amounts referred to in subparagraph (iv.1),

(iv.1) financial assistance provided under

(A) the *Canada Emergency Response Benefit Act*,

(B) Part VIII.4 of the *Employment Insurance Act*,

(C) the *Canada Emergency Student Benefit Act*,

(D) the *Canada Recovery Benefits Act*, or

(E) a program established by a government, or government agency, of a province, that provides income replacement benefits similar to income replacement benefits provided under a program established under an Act referred to in any of clauses (A) to (D), or

(2) Subsection (1) is deemed to have come into force on January 1, 2020.

7 (1) Section 60 of the Act is amended by adding the following after paragraph (v.2):

COVID-19 – other benefit repayments

(v.3) any benefit repaid by the taxpayer before 2023 to the extent that the amount of the benefit was included in computing the taxpayer's income for the year under any of clauses 56(1)(r)(iv.1)(A) to (D), except to the extent that the amount is

(i) deducted in computing the taxpayer's income for any year under paragraph (n), or

(ii) deductible in computing the taxpayer's income for any year under paragraph (v.2);

(2) Subsection (1) is deemed to have come into force on January 1, 2020.

8 (1) Paragraph 115(1)(a) of the Act is amended by adding the following after subparagraph (iii.21):

(iii.22) the total of all amounts, each of which is an amount included under subparagraph 56(1)(r)(iv.1) in computing the non-resident person's income for the year,

(2) Subsection (1) is deemed to have come into force on January 1, 2020.

Fixing Contribution Errors in Defined Contribution Pension Plans

9 The Act is modified to give effect to the proposals relating to Fixing Contribution Errors in Defined Contribution Pension Plans as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Taxes Applicable to Registered Investments

10 (1) Subsection 204.6(1) of the Act is replaced by the following:

Tax payable

204.6 (1) If at the end of any month a taxpayer that is a registered investment described in paragraph 204.4(2)(b), (d) or (f) holds property that is not a prescribed investment for that taxpayer, it shall, in respect of that month, pay a tax under this Part equal to the total of all amounts each of which is an amount determined in respect of such a property by the formula

$$0.01(A \times B/C)$$

where

A is the fair market value of the property at the time of its acquisition by the taxpayer;

B is the total number of issued units or issued and outstanding shares of the capital stock of the registered investment held at the end of the month by

(a) registered retirement savings plans,

(b) deferred profit sharing plans,

(c) registered retirement income funds, or

(d) registered investments described in paragraphs 204.4(2)(b), (d) or (f); and

C is the total number of issued units or issued and outstanding shares of the capital stock of the registered investment at the end of the month.

(2) Subsection (1) applies in respect of months after 2020. It also applies to a taxpayer in respect of a month before 2021 if, on or before Budget Day,

(a) no notice of assessment in respect of an amount payable under subsection 204.6(1) of the Act for the month has been sent to the taxpayer in respect of the month, or

(b) if such a notice of assessment has been sent to the taxpayer in respect of the month, it is not the case that the taxpayer has no further right of objection and appeal in respect of the assessment.

Registration and Revocation Rules Applicable to Charities

11 (1) The definition *ineligible individual* in subsection 149.1(1) of the Act is amended by striking out "or" at the end of paragraph (d), by adding "or" at the end of paragraph (e) and by adding the following after paragraph (e):

(f) a listed terrorist entity or a member of a listed terrorist entity,

(g) a director, trustee, officer or like official of a listed terrorist entity during a period in which that entity supported or engaged in terrorist activities, including a period prior to the date on which the entity became a listed terrorist entity, or

(h) an individual who controlled or managed, directly or indirectly, in any manner whatever, a listed terrorist entity during a period in which that entity supported or engaged in terrorist activities, including a period prior to the date on which the entity became a listed terrorist entity; (*particulier non admissible*)

(2) Subsection 149.1(1) of the Act is amended by adding the following in alphabetical order:

listed terrorist entity, at any time, means a person, partnership, group, fund, unincorporated association or organization that is at that time a *listed entity*, as defined in subsection 83.01(1) of the *Criminal Code*; (*entité terroriste inscrite*)

(3) Section 149.1 of the Act is amended by adding the following after subsection (1.01):

Deeming rule — listed terrorist entity

(1.02) If, but for this subsection, a person, partnership, group, fund, unincorporated association or organization becomes a listed terrorist entity at a particular time and ceases to be a listed terrorist entity at a later time further to an application made under subsection 83.05(2), or as a result of paragraph 83.05(6)(d), of the *Criminal Code*, then the entity is deemed not to have become a listed terrorist entity and not to have been a listed terrorist entity throughout that period.

(4) Paragraph 149.1(4.1)(c) of the Act is replaced by the following:

(c) of a registered charity, if a *false statement* (as defined in subsection 163.2(1)) was made in circumstances amounting to *culpable conduct* (as defined in subsection 163.2(1)) in the furnishing of information for the purpose of obtaining or maintaining its registration;

12 Section 168 of the Act is amended by adding the following after subsection (3):

Listed terrorist entities

(3.1) Notwithstanding subsections (1), (2) and (4), if a qualified donee is a *listed terrorist entity* for the purposes of section 149.1, the registration of the qualified donee is revoked as of the date on which it became a listed terrorist entity.

13 The portion of subsection 188(1) of the Act before paragraph (a) is replaced by the following:

Deemed year-end on notice of revocation

188 (1) If on a particular day the Minister issues a notice of intention to revoke the registration of a taxpayer as a registered charity under any of subsections 149.1(2) to (4.1) and 168(1), it becomes a listed terrorist entity or it is determined, under subsection 7(1) of the *Charities Registration (Security Information) Act*, that a certificate served in respect of the charity under subsection 5(1) of that Act is reasonable on the basis of information and evidence available,

14 Subsection 188.2(2) of the Act is amended by striking out "or" at the end of paragraph (d), by adding "or" at the end of paragraph (e) and by adding the following after paragraph (e):

(f) in the case of a person that is a registered charity, if a *false statement* (as defined in subsection 163.2(1)) was made in circumstances amounting to *culpable conduct* (as defined in subsection 163.2(1)) in the furnishing of information for the purpose of maintaining its registration.

Electronic Filing and Certification of Tax and Information Returns

15 The Act is modified to give effect to the proposals relating to Electronic Filing and Certification of Tax and Information Returns as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Emergency Business Supports and Canada Recovery Hiring Program

16 Paragraph 87(2)(g.6) of the Act is replaced by the following:

COVID-19 – wage subsidy

(g.6) for the purposes of section 125.7, the new corporation is deemed to be the same corporation as, and a continuation of, each predecessor corporation unless it is reasonable to consider that one of the main purposes of the amalgamation is to cause the new corporation to qualify for the deemed overpayment under any of subsections 125.7(2) to (2.2) or to increase the amount of that deemed overpayment;

17 (1) The portion of paragraph (a) of the definition *base percentage* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(a) for the fifth qualifying period,

(2) The portion of paragraph (b) of the definition *base percentage* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(b) for the sixth qualifying period,

(3) The portion of paragraph (c) of the definition *base percentage* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(c) for the seventh qualifying period,

(4) The portion of paragraph (d) of the definition *base percentage* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(d) for the eighth qualifying period,

(5) The portion of paragraph (e) of the definition *base percentage* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(e) for the ninth qualifying period,

(6) The portion of paragraph (f) of the definition *base percentage* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(f) for the tenth qualifying period,

(7) Paragraph (g) of the definition *base percentage* in subsection 125.7(1) of the Act is replaced by the following:

(g) for the eleventh qualifying period to the seventeenth qualifying period,

(i) if the entity's revenue reduction percentage is greater than or equal to 50%, 40%, and

(ii) in any other case, the amount determined by the formula

$$0.8 \times A$$

where

A is the revenue reduction percentage;

(h) for the eighteenth qualifying period,

(i) if the entity's revenue reduction percentage is greater than or equal to 50%, 35%, and

(ii) in any other case, the amount determined by the formula

$$0.875 \times (A - 10\%)$$

where

A is the revenue reduction percentage;

(i) for the nineteenth qualifying period,

(i) if the entity's revenue reduction percentage is greater than or equal to 50%, 25%, and

(ii) in any other case, the amount determined by the formula

$$0.625 \times (A - 10\%)$$

where

A is the revenue reduction percentage;

(j) for the twentieth qualifying period,

(i) if the entity's revenue reduction percentage is greater than or equal to 50%, 10%, and

(ii) in any other case, the amount determined by the formula

$$0.25 \times (A - 10\%)$$

where

A is the revenue reduction percentage; and

(k) for a qualifying period after the twentieth qualifying period, a percentage determined by regulation in respect of the eligible entity or, if there is no percentage determined by regulation for the qualifying period, nil. (*pourcentage de base*)

(8) Subparagraphs (b)(i) to (iv) of the definition *baseline remuneration* in subsection 125.7(1) of the Act are replaced by the following:

(i) begins on March 1, 2019 and ends on May 31, 2019, in respect of any of the first qualifying period to the third qualifying period,

(ii) begins on March 1, 2019 and ends on June 30, 2019, in respect of the fourth qualifying period, unless the eligible entity elects to use the period that begins on March 1, 2019 and ends on May 31, 2019 for that qualifying period,

(iii) begins on July 1, 2019 and ends on December 31, 2019, in respect of any of the fifth qualifying period to the thirteenth qualifying period,

(iii.1) begins on March 1, 2019 and ends on June 30, 2019, in respect of any of the fourteenth qualifying period to the seventeenth qualifying period, unless the eligible entity elects to use the period that begins on July 1, 2019 and ends on December 31, 2019 for that qualifying period,

(iii.2) begins on July 1, 2019 and ends on December 31, 2019, in respect of the eighteenth qualifying period and any subsequent qualifying period, or

(iv) if the eligible employee was on leave for any reason mentioned in subsection 12(3) of the *Employment Insurance Act* or section 2 of the *Act respecting parental insurance*, CQLR, c. A-29.011 throughout the period that begins on July 1, 2019 and ends on March 15, 2020, begins 90 days prior to the date on which the employee commenced that leave and ends on the day prior to the date on which they commenced their leave, in respect of the fifth qualifying period and any subsequent qualifying period. (*rémunération de base*)

(9) Paragraphs (a) to (c.7) of the definition *current reference period* in subsection 125.7(1) of the Act are replaced by the following:

(a) for the first qualifying period, March 2020;

(b) for the second qualifying period, April 2020;

(c) for the third qualifying period, May 2020;

(c.1) for the fourth qualifying period, June 2020;

(c.2) for the fifth qualifying period, July 2020;

(c.3) for the sixth qualifying period, August 2020;

(c.4) for the seventh qualifying period, September 2020;

(c.5) for the eighth qualifying period, October 2020;

(c.6) for the ninth qualifying period, November 2020;

(c.7) for the tenth qualifying period, December 2020;

(c.8) for the eleventh qualifying period, December 2020;

(c.9) for the twelfth qualifying period, January 2021;

(c.91) for the thirteenth qualifying period, February 2021;

(c.92) for the fourteenth qualifying period, March 2021;

(c.93) for the fifteenth qualifying period, April 2021;

(c.94) for the sixteenth qualifying period, May 2021;

(c.95) for the seventeenth qualifying period, June 2021;

(c.96) for the eighteenth qualifying period, July 2021;

(c.97) for the nineteenth qualifying period, August 2021;

(c.98) for the twentieth qualifying period, September 2021;

(c.99) for the twenty-first qualifying period, October 2021;

(c.991) for the twenty-second qualifying period, November 2021; and

(10) The definition *eligible employee* in subsection 125.7(1) of the Act is replaced by the following:

eligible employee, of an eligible entity in respect of a week in a qualifying period, means an individual employed by the eligible entity primarily in Canada throughout the qualifying period (or the portion of the qualifying period throughout which the individual was employed by the eligible entity), other than, if the qualifying period is any of the first qualifying period to the fourth qualifying period, an individual who is without remuneration by the eligible entity in respect of 14 or more consecutive days in the qualifying period. (*employé admissible*)

(11) Subparagraphs (a)(i) to (x) of the definition *prior reference period* in subsection 125.7(1) of the Act are replaced by the following:

(i) for the first qualifying period, March 2019,

(ii) for the second qualifying period, April 2019,

(iii) for the third qualifying period, May 2019,

(iv) for the fourth qualifying period, June 2019,

(v) for the fifth qualifying period, July 2019,

(vi) for the sixth qualifying period, August 2019,

(vii) for the seventh qualifying period, September 2019,

(viii) for the eighth qualifying period, October 2019,

(ix) for the ninth qualifying period, November 2019,

(x) for the tenth qualifying period, December 2019,

(xi) for the eleventh qualifying period, December 2019,

(xii) for the twelfth qualifying period, January 2020,

(xiii) for the thirteenth qualifying period, February 2020,

(xiv) for the fourteenth qualifying period, March 2019,

(xv) for the fifteenth qualifying period, April 2019,

(xvi) for the sixteenth qualifying period, May 2019,

(xvii) for the seventeenth qualifying period, June 2019,

(xviii) for the eighteenth qualifying period, July 2019,

(xix) for the nineteenth qualifying period, August 2019,

(xx) for the twentieth qualifying period, September 2019,

(xxi) for the twenty-first qualifying period, October 2019, and

(xxii) for the twenty-second qualifying period, November 2019;

(12) Paragraphs (e) to (g) of the definition *public health restriction* in subsection 125.7(1) of the Act are replaced by the following:

(e) it does not result from a violation by the eligible entity – or a party with which the eligible entity does not deal at arm's length that rents, directly or indirectly, the qualifying property from the eligible entity (referred to in this definition as the "specified tenant") – of an order or decision that meets the conditions in paragraphs (a) to (d);

(f) as a result of the order or decision, some or all of the activities of the eligible entity – or the specified tenant – at, or in connection with, the qualifying property (that it is reasonable to expect the eligible entity – or the specified tenant – would, absent the order or decision, otherwise have engaged in) are required to cease (referred to in this definition as the "restricted activities") based, for greater certainty, on the type of activity rather than the extent to which an activity may be performed or limits placed on the time during which an activity may be performed;

(g) it is reasonable to conclude that at least approximately 25% of the qualifying revenues of the eligible entity – or the specified tenant – for the prior reference period that were earned from, or in connection with, the qualifying property were derived from the restricted activities; and

(13) The portion of paragraph (c) of the definition *qualifying entity* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(c) if the qualifying period is any of the first qualifying period to the fourth qualifying period, its qualifying revenues for the current reference period are equal to or less than the specified percentage, for the qualifying period, of

(14) Paragraphs (a) to (d) of the definition *qualifying period* in subsection 125.7(1) of the Act are replaced by the following:

(a) the period that begins on March 15, 2020 and ends on April 11, 2020 (referred to in this section as the “first qualifying period”);

(b) the period that begins on April 12, 2020 and ends on May 9, 2020 (referred to in this section as the “second qualifying period”);

(c) the period that begins on May 10, 2020 and ends on June 6, 2020 (referred to in this section as the “third qualifying period”);

(c.1) the period that begins on June 7, 2020 and ends on July 4, 2020 (referred to in this section as the “fourth qualifying period”);

(c.2) the period that begins on July 5, 2020 and ends on August 1, 2020 (referred to in this section as the “fifth qualifying period”);

(c.3) the period that begins on August 2, 2020 and ends on August 29, 2020 (referred to in this section as the "sixth qualifying period");

(c.4) the period that begins on August 30, 2020 and ends on September 26, 2020 (referred to in this section as the "seventh qualifying period");

(c.5) the period that begins on September 27, 2020 and ends on October 24, 2020 (referred to in this section as the "eighth qualifying period");

(c.6) the period that begins on October 25, 2020 and ends on November 21, 2020 (referred to in this section as the "ninth qualifying period");

(c.7) the period that begins on November 22, 2020 and ends on December 19, 2020 (referred to in this section as the "tenth qualifying period");

(c.8) the period that begins on December 20, 2020 and ends on January 16, 2021 (referred to in this section as the "eleventh qualifying period");

(c.9) the period that begins on January 17, 2021 and ends on February 13, 2021 (referred to in this section as the "twelfth qualifying period");

(c.91) the period that begins on February 14, 2021 and ends on March 13, 2021 (referred to in this section as the "thirteenth qualifying period");

(c.92) the period that begins on March 14, 2021 and ends on April 10, 2021 (referred to in this section as the "fourteenth qualifying period");

(c.93) the period that begins on April 11, 2021 and ends on May 8, 2021 (referred to in this section as the "fifteenth qualifying period");

(c.94) the period that begins on May 9, 2021 and ends on June 5, 2021 (referred to in this section as the "sixteenth qualifying period");

(c.95) the period that begins on June 6, 2021 and ends on July 3, 2021 (referred to in this section as the "seventeenth qualifying period");

(c.96) the period that begins on July 4, 2021 and ends on July 31, 2021 (referred to in this section as the "eighteenth qualifying period");

(c.97) the period that begins on August 1, 2021 and ends on August 28, 2021 (referred to in this section as the "nineteenth qualifying period");

(c.98) the period that begins on August 29, 2021 and ends on September 25, 2021 (referred to in this section as the "twentieth qualifying period");

(c.99) the period that begins on September 26, 2021 and ends on October 23, 2021 (referred to in this section as the "twenty-first qualifying period");

(c.991) the period that begins on October 24, 2021 and ends on November 20, 2021 (referred to in this section as the "twenty-second qualifying period"); and

(d) a prescribed period that ends no later than November 30, 2021. (*période d'admissibilité*)

(15) The portion of paragraph (a) of the definition *rent subsidy percentage* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(a) if the qualifying period is any of the eighth qualifying period to the seventeenth qualifying period,

(16) The definition *rent subsidy percentage* in subsection 125.7(1) of the Act is amended by striking out "and" at the end of paragraph (a) and by replacing paragraph (b) with the following:

(a.1) if the qualifying period is any of the eighteenth qualifying period to the twentieth qualifying period, the percentage determined by the formula

A + B

where

A is the eligible entity's base percentage for the qualifying period, and

B is the eligible entity's top-up percentage for the qualifying period; and

(b) for a qualifying period after the twentieth qualifying period, a percentage determined by regulation in respect of the eligible entity or, if there is no percentage determined by regulation for the qualifying period, nil. (*pourcentage de subvention pour le loyer*)

(17) The description of A in the definition *rent top-up percentage* in subsection 125.7(1) of the Act is replaced by the following:

A is 25%, or a prescribed percentage, for any of the eighth qualifying period to the twentieth qualifying period and nil, or a prescribed percentage, for any subsequent qualifying period,

(18) Paragraphs (a) to (c) of the definition *specified percentage* in subsection 125.7(1) of the Act are replaced by the following:

(a) for the first qualifying period, 85%; and

(b) for any of the second qualifying period to the fourth qualifying period, 70%. (*pourcentage déterminé*)

(19) The definition *top-up percentage* in subsection 125.7(1) of the Act is replaced by the following:

top-up percentage, of an eligible entity for a qualifying period, means the percentage determined by regulation for the qualifying period or, if there is no percentage determined by regulation for the qualifying period,

(a) for any of the fifth qualifying period to the tenth qualifying period, the lesser of 25% and the percentage determined by the formula

1.25 × (A – 50%)

where

A is the entity's top-up revenue reduction percentage for the qualifying period;

(b) for any of the eleventh qualifying period to the seventeenth qualifying period, the lesser of 35% and the percentage determined by the formula

1.75 × (A – 50%)

where

A is the entity's top-up revenue reduction percentage for the qualifying period;

(c) for the eighteenth qualifying period, the lesser of 25% and the percentage determined by the formula

1.25 × (A – 50%)

where

A is the entity's top-up revenue reduction percentage for the qualifying period;

(d) for the nineteenth qualifying period, the lesser of 15% and the percentage determined by the formula

0.75 × (A – 50%)

where

A is the entity's top-up revenue reduction percentage for the qualifying period;

(e) for the twentieth qualifying period, the lesser of 10% and the percentage determined by the formula

0.5 × (A – 50%)

where

A is the entity's top-up revenue reduction percentage for the qualifying period; and

(f) for a qualifying period after the twentieth qualifying period, a percentage determined by regulation in respect of the eligible entity or, if there is no percentage determined by regulation for the qualifying period, nil. (*pourcentage compensatoire*)

(20) The portion of paragraph (a) of the definition *top-up revenue reduction percentage* in subsection 125.7(1) of the Act before the formula is replaced by the following:

(a) for any of the fifth qualifying period to the seventh qualifying period, the result (expressed as a percentage) of the formula

(21) The portion of paragraph (b) of the definition *top-up revenue reduction percentage* in subsection 125.7(1) of the Act before subparagraph (i) is replaced by the following:

(b) for any of the eighth qualifying period to the tenth qualifying period, the greater of

(22) Paragraph (c) of the definition *top-up revenue reduction percentage* in subsection 125.7(1) of the Act is replaced by the following:

(c) for the eleventh qualifying period and each subsequent qualifying period, the eligible entity's revenue reduction percentage for the qualifying period. (*pourcentage compensatoire de baisse de revenue*)

(23) Subsection 125.7(1) of the Act is amended by adding the following in alphabetical order:

executive compensation repayment amount, of an eligible entity, means

(a) nil, unless

(i) shares of the capital stock of the eligible entity are listed or traded on a stock exchange or other public market, or

(ii) the eligible entity is controlled by a corporation described in subparagraph (i); and

(b) if the conditions in subparagraph (a)(i) or (ii) are met, the amount determined by the formula

A × B

where

A is

(a) a percentage assigned to the eligible entity under an agreement if

(i) the agreement is entered into by

(A) the eligible entity,

(B) an eligible entity, shares of the capital stock of which are listed or traded on a stock exchange or other public market, that controls the eligible entity (referred to in this definition as the "public parent corporation"), if the public parent corporation received a deemed overpayment under subsection (2) in respect of the seventeenth qualifying period or any subsequent qualifying period, and

(C) each other eligible entity that received a deemed overpayment under subsection (2) in respect of the seventeenth qualifying period or any subsequent qualifying period and was controlled in that period by the eligible entity or the public parent corporation, if any,

(ii) the agreement is filed in prescribed form and manner with the Minister,

(iii) the agreement assigns, for the purposes of this definition, a percentage in respect of each eligible entity referred to in subparagraph (i) of this description,

(iv) the total of all the percentages assigned under the agreement equals 100%, and

(v) the percentage allocated to any eligible entity under the agreement would not result in an amount allocated to the eligible entity in excess of the total of all amounts of deemed overpayments of the eligible entity under subsection (2) for the seventeenth qualifying period and any subsequent qualifying period, and

(b) in any other case, 100%, and

B is the lesser of

(a) the total of all amounts each of which is an amount of a deemed overpayment under subsection (2) for each of the entities described in subparagraph (a)(i) of the description of A for the seventeenth qualifying period and each subsequent qualifying period, other than amounts in respect of employees on leave with pay, and

(b) the amount determined by the formula

C – D

where

C is the executive remuneration of the eligible entity, or of the public parent corporation that controls the eligible entity, if any, for the 2021 calendar year (prorated based upon the number of days of the eligible entity's, or public parent corporation's, fiscal periods in the calendar year, if those fiscal periods are not the calendar year), and

D is the executive remuneration of the eligible entity, or of the public parent corporation that controls the eligible entity, if any, for the 2019 calendar year (prorated based upon the number of days of the eligible entity's, or public parent corporation's, fiscal periods in the calendar year, if those fiscal periods are not the calendar year). (*montant du remboursement de la rémunération de la haute direction*)

executive remuneration, of an eligible entity, means

(a) the total amount of compensation that is reported in the eligible entity's Statement of Executive Compensation for Named Executive Officers pursuant to National Instrument 51-102 Continuous Disclosure Obligations, as amended from time to time, of the Canadian Securities Administrators in respect of Named Executive Officers of the eligible entity;

(b) if paragraph (a) does not apply and the eligible entity is required to make a similar disclosure to shareholders under the laws of another jurisdiction, the amount of total compensation reported in that disclosure (if the compensation of more than five individuals is required to be reported under that disclosure, using the five most highly compensated of those individuals); and

(c) if paragraphs (a) and (b) do not apply, the amount that would be required to be reported by the eligible entity using the methodology for preparing the Statement of Executive Compensation referred to in paragraph (a). (*rémunération de la haute direction*)

qualifying recovery entity, for a qualifying period, means an eligible entity that meets the following conditions:

(a) it files an application with the Minister in respect of the qualifying period in prescribed form and manner no later than 180 days after the end of the qualifying period;

(b) it is a qualifying entity for the qualifying period;

(c) if it is a corporation (other than a corporation that is exempt from tax under this Part), it

(i) is a Canadian-controlled private corporation, or

(ii) would be a Canadian-controlled private corporation absent the application of subsection 136(1);

(d) if it is a partnership, throughout the qualifying period it is the case that

$$\mathbf{A \leq 0.5B}$$

where

A is the total of all amounts, each of which is the fair market value of an interest in the partnership held — directly or indirectly, through one or more partnerships — by

(i) a person or partnership other than an eligible entity, or

(ii) a corporation, other than a corporation that

(A) is exempt from tax under this Part, or

(B) is described in subparagraph (c)(i) or (ii), and

B is the total fair market value of all interests in the partnership; and

(e) it has a revenue reduction percentage

(i) greater than 0%, if it is the seventeenth qualifying period, or

(ii) greater than 10%, if it is any of the eighteenth qualifying period to the twenty-second qualifying period. (*entité de relance admissible*)

recovery wage subsidy rate, for a qualifying period, means

(a) for any of the seventeenth qualifying period to the nineteenth qualifying period, 50%;

(b) for the twentieth qualifying period, 40%;

(c) for the twenty-first qualifying period, 30%; and

(d) for the twenty-second qualifying period, 20%. (*taux de subvention salariale de relance*)

total base period remuneration, of an eligible entity, means the total of all amounts, each of which is for an eligible employee in respect of a week in the fourteenth qualifying period, equal to the least of

(a) $1,129,

(b) the eligible remuneration paid to the eligible employee in respect of the week,

(c) if the eligible employee does not deal at arm's length with the eligible entity in the qualifying period, the baseline remuneration in respect of the eligible employee determined for that week, and

(d) if the eligible employee is on leave with pay in the week, nil. (*rémunération totale de la période de base*)

total current period remuneration, of an eligible entity for a qualifying period, means the total of all amounts, each of which is for an eligible employee in respect of a week in the qualifying period, equal to the least of

(a) $1,129,

(b) the eligible remuneration paid to the eligible employee in respect of the week,

(c) if the eligible employee does not deal at arm's length with the eligible entity in the qualifying period, the baseline remuneration in respect of the eligible employee determined for that week, and

(d) if the eligible employee is on leave with pay in the week, nil. (*rémunération totale de la période actuelle*)

(24) Section 125.7 of the Act is amended by adding the following after subsection (2.1):

Canada Recovery Hiring Program

(2.2) For a qualifying recovery entity for a qualifying period, an overpayment on account of the qualifying entity's liability under this Part for the taxation year in which the qualifying period ends is deemed to have arisen during the qualifying period in an amount determined by the formula

$$A \times (B - C)$$

where

A is the recovery wage subsidy rate for the qualifying period;

B is the qualifying recovery entity's total current period remuneration for the qualifying period; and

C is the qualifying recovery entity's total base period remuneration.

(25) Subsection 125.7(3) of the Act is replaced by the following:

When assistance received

(3) For the purposes of this Act other than this section, and for greater certainty, an amount that an eligible entity is deemed under any of subsections (2) to (2.2) to have overpaid is assistance received by it from a government immediately before the end of the qualifying period to which it relates.

(26) Paragraph 125.7(4.2)(d) of the Act is replaced by the following:

(d) if the seller meets any of the following conditions, the eligible entity is deemed to meet that condition:

(i) either of the conditions in paragraph (d) of the definition *qualifying entity* in subsection (1), and

(ii) both of the conditions in subparagraph (c)(ii), or the condition in subparagraph (c)(iii), of the definition *qualifying renter* in subsection (1); and

(27) Paragraphs 125.7(5)(a) and (b) of the Act are replaced by the following:

(a) the amount of any deemed overpayment by an eligible entity under any of subsections (2) to (2.2) in respect of a qualifying period cannot exceed the amount claimed by the eligible entity — in the application referred to in paragraph (a) of the definition *qualifying entity* in subsection (1), paragraph (a) of the definition *qualifying renter* in subsection (1) or paragraph (a) of the definition *qualifying recovery entity* in subsection (1) — in respect of that qualifying period; and

(b) if an eligible employee is employed in a week by two or more qualifying entities that do not deal with each other at arm's length, the total amount of the deemed overpayment under subsection (2) or (2.2) in respect of the eligible employee for that week shall not exceed the amount that would arise if the eligible employee's eligible remuneration for that week were paid by one qualifying entity.

(28) Subparagraph 125.7(6)(b)(ii) of the Act is replaced by the following:

(ii) in respect of the fifth qualifying period and subsequent qualifying periods, increase the amount of a deemed overpayment under subsection (2), or

(29) Section 125.7 of the Act is amended by adding the following after subsection (6):

Anti-avoidance — recovery wage subsidy

(6.1) Notwithstanding any other provision in this section, the total current period remuneration of an eligible entity for a qualifying period is deemed to be equal to the total base period remuneration of the eligible entity, if

(a) the eligible entity, or a person or partnership not dealing at arm's length with the eligible entity, enters into a transaction or participates in an event (or a series of transactions or events) or takes an action (or fails to take an action) that has the effect of increasing the difference between the total current period remuneration and the total base period remuneration of the eligible entity for the qualifying period; and

(b) it is reasonable to conclude that one of the main purposes of the transaction, event, series or action in paragraph (a) is to increase the amount of a deemed overpayment under subsection (2.2).

(30) Paragraphs 125.7(7)(a) and (b) of the Act are replaced by the following:

(a) for the purposes of subsections (2) to (2.2) and subsections 152(3.4) and 160.1(1), to be a taxpayer, and

(b) for the purposes of subsections (2) to (2.2), to have a liability under this Part for a taxation year in which a qualifying period ends.

(31) Subparagraphs 125.7(8)(a)(i) and (ii) of the Act are replaced by the following:

(i) the percentages in subparagraphs (a)(i), (b)(i), (c)(i), (d)(i), (e)(i), (f)(i), (g)(i), (h)(i), (i)(i) and (j)(i), and

(ii) the factors in subparagraphs (a)(ii), (b)(ii), (c)(ii), (d)(ii), (e)(ii), (f)(ii), (g)(ii), (h)(ii), (i)(ii) and (j)(ii); and

(32) Paragraph 125.7(8)(b) of the Act is replaced by the following:

(b) the definition *rent subsidy percentage* in subsection (1), the factors and percentages in paragraphs (a) and (a.1) of that definition;

(b.1) the definition *recovery wage subsidy rate*, the percentages in that definition; and

(33) Section 125.7 of the Act is amended by adding the following after subsection (9):

Special case

(9.1) For the purposes of paragraph (9)(b), if the particular qualifying period is the eleventh qualifying period, then the immediately preceding qualifying period is deemed to be the ninth qualifying period.

Greater of wage and recovery subsidies

(9.2) For a qualifying period,

(a) if the amount of any deemed overpayment under subsection (2) is equal to or greater than the amount of any deemed overpayment under subsection (2.2), the amount of any deemed overpayment under subsection (2.2) is deemed to be nil; and

(b) if the amount of any deemed overpayment under subsection (2.2) is greater than the amount of any deemed overpayment under subsection (2), the amount of any deemed overpayment under subsection (2) is deemed to be nil.

(34) Section 125.7 of the Act is amended by adding the following after section (13)

Executive compensation

(14) The amount of a refund made by the Minister to an eligible entity in respect of a deemed overpayment under subsection (2) on a particular date under subsection 164(1.6), in respect of any of the seventeenth qualifying period to the twenty-second qualifying period, is deemed to be an amount that has been refunded to the eligible entity on that particular date (for the taxation year in which the refund was made) in excess of the amount to which the eligible entity was entitled as a refund under this Act to the extent of the lesser of the amount of the refund and the amount determined by the formula

A – B

where

A is the executive compensation repayment amount of the eligible entity; and

B is the total of all amounts deemed to be an excess refund to the eligible entity under this subsection in respect of refunds made after the particular date.

Foreign currency — executive remuneration

(15) For the purposes of paragraphs 261(2)(b) and (5)(c), amounts referred to in the definition *executive remuneration* in subsection (1) are deemed to arise on the last day of the eligible entity's fiscal period to which the amount relates and not at any other time.

(35) Subsections (12) and (26) are deemed to have come into force on September 27, 2020.

18 Subsection 152(3.4) of the Act is replaced by the following:

COVID-19 — notice of determination

(3.4) The Minister may at any time determine the amount deemed by any of subsections 125.7(2) to (2.2) to be an overpayment on account of a taxpayer's liability under this Part that arose during a *qualifying period* (as defined in subsection 125.7(1)), or determine that there is no such amount, and send a notice of the determination to the taxpayer.

19 (1) Subparagraph 163(2)(i)(i) of the Act is replaced by the following:

(i) the amount that would be deemed by any of subsections 125.7(2) to (2.2) to have been an overpayment by the person or partnership if that amount were calculated by reference to the information provided in the application filed pursuant to paragraph (a) of the definition *qualifying entity* in subsection 125.7(1), paragraph (a) of the definition *qualifying renter* in subsection 125.7(1) or paragraph (a) of the definition *qualifying recovery entity* in subsection 125.7(1), as the case may be

(2) Section 163 of the Act is amended by adding the following after subsection (2.901):

Penalty — COVID-19

(2.902) Every eligible entity that is deemed by subsection 125.7(6.1) to have an amount of total current period remuneration for a qualifying period is liable to a penalty equal to 25% of the amount that would be deemed by subsection 125.7(2.2) to have been an overpayment by the eligible entity during that qualifying period if that amount were calculated by reference to the information provided in the application filed pursuant to paragraph (a) of the definition *qualifying recovery entity* in subsection 125.7(1).

20 Subsection 164(1.6) of the Act is replaced by the following:

COVID-19 refunds

(1.6) Notwithstanding subsection (2.01), at any time after the beginning of a taxation year of a taxpayer in which an overpayment is deemed to have arisen under any of subsections 125.7(2) to (2.2), the Minister may refund to the taxpayer all or any part of the overpayment.

21 Section 8901.2 of the *Income Tax Regulations* is replaced by the following:

8901.2 The amount determined by regulation in respect of a qualifying entity for the purposes of clause (b)(iv)(B) of the description of A in subsection 125.7(2) of the Act for a week in a qualifying period is

(a) for the seventh qualifying period and eighth qualifying period, the greater of

(i) the amount determined for the week under subparagraph (a)(i) of the description of A in subsection 125.7(2) of the Act, and

(ii) the amount determined for the week under subparagraph (a)(ii) of the description of A in subsection 125.7(2) of the Act;

(b) for the ninth qualifying period and the tenth qualifying period, the greater of

(i) $500, and

(ii) the lesser of

(A) 55% of *baseline remuneration* (as defined in subsection 125.7(1) of the Act) in respect of the eligible employee determined for that week, and

(B) $573;

(c) for any of the eleventh qualifying period to the nineteenth qualifying period, the greater of

(i) $500, and

(ii) the lesser of

(A) 55% of *baseline remuneration* (as defined in subsection 125.7(1) of the Act) in respect of the eligible employee determined for that week, and

(B) $595; and

(d) for the twentieth qualifying period and any subsequent qualifying period, nil.

Immediate Expensing

22 The Act is modified to give effect to the proposals relating to Immediate Expensing as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Rate Reduction for Zero-Emission Technology Manufacturers

23 The Act is modified to give effect to the proposals relating to a Rate Reduction for Zero-Emission Technology Manufacturers as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Capital Cost Allowance for Clean Energy Equipment

24 The Act is modified to give effect to the proposals relating to Capital Cost Allowance for Clean Energy Equipment as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Film or Video Production Tax Credits

25 The Act is modified to give effect to the proposals relating to Film or Video Production Tax Credits as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Mandatory Disclosure Rules

26 The Act is modified to give effect to the proposals relating to Mandatory Disclosure Rules as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Avoidance of Tax Debts

27 The Act is modified to give effect to the proposals relating to Avoidance of Tax Debts as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Audit Authorities

28 (1) Subsection 231.1(1) of the Act is amended by striking out "and" at the end of paragraph (a), by adding "and" at the end of paragraph (b) and by replacing the portion of that subsection after paragraph (b) with the following:

(c) require the owner or manager of a property or business of a taxpayer — and any particular person on the premises or place where the business is carried on, the property is kept, anything is done in connection with the business or any books or records of the taxpayer are or should be kept — to give the authorized person all reasonable assistance and to answer all proper questions and, for those purposes, the authorized person may require

(i) the owner or manager to attend at the premises or place with the authorized person, and

(ii) the owner, manager or the particular person to answer those questions orally or in writing, in any form specified by the authorized person.

(2) Subsection 231.1(2) of the Act is replaced by the following:

Entry to premises

(2) For the purposes of subsection (1), an authorized person may enter into the premises or place where any business is carried on, any property is kept, anything is done in connection with any business or any books or records are or should be kept, except if the premises or place is a dwelling-house, the authorized person may enter the dwelling-house without the consent of the occupant only under the authority of a warrant under subsection (3).

Base Erosion and Profit Shifting

Interest Deductibility Limits

29 The Act is modified to give effect to the proposals relating to Interest Deductibility Limits as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Hybrid Mismatch Arrangements

30 The Act is modified to give effect to the proposals relating to Hybrid Mismatch Arrangements as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Notice of Ways and Means Motion to amend the Excise Tax Act

That it is expedient to amend the *Excise Tax Act* as follows:

Application of the GST/HST to E-commerce

1 (1) The definition *reporting period* in subsection 123(1) of the *Excise Tax Act* is replaced by the following:

reporting period of a person means the reporting period of the person as determined under sections 211.18 and 245 to 251; (*période de déclaration*)

(2) Paragraph (c) of the definition *activité commerciale* in subsection 123(1) of the French version of the Act is replaced by the following:

c) la réalisation d'une fourniture, sauf une fourniture exonérée, d'un immeuble de la personne, y compris les actes qu'elle accomplit dans le cadre ou à l'occasion de la fourniture. (*commercial activity*)

(3) Subsections (1) and (2) come into force, or are deemed to have come into force, on July 1, 2021.

2 (1) Paragraph 141.01(1)(c) of the French version of the Act is replaced by the following:

c) la réalisation de fournitures d'immeubles de la personne, y compris les actes qu'elle accomplit dans le cadre ou à l'occasion des fournitures.

(2) Subsection (1) comes into force, or is deemed to have come into force, on July 1, 2021.

3 (1) Subsection 143(1) of the Act is amended by striking out "or" at the end of paragraph (b) and by adding the following after that paragraph:

(b.1) the supply is a *qualifying tangible personal property supply* (as defined in subsection 211.1(1)) and the person is required under section 211.22 to be registered under Subdivision D of Division V at the time the supply is made; or

(2) Subsection (1) comes into force, or is deemed to have come into force, on July 1, 2021.

(3) For the purposes of applying subsection 143(1) of the Act, as amended by subsection (1), in respect of a supply in respect of which subparagraph 7(2)(c)(ii) applies, the supply is deemed to have been made on July 1, 2021.

4 (1) Subsection 148(3) of the Act is replaced by the following:

Non-application

(3) This section does not apply to

(a) a person registered under Subdivision E of Division II; or

(b) a non-resident person that makes a supply in Canada of admissions in respect of a place of amusement, a seminar, an activity or an event and whose only business carried on in Canada is the making of such supplies.

(2) Subsection (1) comes into force, or is deemed to have come into force, on July 1, 2021.

5 (1) Subsection 178.8(9) of the Act is replaced by the following:

Application

(9) Subsections (2) to (7) do not apply in respect of goods imported in circumstances in which subsection 169(2) applies or in which section 180 or subparagraph 211.23(1)(c)(i) deems a person to have paid tax in respect of a supply of property equal to the tax under Division III in respect of the importation of goods.

(2) Subsection (1) applies to goods imported on or after July 1, 2021 and to goods imported before that day that were not accounted for under section 32 of the *Customs Act* before that day.

6 (1) Section 179 of the Act is amended by adding the following after subsection (3):

Exception — distribution platform operator

(3.1) For the purposes of this Part, if

(a) paragraphs (1)(a) to (c) apply to a taxable supply in respect of particular tangible personal property that is made by a registrant and is referred to in any of subparagraphs (1)(a)(i) to (iii),

(b) the transfer referred to in paragraph (1)(b) of physical possession of the particular property is to a person (in this subsection referred to as the "consignee") that is acquiring physical possession of the particular property as the recipient of a taxable supply made by way of sale of the particular property that

(i) is deemed under subsection 211.23(1) to have been made by a *distribution platform operator* (as defined in subsection 211.1(1)), and

(ii) would, in the absence of subsection 211.23(1), be made by a non-resident person that is not registered under Subdivision D of Division V,

(c) the distribution platform operator is registered under Subdivision D of Division V, and

(d) the non-resident person gives to the registrant, and the registrant retains, a certificate that

(i) acknowledges that the consignee acquired physical possession of the particular property as the recipient of a taxable supply and that the distribution platform operator is required to collect tax in respect of that taxable supply, and

(ii) states the distribution platform operator's name and registration number assigned under section 241,

the following rules apply:

(e) paragraphs (1)(d) to (g) do not apply to the taxable supply referred to in paragraph (a), and

(f) the taxable supply referred to in paragraph (a) is deemed to have been made outside Canada.

(2) Subsection (1) comes into force, or is deemed to have come into force, on July 1, 2021.

7 (1) The Act is amended by adding the following after section 211:

SUBDIVISION E

Electronic Commerce

Interpretation

Definitions

211.1 (1) The following definitions apply in this Subdivision.

accommodation platform means a digital platform through which a person facilitates the making of supplies of short-term accommodation situated in Canada by another person that is not registered under Subdivision D of Division V. (*plateforme de logements*)

accommodation platform operator, in respect of a supply of short-term accommodation made through an accommodation platform, means a person (other than the supplier or an excluded operator in respect of the supply) that

(a) controls or sets the essential elements of the transaction between the supplier and the recipient;

(b) if paragraph (a) does not apply to any person, is involved, directly or through arrangements with third parties, in collecting, receiving or charging the consideration for the supply and transmitting all or part of the consideration to the supplier; or

(c) is a prescribed person. (*exploitant de plateforme de logements*)

Canadian accommodation related supply means a taxable supply of a service

(a) that is made to a person in connection with a supply of short-term accommodation situated in Canada made to the person; and

(b) the consideration for which represents a booking fee, administration fee or other similar charge. (*fourniture liée à un logement au Canada*)

digital platform includes a website, an electronic portal, gateway, store or distribution platform or any other similar electronic interface but does not include

(a) an electronic interface that solely processes payments; or

(b) a prescribed platform or interface. (*plateforme numérique*)

distribution platform operator, in respect of a supply of property or a service made through a specified distribution platform, means a person (other than the supplier or an excluded operator in respect of the supply) that

(a) controls or sets the essential elements of the transaction between the supplier and the recipient;

(b) if paragraph (a) does not apply to any person, is involved, directly or through arrangements with third parties, in collecting, receiving or charging the consideration for the supply and transmitting all or part of the consideration to the supplier; or

(c) is a prescribed person. (*exploitant de plateforme de distribution*)

electronic filing means using electronic media in a manner specified by the Minister. (*transmission électronique*)

excluded operator means a person that, in respect of a supply of property or a service,

(a) meets all of the following conditions:

(i) the person does not set, directly or indirectly, any of the terms and conditions under which the supply is made,

(ii) the person is not involved, directly or indirectly, in authorizing the charge to the recipient of the supply in respect of the payment of the consideration for the supply, and

(iii) the person is not involved, directly or indirectly, in the ordering or delivery of the property or in the ordering or rendering of the service;

(b) solely provides for the listing or advertising of the property or service or for the redirecting or transferring to a digital platform on which the property or service is offered;

(c) is solely a payment processor; or

(d) is a prescribed person. (*exploitant exclu*)

false statement includes a statement that is misleading because of an omission from the statement. (*faux énoncé*)

qualifying tangible personal property supply means a supply made by way of sale of tangible personal property that is, under the agreement for the supply, to be delivered or made available to the recipient in Canada, other than

(a) an exempt or zero-rated supply;

(b) a supply of tangible personal property sent by mail or courier to the recipient at an address in Canada from an address outside Canada by the supplier or by another person acting on behalf of the supplier, if the supplier maintains evidence satisfactory to the Minister that the property was so sent;

(c) a supply that is deemed under subsection 180.1(2) to have been made outside Canada; and

(d) a prescribed supply. (*fourniture admissible d'un bien meuble corporel*)

specified Canadian recipient means a recipient of a supply in respect of which the following conditions are met:

(a) the recipient has not provided to the supplier, or to a distribution platform operator in respect of the supply, evidence satisfactory to the Minister that the recipient is registered under Subdivision D of Division V; and

(b) the usual place of residence of the recipient is situated in Canada. (*acquéreur canadien déterminé*)

specified distribution platform means a digital platform through which a person facilitates the making of specified supplies by another person that is a specified non-resident supplier or facilitates the making of qualifying tangible personal property supplies by another person that is not registered under Subdivision D of Division V. (*plateforme de distribution déterminée*)

specified non-resident supplier means a non-resident person that does not make supplies in the course of a business carried on in Canada and that is not registered under Subdivision D of Division V. (*fournisseur non-résident déterminé*)

specified supply means a taxable supply of intangible personal property or a service other than

(a) a supply of intangible personal property that

(i) may not be used in Canada,

(ii) relates to real property situated outside Canada, or

(iii) relates to tangible personal property ordinarily situated outside Canada;

(b) a supply of a service that

(i) may only be consumed or used outside Canada,

(ii) is in relation to real property situated outside Canada, or

(iii) is rendered in connection with criminal, civil or administrative litigation (other than a service rendered before the commencement of such litigation) that is under the jurisdiction of a court or other tribunal established under the laws of a country other than Canada or that is in the nature of an appeal from a decision of a court or other tribunal established under the laws of a country other than Canada;

(c) a supply of a service that is deemed under subsection 180.1(2) to have been made outside Canada;

(d) a supply of a service

(i) that is made to a person in connection with a supply of short-term accommodation made to the person, and

(ii) the consideration for which represents a booking fee, administration fee or other similar charge; and

(e) a prescribed supply. (*fourniture déterminée*)

Registration

(2) For greater certainty, in this Part (other than this Subdivision) and in Schedules V to X, a reference to registration does not include registration under this Subdivision.

Accommodations, Intangible Personal Property and Services

Residence indicators

211.11 (1) For the purposes of this Subdivision, the following are indicators in respect of the usual place of residence of a recipient of a supply:

(a) the home address of the recipient;

(b) the business address of the recipient;

(c) the billing address of the recipient;

(d) the Internet Protocol address of the device used by the recipient or similar data obtained through a geolocation method;

(e) payment-related information in respect of the recipient or other information used by the payment system;

(f) the information from a subscriber identity module, or other similar module, used by the recipient;

(g) the place at which a landline communication service is supplied to the recipient; and

(h) any other relevant information that the Minister may specify.

Indicator — Canada and provinces

(2) For the purposes of this section,

(a) a Canadian indicator in respect of the recipient of a supply is an indicator obtained in connection with the supply that reasonably supports the conclusion that the usual place of residence of the recipient is situated in Canada;

(b) a foreign indicator in respect of the recipient of a supply is an indicator obtained in connection with the supply that reasonably supports the conclusion that the usual place of residence of the recipient is situated outside Canada;

(c) a participating province indicator in respect of the recipient of a supply is an indicator obtained in connection with the supply that reasonably supports the conclusion that the usual place of residence of the recipient is situated in a participating province; and

(d) a non-participating province indicator in respect of the recipient of a supply is an indicator obtained in connection with the supply that reasonably supports the conclusion that the usual place of residence of the recipient is situated in a non-participating province.

Usual place of residence — Canada

(3) For the purposes of this Subdivision, the usual place of residence of the recipient of a supply is situated in Canada if a person that is the supplier or a distribution platform operator in respect of the supply,

(a) in the ordinary course of the person's operations, has obtained two or more Canadian indicators in respect of the recipient and has not obtained more than one foreign indicator in respect of the recipient;

(b) in the ordinary course of the person's operations, has obtained two or more Canadian indicators in respect of the recipient and two or more foreign indicators in respect of the recipient, but the Canadian indicators are, in the circumstances, reasonably considered to be more reliable in determining a place of residence; or

(c) if paragraphs (a) and (b) do not apply, has determined that the usual place of residence of the recipient is situated in Canada based on any method that the Minister may allow.

Usual place of residence — participating province address

(4) For the purposes of this Subdivision, if the usual place of residence of the recipient of a supply is situated in Canada and if a person that is the supplier or a distribution platform operator in respect of the supply has obtained in the ordinary course of the person's operations one or more addresses that are a home or business address of the recipient in a participating province and has not obtained in the ordinary course of the person's operations the same number or a greater number of addresses that are a home or business address of the recipient in a non-participating province, the usual place of residence of the recipient is situated in the following participating province:

(a) if those addresses of the recipient that are in a participating province are all in the same participating province, that participating province; and

(b) if those addresses of the recipient that are in a participating province are in two or more participating provinces and if the tax rates for those participating provinces are the same, the participating province among those participating provinces that has the largest population.

Usual place of residence — participating province indicators

(5) For the purposes of this Subdivision, if the usual place of residence of the recipient of a supply is situated in Canada but is not determined under subsection (4) to be in a participating province and if a person that is the supplier or a distribution platform operator in respect of the supply has obtained in the ordinary course of the person's operations one or more participating province indicators in respect of the recipient and has not obtained in the ordinary course of the person's operations the same number or a greater number of non-participating province indicators in respect of the recipient that could reasonably be considered to be as reliable in determining a place of residence as those participating province indicators, the usual place of residence of the recipient is situated in the following participating province:

(a) if those participating province indicators are in respect of the same participating province, that participating province;

(b) if those participating province indicators are in respect of two or more participating provinces and the participating province indicators in respect of one of those participating provinces are, in the circumstances, reasonably considered to be more reliable in determining a place of residence, that participating province;

(c) if the usual place of residence of the recipient is not determined under paragraph (a) or (b) and if the person has determined that the usual place of residence of the recipient is situated in one of the participating provinces based on any method that the Minister may allow, that participating province; or

(d) if the usual place of residence of the recipient is not determined under any of paragraphs (a) to (c) and if those participating province indicators are in respect of two or more participating provinces, the participating province among those participating provinces for which the tax rate is the lowest or, if the tax rates for those participating provinces are the same, the participating province among those participating provinces that has the largest population.

Usual place of residence — participating province

(6) For the purposes of this Subdivision, if, in respect of a supply, the usual place of residence of the recipient is situated in Canada but is not determined under subsection (4) or (5) to be in a participating province and if a person that is the supplier or a distribution platform operator in respect of the supply has determined that the usual place of residence of

the recipient is situated in a participating province based on any method that the Minister may allow, then the usual place of residence of the recipient is situated in that participating province.

Threshold amount

211.12 (1) For the purposes of this section, the threshold amount of a particular person for a period is the total of all amounts each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a supply that is, or that could reasonably be expected to be,

(a) a specified supply made during that period by the particular person to a specified Canadian recipient (other than a zero-rated supply or a supply that is deemed to have been made by the particular person under paragraph 211.13(1)(a) or subparagraph 211.13(2)(a)(i));

(b) a Canadian accommodation related supply made during that period by the particular person to another person that is not registered under Subdivision D of Division V;

(c) if the particular person is a distribution platform operator in respect of a specified supply (other than a zero-rated supply) made during that period through a specified distribution platform by a specified non-resident supplier to a specified Canadian recipient, a specified supply (other than a zero-rated supply) that is made during that period through the specified distribution platform by a specified non-resident supplier to a specified Canadian recipient and in respect of which any person is a distribution platform operator; or

(d) if the particular person is an accommodation platform operator in respect of an accommodation supply — being a taxable supply of short-term accommodation situated in Canada made by any person that is not registered under Subdivision D of Division V to a recipient that is not registered under that Subdivision — that is made during that period through an accommodation platform, an accommodation supply that is made during that period through the accommodation platform and in respect of which any person is an accommodation platform operator.

Registration required

(2) Every person (other than a registrant or a person that carries on a business in Canada) that is a specified non-resident supplier at any time, a distribution platform operator in respect of a supply made at any time or an accommodation platform operator in respect of a supply made at any time is required at that time to be registered under this Subdivision if the threshold amount of the person for any period of 12 months (other than a period that begins before July 2021) that includes that time exceeds $30,000.

Application

(3) A person required under subsection (2) to be registered under this Subdivision shall apply to the Minister for registration. The application is to be made in prescribed form containing prescribed information and is to be filed with the Minister by way of electronic filing on or before the first day on which the person is required to be registered under this Subdivision.

Registration

(4) The Minister may register any person that applies for registration under subsection (3) and, upon doing so, the Minister shall assign a registration number to the person and notify the person of the registration number and the effective date of the registration.

Notice of intent

(5) If the Minister has reason to believe that a person that is not registered under this Subdivision is required to be registered under subsection (2) and has failed to apply for registration under subsection (3) as and when required, the Minister may send a notice in writing (in this section referred to as a "notice of intent") to the person that the Minister proposes to register the person under subsection (7).

Representations to Minister

(6) Upon receipt of a notice of intent, a person shall apply for registration under subsection (3) or establish to the satisfaction of the Minister that the person is not required to be registered under subsection (2).

Registration by Minister

(7) If, after 60 days after the particular day on which a notice of intent was sent by the Minister to a person, the person has not applied for registration under subsection (3) and the Minister is not satisfied that the person is not required to be registered under subsection (2), the Minister may register the person under this Subdivision and, upon doing so, shall assign a registration number to the person and notify the person in writing of the registration number and the effective date of the registration, which effective date is not to be earlier than 60 days after the particular day.

Cessation of registration

(8) If a person is registered under this Subdivision and if the person becomes registered under Subdivision D of Division V on a particular day, the person ceases to be registered under this Subdivision effective on the particular day.

Cancellation on notice

(9) The Minister may, after giving a person that is registered under this Subdivision reasonable written notice, cancel the registration of the person if the Minister is satisfied that the registration is not required under this Subdivision.

Cancellation on request

(10) On request from a person, the Minister shall cancel the registration of the person under this Subdivision if the Minister is satisfied that the registration is not required under this Subdivision.

Cancellation — notification

(11) If the Minister cancels the registration of a person under subsection (9) or (10), the Minister shall notify the person of the cancellation and its effective date.

Public disclosure

(12) Despite section 295, the Minister may make available to the public, in any manner that the Minister considers appropriate, the names of persons registered under this Subdivision (including any trade name or other name used by those persons), the registration numbers assigned to those persons under this section, the effective date of the registration and, if a person ceases to be registered under this Subdivision, the date on which the person ceases to be registered.

Specified supply — operator

211.13 (1) If a specified supply is made through a specified distribution platform by a specified non-resident supplier to a specified Canadian recipient and if another person registered under this Subdivision is a distribution platform operator in respect of the specified supply, then, for the purposes of this Part (other than section 211.1, paragraph 211.12(1)(c) and section 240)

(a) the specified supply is deemed to have been made by the other person and not by the specified non-resident supplier; and

(b) the other person is deemed not to have made a supply to the specified non-resident supplier of services relating to the specified supply.

Specified supply — registered operator

(2) If a specified supply is made through a specified distribution platform by a specified non-resident supplier, if another person that is registered under Subdivision D of Division V, or that carries on a business in Canada, is a distribution platform operator in respect of the specified supply and if, in the absence of section 143, the specified supply would have been a supply made in Canada, the following rules apply:

(a) if the other person is registered under Subdivision D of Division V, for the purposes of this Part (other than section 211.1, paragraph 211.12(1)(c) and section 240)

(i) the specified supply is deemed to have been made by the other person and not by the specified non-resident supplier, and

(ii) the other person is deemed not to have made a supply to the specified non-resident supplier of services relating to the specified supply; and

(b) in any other case, for the purposes of sections 148 and 249, the specified supply is deemed to have been made by the other person and not by the specified non-resident supplier.

Accommodation — operator

(3) If a particular supply that is a taxable supply of short-term accommodation situated in Canada is made through an accommodation platform by a particular person that is not registered under Subdivision D of Division V, if another person that is registered under this Subdivision is an accommodation platform operator in respect of the particular supply and if the recipient has not provided to the other person evidence satisfactory to the Minister that the recipient is registered under Subdivision D of Division V, then, for the purposes of this Part (other than sections 148 and 211.1, paragraph 211.12(1)(d) and sections 240 and 249)

(a) the particular supply is deemed to have been made by the other person and not by the particular person; and

(b) the other person is deemed not to have made a supply to the particular person of services relating to the particular supply.

Accommodation — registered operator

(4) If a particular supply that is a taxable supply of short-term accommodation situated in Canada is made through an accommodation platform by a particular person that is not registered under Subdivision D of Division V and if another person that is registered under that Subdivision, or that carries on a business in Canada, is an accommodation platform operator in respect of the particular supply, then, for the purposes of this Part (other than for the purposes of applying sections 148 and 249 in respect of the particular person and other than for the purposes of section 211.1, paragraph 211.12(1)(d) and section 240)

(a) the particular supply is deemed to have been made by the other person and not by the particular person; and

(b) the other person is deemed not to have made a supply to the particular person of services relating to the particular supply.

Joint and several, or solidary, liability

(5) If a particular person that is deemed under paragraph (1)(a), subparagraph (2)(a)(i) or paragraph (3)(a) or (4)(a) not to have made a supply made a false statement to another person that is deemed under paragraph (1)(a), subparagraph (2)(a)(i) or paragraph (3)(a) or (4)(a), as the case may be, to have made the supply and if the false statement is relevant to the determination of whether the other person is required to collect tax in respect of the supply or the determination of the amount of tax that the other person is required to collect in respect of the supply, the following rules apply:

(a) the particular person and the other person are jointly and severally, or solidarily, liable for all obligations under this Part (in this subsection referred to as the "obligations in respect of the supply") that arise upon or as a consequence of

(i) the tax in respect of the supply becoming collectible by the other person, and

(ii) a failure to account for or pay as and when required under this Part an amount of net tax of the other person, or an amount required under section 230.1 to be paid by the other person, that is reasonably attributable to the supply;

(b) the Minister may assess the particular person for any amount for which the particular person is liable under this subsection and sections 296 to 311 apply with any modifications that the circumstances require; and

(c) if the other person did not know and could not reasonably be expected to have known that the particular person made a false statement and if the other person relied in good faith on the false statement and, because of such reliance, did not charge, collect or remit all the tax in respect of the supply that the other person was required to charge, collect or remit, despite section 296, the Minister is not to assess the other person for any obligations in respect of the

supply in excess of the obligations in respect of the supply that arise upon or as a consequence of the other person having charged, collected or remitted an amount of tax in respect of the supply.

Supply — Canada

211.14 (1) For the purposes of this Part and despite paragraphs 136.1(1)(d) and (2)(d), subsection 142(2) and section 143, if a person registered under this Subdivision makes a specified supply to a specified Canadian recipient, or makes a Canadian accommodation related supply to a recipient that has not provided to the person evidence satisfactory to the Minister that the recipient is registered under Subdivision D of Division V, the supply is deemed to be made in Canada and, in the case of a Canadian accommodation related supply that is included in Schedule VI, the supply is deemed not to be included in that Schedule.

Supply — Canada

(2) For the purposes of this Part and despite paragraph 136.1(2)(d), subsection 142(2) and section 143, if a person registered under Subdivision D of Division V or carrying on a business in Canada makes a Canadian accommodation related supply, the supply is deemed to be made in Canada and, if the supply is included in Schedule VI, the supply is deemed not to be included in that Schedule.

Specified supply — participating province

(3) For the purposes of this Part and despite section 144.1, if a specified supply (other than a supply of intangible personal property, or a service, that relates to real property) is deemed to be made in Canada under subsection (1), the following rules apply:

(a) if the usual place of residence of the specified Canadian recipient is situated in a participating province, the supply is deemed to be made in the participating province; and

(b) in any other case, the supply is deemed to be made in a non-participating province.

Canadian accommodation related supply — participating province

(4) For the purposes of this Part and despite section 144.1, if a Canadian accommodation related supply is deemed to be made in Canada under subsection (1) or (2), the supply is deemed to be made in the province in which the accommodation is situated.

Billing agent

211.15 For the purposes of this Part, if a particular person that is registered under this Subdivision makes an election in respect of a supply under subsection 177(1.1) with a registrant described in subsection 177(1.11), the registrant is deemed not to have made a supply to the particular person of services of acting as an agent described in subsection 177(1.11) in respect of the supply.

Disclosure of tax

211.16 A person registered under this Subdivision that is required under section 221 to collect tax in respect of a supply shall indicate to the recipient, in a manner satisfactory to the Minister,

(a) the consideration paid or payable by the recipient for the supply and the tax payable in respect of the supply; or

(b) that the amount paid or payable by the recipient for the supply includes the tax payable in respect of the supply.

Restrictions

211.17 (1) No amount of an input tax credit, rebate, refund or remission under this or any other Act of Parliament shall be credited, paid, granted or allowed to the extent that it can reasonably be regarded that the amount is determined, directly or indirectly, in relation to an amount that is collected as or on account of tax, or in relation to an amount of tax that is required to be collected, by a person that is registered or required to be registered under this Subdivision.

Exception

(2) Subsection (1) does not apply

(a) to a rebate, refund or remission in relation to an amount that a person may

(i) deduct under subsection 231(1), 232(3) or 234(3) in determining the net tax of the person for a reporting period of the person,

(ii) claim as a rebate under section 259 or 259.1, or

(iii) claim as a rebate under section 261 in respect of an amount that is collected as or on account of tax from the person at a time when the person is not registered under Subdivision D of Division V;

(b) for the purposes of subsections 232(1) and (2); and

(c) for prescribed purposes.

Return

211.18 (1) Despite subsection 238(2), every person registered under this Subdivision shall file a return with the Minister by way of electronic filing for each reporting period of the person within one month after the end of the reporting period.

Reporting period

(2) Despite sections 245 and 251 and subject to subsections (3) and (4), the reporting period of a person registered under this Subdivision is a calendar quarter.

Becoming registered

(3) If a person becomes registered under this Subdivision on a particular day, the following periods are deemed to be separate reporting periods of the person:

(a) the period beginning on the first day of the reporting period of the person, otherwise determined under section 245, that includes the particular day and ending on the day immediately preceding the particular day; and

(b) the period beginning on the particular day and ending on the last day of the calendar quarter that includes the particular day.

Cessation of registration

(4) If a person ceases to be registered under this Subdivision on a particular day, the following periods are deemed to be separate reporting periods of the person:

(a) the period beginning on the first day of the calendar quarter that includes the particular day and ending on the day immediately preceding the particular day; and

(b) the period beginning on the particular day and ending on the last day of the reporting period of the person, otherwise determined under section 245, that includes the particular day.

Definition of *qualifying foreign currency*

211.19 (1) In this section, ***qualifying foreign currency*** means the U.S. dollar, the euro or another foreign currency that the Minister may specify.

Manner of payment

(2) Every person that is registered or required to be registered under this Subdivision and that is required under subsection 278(2) to pay or remit an amount to the Receiver General shall pay or remit that amount in the manner determined by the Minister.

Non application — subsection 278(3)

(3) Subsection 278(3) does not apply in respect of an amount that a person that is registered or required to be registered under this Subdivision is required under this Part to pay or remit to the Receiver General.

Foreign currency — no designation

(4) Despite section 159 and subject to subsection (7), if tax is collected, or required to be collected, in respect of a supply made by a person that is registered or required to be registered under this Subdivision and if the value of the consideration for the supply is expressed in a foreign currency, the consideration is to be converted into Canadian currency using the exchange rate applicable on the last day of the reporting period in which the tax is collected or required to be collected, as the case may be, or using any other conversion method that the Minister may allow.

Foreign currency — application

(5) A person registered under this Subdivision may apply to the Minister, in prescribed form containing prescribed information and filed in prescribed manner with the Minister, to be designated as a person eligible to determine the net tax for a reporting period of the person in a qualifying foreign currency. The Minister may require that the application be filed by way of electronic filing.

Foreign currency — authorization

(6) If the Minister receives an application of a person under subsection (5), the Minister may, subject to such conditions as the Minister may at any time impose, designate the person as a person eligible to determine the net tax for a reporting period of the person in the qualifying foreign currency indicated by the Minister.

Foreign currency — designated persons

(7) Despite section 159, if a person is designated under subsection (6) in respect of a reporting period of the person, the following rules apply in respect of the reporting period:

(a) the net tax for the reporting period is to be determined in the return for that reporting period in the qualifying foreign currency indicated by the Minister;

(b) any amount to be remitted or paid by the person to the Receiver General in respect of the reporting period is to be remitted or paid in the qualifying foreign currency indicated by the Minister; and

(c) any amount that is required to be converted into the qualifying foreign currency indicated by the Minister for the purposes of determining the net tax for the reporting period, or for the purposes of determining any other amount to be remitted or paid to the Receiver General in respect of the reporting period, is to be converted into that qualifying foreign currency using the exchange rate applicable on the last day of the reporting period or using any other conversion method that the Minister may allow.

Prohibition

211.2 No person shall, in respect of a supply of property or a service made to a particular person who is a consumer of the property or service, provide to another person that is registered or required to be registered under this Subdivision evidence that the particular person is registered under Subdivision D of Division V.

Information return — accommodation platform operator

211.21 A person (other than a prescribed person) that, at any time during a calendar year, is registered or required to be registered under this Subdivision or is a registrant and that is an accommodation platform operator in respect of a supply of short-term accommodation situated in Canada made in the calendar year shall file with the Minister an information return for the calendar year, in prescribed form containing prescribed information, before July of the following calendar year. The Minister may require that the information return be filed by way of electronic filing.

Definition of *specified recipient*

211.22 (1) In this section, ***specified recipient***, in respect of a supply of property, means a person (other than a non-resident person that is not a consumer of the property) that is the recipient of the supply and that is not registered under Subdivision D of Division V.

Registration required

(2) Every person that is a non-resident person that does not at any time make supplies in the course of a business carried on in Canada or a distribution platform operator in respect of a supply made at any time is required at that time to be registered under Subdivision D of Division V if, for any period of 12 months (other than a period that begins before July 2021) that includes that time, the amount determined by the following formula is greater than $30,000:

A + B

where

A is the total of all amounts, each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a taxable supply that is, or that could reasonably be expected to be, a qualifying tangible personal property supply made during that period by the person to a specified recipient (other than a supply deemed to have been made by the person under subparagraph 211.23(1)(a)(i)); and

B is

(a) if the person is a distribution platform operator in respect of a qualifying tangible personal property supply made during that period through a specified distribution platform, the total of all amounts, each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a supply that is, or that could reasonably be expected to be, a qualifying tangible personal property supply made during that period through the specified distribution platform to a specified recipient and in respect of which any person is a distribution platform operator, and

(b) in any other case, zero.

Qualifying supply — operator

211.23 (1) If a particular supply that is a qualifying tangible personal property supply is made through a specified distribution platform by a particular person that is not registered under Subdivision D of Division V and if another person that is registered under Subdivision D of Division V, or is carrying on a business in Canada, is a distribution platform operator in respect of the particular supply, the following rules apply:

(a) for the purposes of this Part (other than for the purposes of applying sections 148 and 249 in respect of the particular person and other than for the purposes of section 211.1, paragraph (a) of the description of B in subsection 211.22(2) and section 240)

(i) the particular supply is deemed to have been made by the other person and not by the particular person, and

(ii) the particular supply is deemed to be a taxable supply;

(b) for the purposes of this Part (other than sections 179 and 180), the other person is deemed not to have made a supply to the particular person of services relating to the particular supply; and

(c) if the other person is registered under Subdivision D of Division V, if the particular person has paid tax under Division III in respect of the importation of the tangible personal property, if no person is entitled to claim an input tax credit or a rebate under this Part in respect of the tax in respect of the importation, if no person is deemed under section 180 to have paid tax in respect of a supply of the tangible personal property that is equal to the tax in respect of the importation and if the particular person provides to the other person evidence satisfactory to the Minister that the tax in respect of the importation has been paid,

(i) for the purposes of determining an input tax credit of the other person, the other person is deemed

(A) to have paid, at the time the particular person paid the tax in respect of the importation, tax in respect of a supply made to the other person of the tangible personal property equal to the tax in respect of the importation, and

(B) to have acquired the tangible personal property for use exclusively in commercial activities of the other person, and

(ii) no portion of the tax in respect of the importation paid by the particular person shall be rebated, refunded or remitted to the particular person, or shall otherwise be recovered by the particular person, under this or any other Act of Parliament.

Joint and several, or solidary, liability

(2) If a particular person that is deemed under subparagraph (1)(a)(i) not to have made a supply made a false statement to another person that is deemed under that subparagraph to have made the supply and if the false statement is relevant to the determination of whether the other person is required to collect tax in respect of the supply or the determination of the amount of tax that the other person is required to collect in respect of the supply, the following rules apply:

(a) the particular person and the other person are jointly and severally, or solidarily, liable for all obligations under this Part (in this subsection referred to as the "obligations in respect of the supply") that arise upon or as a consequence of

(i) the tax in respect of the supply becoming collectible by the other person, and

(ii) a failure to account for or pay as and when required under this Part an amount of net tax of the other person, or an amount required under section 230.1 to be paid by the other person, that is reasonably attributable to the supply;

(b) the Minister may assess the particular person for any amount for which the particular person is liable under this subsection and sections 296 to 311 apply with any modifications that the circumstances require; and

(c) if the other person did not know and could not reasonably be expected to have known that the particular person made a false statement and if the other person relied in good faith on the false statement and, because of such reliance, did not charge, collect or remit all the tax in respect of the supply that the other person was required to charge, collect or remit, despite section 296, the Minister is not to assess the other person for any obligations in respect of the supply in excess of the obligations in respect of the supply that arise upon or as a consequence of the other person having charged, collected or remitted an amount of tax in respect of the supply.

Joint and several, or solidary, liability

(3) If a particular person provides to another person evidence that tax in respect of an importation has been paid, if the particular person made a false statement to the other person, if the false statement is relevant to the determination of whether paragraph (1)(c) is applicable in respect of the importation and if the other person claimed an input tax credit (in this subsection referred to as the "non-allowable input tax credit") to which the other person was not entitled but to which the other person would have been entitled if paragraph (1)(c) were applicable in respect of the importation, the following rules apply:

(a) the particular person and the other person are jointly and severally, or solidarily, liable for all obligations under this Part that arise upon or as a consequence of the other person having claimed the non-allowable input tax credit;

(b) the Minister may assess the particular person for any amount for which the particular person is liable under this subsection and sections 296 to 311 apply with any modifications that the circumstances require; and

(c) if the other person did not know and could not reasonably be expected to have known that the particular person made a false statement and if the other person relied in good faith on the false statement and, because of such reliance, claimed the non-allowable input tax credit, despite section 296, the Minister is not to assess the other person for any obligations under this Part that arose upon or as a consequence of the other person having claimed the non-allowable input tax credit.

Notification and records — warehouse

211.24 A particular person (other than a prescribed person) that in the course of a business makes one or more particular supplies of a service of storing in Canada tangible personal property (other than a service that is incidental to the supply by the particular person of a *freight transportation service*, as defined in section 1 of Part VII of Schedule VI) offered for sale by another person that is a non-resident person shall

(a) notify the Minister of this fact, in prescribed form containing prescribed information and filed with the Minister in prescribed manner, on or before

(i) the day that is

(A) if the particular person makes those particular supplies in the course of a business carried on as of July 1, 2021, January 1, 2022, and

(B) in any other case, six months after the day on which the particular person last began making those particular supplies in the course of a business, or

(ii) any later day that the Minister may allow; and

(b) in respect of those particular supplies, maintain records containing information specified by the Minister.

Information return — operator

211.25 A person (other than a prescribed person) that is a registrant at any time during a calendar year and that is a distribution platform operator in respect of a qualifying tangible personal property supply made in the calendar year shall file with the Minister an information return for the calendar year, in prescribed form containing prescribed information, before July of the following calendar year. The Minister may require that the information return be filed by way of electronic filing.

(2) Subsection (1) comes into force, or is deemed to have come into force, on July 1, 2021, except that

(a) subsections 211.13(1) to (4) and section 211.14 of the Act, as enacted by subsection (1), apply

(i) in respect of supplies made after June 2021, and

(ii) in respect of supplies made before July 2021 if all or part of the consideration for the supply becomes due, or is paid without having become due, after June 2021;

(b) sections 211.21 and 211.25 of the Act, as enacted by subsection (1), apply to 2021 and subsequent calendar years except that, in applying those sections to the 2021 calendar year,

(i) the references to "a calendar year" in those sections are to be read as references to "the period that begins on July 1, 2021 and ends on December 31, 2021", and

(ii) the references to "the calendar year" in those sections are to be read as references to "that period"; and

(c) subsection 211.23(1) of the Act, as enacted by subsection (1), applies

(i) in respect of supplies made after June 2021, and

(ii) in respect of supplies made before July 2021 if all of the consideration for the supply becomes due, or is paid without having become due, after June 2021.

(3) For the purposes of applying sections 211.12 to 211.14 of the Act, as enacted by subsection (1), in respect of a supply in respect of which subparagraph (2)(a)(ii) applies, the supply is deemed to have been made on July 1, 2021.

(4) If subparagraph (2)(a)(ii) and subsection 211.13(3) or (4) of the Act, as enacted by subsection (1), apply in respect of a supply of short-term accommodation and if part of the consideration for the supply becomes due, or is paid without having become due, before July 2021, for the purposes of Division II of Part IX of the Act, that part of the consideration shall not be included in calculating the tax payable in respect of the supply.

(5) If subparagraph (2)(a)(ii) and section 211.14 of the Act, as enacted by subsection (1), apply in respect of a supply that is a specified supply or a Canadian accommodation related supply, if paragraph 143(1)(c) of the Act does not apply in respect of the supply and if part of the consideration for the supply becomes due, or is paid without having become due, before July 2021, the following rules apply:

(a) for the purposes of Division II of Part IX of the Act, that part of the consideration is not to be included in calculating the tax payable in respect of the supply; and

(b) for the purposes of Division IV of Part IX of the Act,

(i) despite section 211.14 of the Act, as enacted by subsection (1), the supply is deemed to be made outside Canada, and

(ii) the part of the consideration for the supply that becomes due, or is paid without having become due, after June 2021 is not to be included in calculating the tax payable in respect of the supply.

(6) For the purposes of applying sections 211.22 and 211.23 of the Act, as enacted by subsection (1), in respect of a supply in respect of which subparagraph (2)(c)(ii) applies, the supply is deemed to have been made on July 1, 2021.

8 (1) Subsection 240(2) of the Act is replaced by the following:

Non-resident supplier — tangible personal property

(1.5) Despite subsection (1), every person that is required under section 211.22 to be registered under this Subdivision is required to be registered for the purposes of this Part.

Non-resident performers, etc.

(2) Every person (other than a person registered under Subdivision E of Division II) that enters Canada for the purpose of making taxable supplies of admissions in respect of a place of amusement, a seminar, an activity or an event is required to be registered for the purposes of this Part and shall, before making any such supply, apply to the Minister for registration.

(2) The portion of subsection 240(2.1) of the Act before paragraph (a) is replaced by the following:

Application

(2.1) A person required under any of subsections (1) to (1.2) and (1.5) to be registered must apply to the Minister for registration before the day that is 30 days after

(3) Subsection 240(2.1) of the Act is amended by striking out "and" at the end of paragraph (a.1) and by adding the following after that paragraph:

(a.2) in the case of a person required under subsection (1.5) to be registered, the first day on which the person is required under section 211.22 to be registered under this Subdivision; and

(4) The portion of subsection 240(3) of the Act before paragraph (a) is replaced by the following:

Registration permitted

(3) An application for registration for the purposes of this Part may be made to the Minister by any person that is not required under subsection (1), (1.1), (1.2), (1.5), (2) or (4) to be registered, that is not required to be included in, or added to, the registration of a group under subsection (1.3) or (1.4) and that

(5) Subsections (1) to (4) come into force, or are deemed to have come into force, on July 1, 2021.

9 The Act is amended by adding the following after section 285.01:

Penalty

285.02 In addition to any other penalty under this Part, the recipient of a supply of property or a service that evades or attempts to evade the payment or collection of tax payable by the recipient under Division II in respect of the supply by providing false information to a particular person that is registered or required to be registered under Subdivision E of Division II or, if the recipient is a consumer of the property or service, by providing to the particular person evidence that the recipient is registered under Subdivision D of Division V is liable to pay a penalty equal to the greater of $250 and 50% of the amount of tax that has been evaded or attempted to be evaded.

10 (1) Subsection 286(1) of the Act is replaced by the following:

Keeping books and records

286 (1) Every person that carries on a business or is engaged in a commercial activity in Canada, every person that is required under this Part to file a return and every person that makes an application for a rebate or refund shall keep all records that are necessary to enable the determination of the person's liabilities and obligations under this Part or the amount of any rebate or refund to which the person is entitled.

Minister may specify information

(1.1) The Minister may specify the form a record is to take and any information that the record shall contain.

Language and location of record

(1.2) Unless otherwise authorized by the Minister, a record shall be kept in Canada in English or in French.

(2) Subsection (1) comes into force, or is deemed to have come into force, on July 1, 2021.

11 (1) The definition *business number* in subsection 295(1) of the Act is amended by striking out "or" at the end of paragraph (a) and by adding the following after that paragraph:

(a.1) a person registered under Subdivision E of Division II; or

(2) Paragraph 295(6.1)(a) of the Act is replaced by the following:

(a) the identified person is registered under Subdivision E of Division II or Subdivision D of Division V; and

(3) Subsections (1) and (2) come into force, or are deemed to have come into force, on July 1, 2021.

12 Paragraph 298(1)(e) of the Act is replaced by the following:

(e) in the case of any penalty payable by the person, other than a penalty under section 280.1, 285, 285.01, 285.02 or 285.1, more than four years after the person became liable to pay the penalty;

GST New Housing Rebate Conditions

13 (1) Subsection 262(3) of the Act is replaced by the following:

Group of individuals

(3) If a supply of a residential complex or a share of the capital stock of a cooperative housing corporation is made to two or more individuals or if two or more individuals construct or substantially renovate, or engage another person to construct or substantially renovate, a residential complex, the following rules apply in respect of those individuals:

(a) subject to paragraphs (b) and (c), the references in sections 254 to 256 to a particular individual shall be read as references to all of those individuals as a group;

(b) the references in paragraphs 254(2)(b), 254.1(2)(b), 255(2)(c), 256(2)(a) and (2.2)(b) to the primary place of residence of the particular individual or a relation of the particular individual are to be read as references to the primary place of residence of any of those individuals or a relation of any of those individuals;

(c) the references in clause 254(2)(g)(i)(A), subparagraphs 254.1(2)(g)(i), 255(2)(f)(i) and 256(2)(d)(i) and paragraph 256(2.2)(c) to the particular individual or a relation of the particular individual are to be read as references to any of those individuals or a relation of any of those individuals; and

(d) only one of those individuals may apply for the rebate under section 254, 254.1, 255 or 256, as the case may be, in respect of the complex or share.

(2) Subsection (1) applies in respect of

(a) any rebate under subsection 254(2), 254.1(2) or 255(2) of the Act in respect of which the agreement referred to in paragraph 254(2)(b), 254.1(2)(a) or 255(2)(c) of the Act, as the case may be, is entered into after Budget Day; and

(b) any rebate under subsection 256(2) of the Act

(i) in respect of a residential complex (other than a mobile home or floating home) if the construction or substantial renovation of the residential complex is substantially completed after Budget Day, or

(ii) in respect of a mobile home or floating home acquired or imported after Budget Day.

Rebate of Excise Tax for Goods Purchased by Provinces

14 (1) Section 68.19 of the *Excise Tax Act* is replaced by the following:

Payment — use by province

68.19 (1) If tax under Part III has been paid in respect of any goods that Her Majesty in right of a province has purchased or imported, an amount equal to the amount of that tax shall, subject to this Part, be paid to Her Majesty in right of the province if Her Majesty in right of the province has purchased or imported those goods for any purpose other than

(a) resale;

(b) use by any board, commission, railway, public utility, university, manufactory, company or agency owned, controlled or operated by the government of the province or under the authority of the legislature or the lieutenant governor in council of the province; or

(c) use by Her Majesty in right of the province, or by any agents or servants of Her Majesty in right of the province, in connection with the manufacture or production of goods or use for other commercial or mercantile purposes.

Application

(1.1) No amount shall be paid under subsection (1) in respect of goods purchased or imported by Her Majesty in right of a province unless an application for the payment is made within two years after Her Majesty in right of the province purchased or imported those goods.

Election

(1.2) Her Majesty in right of a province and the particular person that is, as the case may require, the importer, transferee, manufacturer, producer, wholesaler, jobber or other dealer in respect of goods that Her Majesty in right of the province purchases or imports may jointly elect, in prescribed form containing prescribed information, to have the following rules apply in respect of the purchase or importation:

(a) the particular person, and not Her Majesty in right of the province, is entitled to apply for a payment under subsection (1) in respect of the purchase or importation; and

(b) the amount payable by the Minister under subsection (1) in respect of the purchase or importation shall be paid to the particular person, and not to Her Majesty in right of the province.

Limitation

(1.3) No more than one election under subsection (1.2) may be made by Her Majesty in right of a province in respect of a particular purchase or importation of goods.

Exception

(2) Subsection (1.2) does not apply in respect of goods purchased or imported by Her Majesty in right of a province at a time when a reciprocal taxation agreement referred to in section 32 of the *Federal-Provincial Fiscal Arrangements Act* is in force in respect of the province.

Non-application of subsection 68.2(1)

(3) For greater certainty, if an application for a payment in respect of goods can be made by any person under subsection (1), subsection 68.2(1) does not apply in respect of the goods.

(2) Subsection (1) applies in respect of any goods purchased or imported after 2021.

Electronic Filing and Certification of Tax and Information Returns

15 The Act is modified to give effect to the proposals relating to Electronic Filing and Certification of Tax and Information Returns described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Avoidance of Tax Debts

16 The Act is modified to give effect to the proposals relating to Avoidance of Tax Debts described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Audit Authorities

17 Subsection 98(3) of the Act is replaced by the following:

Inspection

(3) Every person required by subsection (1) to keep records and books of account shall, at all reasonable times, make the records and books of account and every account and voucher necessary to verify the information therein available to officers of the Agency and other persons thereunto authorized by the Minister, give them all reasonable assistance to inspect the records, books, accounts and vouchers and answer all proper questions orally or in writing, in any manner specified by the officers or the other persons.

18 (1) Subsections 288(1) and (2) of the Act are replaced by the following:

Inspections

288 (1) Subject to subsection (2), an authorized person may, at all reasonable times, for any purpose related to the administration or enforcement of this Part,

(a) inspect, audit or examine the documents, property or processes of a person that may be relevant in determining the obligations of that or any other person under this Part or the amount of any rebate or refund to which that or any other person is entitled;

(b) enter any premises or place where any business or commercial activity is carried on, where any property is kept, where anything is done in connection with any business or commercial activity or where any documents are or should be kept; and

(c) require the owner or manager of the property, business or commercial activity — and any particular person on any premises, or in any place, where the business or commercial activity is carried on, where the property is kept, where anything is done in connection with the business or commercial activity or where any documents are or should be kept — to give to the authorized person all reasonable assistance and to answer all proper questions relating to the administration or enforcement of this Part and, for that purpose, the authorized person may require

(i) the owner or manager to attend at the premises or place with the authorized person, and

(ii) the owner, the manager or the particular person to answer those questions orally or in writing, in any manner specified by the authorized person.

Prior authorization

(2) If any premises or place referred to in subsection (1) is a dwelling-house, an authorized person may not enter that dwelling-house without the consent of the occupant, except under the authority of a warrant issued under subsection (3).

(2) Paragraph 288(3)(a) of the Act is replaced by the following:

(a) there are reasonable grounds to believe that a dwelling-house is a premises or place referred to in subsection (1),

Notice of Ways and Means Motion to amend the Excise Act, 2001 and Other Legislation

That it is expedient to amend the *Excise Act, 2001* and other legislation as follows:

Excise Duty on Tobacco

1 (1) The definition *adjustment day* in section 58.1 of the *Excise Act, 2001* is amended by striking out "or" at the end of paragraph (a.1) and by adding the following after that paragraph:

(a.2) the day after Budget Day; or

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

2 (1) Section 58.2 of the Act is amended by adding the following after subsection (1.1):

Imposition of tax — 2021 increase

(1.2) Subject to section 58.3, every person shall pay to Her Majesty a tax on all taxed cigarettes of the person held at the beginning of the day after Budget Day at the rate of $0.02 per cigarette.

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

3 (1) Subsection 58.5(1) of the Act is amended by striking out "or" at the end of paragraph (a.1) and by adding the following after that paragraph:

(a.2) in the case of the tax imposed under subsection 58.2(1.2), June 30, 2021; or

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

4 (1) Subsection 58.6(1) of the Act is amended by striking out "or" at the end of paragraph (a.1) and by adding the following after that paragraph:

(a.2) in the case of the tax imposed under subsection 58.2(1.2), June 30, 2021; or

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

5 (1) Paragraph 1(a) of Schedule 1 to the Act is replaced by the following:

(a) $0.72725; or

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

6 (1) Paragraph 2(a) of Schedule 1 to the Act is replaced by the following:

(a) $0.14545; or

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

7 (1) Paragraph 3(a) of Schedule 1 to the Act is replaced by the following:

(a) $9.09062; or

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

8 (1) Paragraph 4(a) of Schedule 1 to the Act is replaced by the following:

(a) $31.65673; or

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

9 (1) Subparagraph (a)(i) of Schedule 2 to the Act is replaced by the following:

(i) $0.11379, or

(2) Subsection (1) is deemed to have come into force on the day after Budget Day.

Electronic Filing and Certification of Tax and Information Returns

10 The *Excise Act, 2001* is modified to give effect to the proposals relating to Electronic Filing and Certification of Tax and Information Returns described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

11 The *Air Travellers Security Charge Act* is modified to give effect to the proposals relating to Electronic Filing and Certification of Tax and Information Returns described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

12 The *Greenhouse Gas Pollution Pricing Act* is modified to give effect to the proposals relating to Electronic Filing and Certification of Tax and Information Returns described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Avoidance of Tax Debts

13 The *Excise Act, 2001* is modified to give effect to the proposals relating to Avoidance of Tax Debts described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

14 The *Greenhouse Gas Pollution Pricing Act* is modified to give effect to the proposals relating to Avoidance of Tax Debts described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Audit Authorities

15 (1) The portion of subsection 260(2) of the *Excise Act, 2001* before paragraph (a) is replaced by the following:

Powers of officer

(2) The officer may, at all reasonable times, for any purpose related to the administration or enforcement of this Act

(2) Paragraphs 260(2)(b) and (c) of the Act are replaced by the following:

(b) stop a conveyance or direct that it be moved to a place where an inspection or examination may be performed;

(c) require any individual to be present during an inspection, audit or examination, require any individual to answer all proper questions orally or in writing, in any manner specified by the officer and require any individual to give to the officer all reasonable assistance;

16 (1) The portion of subsection 70(2) of the *Air Travellers Security Charge Act* before paragraph (a) is replaced by the following:

Powers of authorized person

(2) The authorized person may, at all reasonable times, for any purpose related to the administration or enforcement of this Act

(2) Paragraph 70(2)(b) of the Act is replaced by the following:

(b) require any individual to be present during an inspection, audit or examination, require any individual to give to the authorized person all reasonable assistance and require any individual to answer all proper questions orally or in writing, in any manner specified by the authorized person.

17 (1) The portion of subsection 141(2) of the *Greenhouse Gas Pollution Pricing Act* before paragraph (a) is replaced by the following:

Powers of authorized person

(2) The authorized person may, at all reasonable times, for any purpose related to the administration or enforcement of this Part

(2) Paragraph 141(2)(b) of the Act is replaced by the following:

(b) require any individual to be present during an inspection, audit or examination, require any individual to answer all proper questions orally or in writing, in any manner specified by the authorized person and require any individual to give to the authorized person all reasonable assistance.

Excise Duty on Vaping Products

18 The *Excise Act, 2001* is modified to give effect to the proposals relating to Excise Duty on Vaping Products described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Notice of Ways and Means Motion to introduce an Act to implement a Tax on Select Luxury Goods

That it is expedient to introduce an Act to give effect to the proposals relating to the Tax on Select Luxury Goods described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Draft Amendments to Various Regulations

Draft Amendments to Various GST/HST Regulations

Input Tax Credit Information Requirements

Input Tax Credit Information (GST/HST) Regulations

1 The definition *intermediary* in section 2 of the *Input Tax Credit Information (GST/HST) Regulations* is replaced by the following:

intermediary of a person, means, in respect of a supply made by the person, a registrant

(a) that, acting as agent of the person or under an agreement with the person, causes or facilitates the making of the supply, or

(b) that is deemed under subsection 177(1.11) of the Act to have acted as agent of the person in making the supply; (*intermédiaire*)

2 (1) The portion of paragraph 3(a) of the Regulations before subparagraph (i) is replaced by the following:

(a) where the total amount paid or payable shown on the supporting documentation in respect of the supply or, if the supporting documentation is in respect of more than one supply, the supplies, is less than $100,

(2) The portion of paragraph 3(b) of the Regulations before subparagraph (i) is replaced by the following:

(b) where the total amount paid or payable shown on the supporting documentation in respect of the supply or, if the supporting documentation is in respect of more than one supply, the supplies, is $100 or more and less than $500,

(3) The portion of paragraph 3(c) of the Regulations before subparagraph (i) is replaced by the following:

(c) where the total amount paid or payable shown on the supporting documentation in respect of the supply or, if the supporting documentation is in respect of more than one supply, the supplies, is $500 or more,

3 Sections 1 and 2 are deemed to have come into force on the day after Budget Day.

GST New Housing Rebate Conditions

New Harmonized Value-added Tax System Regulations, No. 2

4 Section 40 of the *New Harmonized Value-added Tax System Regulations, No. 2* is replaced by the following:

Group of individuals

40 If a supply of a residential complex or a share of the capital stock of a cooperative housing corporation is made to two or more individuals or if two or more individuals construct or substantially renovate, or engage another person to construct or substantially renovate, a residential complex, the following rules apply in respect of those individuals:

(a) subject to paragraphs (b) and (c), the references in sections 41, 43, 45 and 46 and the references in section 256.21 of the Act to an individual are to be read as references to all of those individuals as a group;

(b) the references in subsection 41(2) and paragraphs 45(2)(a), 46(2)(a) and 46(5)(c) to the primary place of residence of an individual or a relation of the individual are to be read as references to the primary place of residence of any of those individuals or a relation of any of those individuals;

(c) the reference in paragraph 46(5)(d) to the particular individual or a relation of the particular individual is to be read as a reference to any of those individuals or a relation of any of those individuals; and

(d) only one of those individuals may apply for a rebate under subsection 256.21(1) of the Act in respect of the complex or share, the amount of which is determined under section 41, 43, 45 or 46.

5 Section 4 applies in respect of

(a) any rebate under subsection 256.21(1) of the *Excise Tax Act*, the amount of which is determined under subsection 41(2), 43(1) or 45(2) of the Regulations, in respect of which the agreement referred to in paragraph 254(2)(b), 254.1(2)(a) or 255(2)(c) of that Act, as the case may be, is entered into after Budget Day; and

(b) any rebate under subsection 256.21(1) of the *Excise Tax Act*, the amount of which is determined under subsection 46(2) of the Regulations

(i) in respect of a residential complex (other than a mobile home or floating home) if the construction or substantial renovation of the residential complex is substantially completed after Budget Day, or

(ii) in respect of a mobile home or floating home acquired, imported or brought into a participating province after Budget Day.

Annex 7
Consultations on Other Tax Measures: Supplementary Information

Overview

This annex provides detailed information on the Digital Services Tax proposed in the Budget and invites input from stakeholders. It also provides information about the proposed Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners, including plans for consultation.

The costing for the measures in this annex is presented in Table 1 – Cost of Proposed Tax Measures in Annex 6.

Digital Services Tax

Context

Digital technology has resulted in the development of new business models and ways of creating value. In the digital economy, data is a key commodity and the collection, processing and monetization of data is a key commercial activity. New business models have developed involving online platforms that attract users through certain service offerings, collect data and content contributions from the users, and then monetize that data and content in order to earn a profit. Examples of such business models include:

- social media platforms and search engines that earn revenue from advertising that they target based on data they have gathered about their users' interests; and
- intermediation platforms that create online markets for sellers and buyers of goods or services (e.g., taxi rides, short-term accommodations), exchange information across the platform about those on the other side of the market and facilitate transactions between them.

In these business models, the users are not mere customers of the platform or passive recipients of its services. The active participation of users, in interacting with the platform and providing data and content contributions, is a key contributor to the product offering of the platform. This user participation is a key input in the platform business's production process in a way similar to labour and physical capital in a more traditional business. For example:

- a search engine cannot earn advertising revenue without users to view ads and provide information allowing those ads to be targeted; and

- an accommodation platform cannot facilitate transactions without information about available apartments to share with potential renters and information about renters seeking premises to share with apartment providers.

Current tax systems, however, were generally designed for a bricks-and-mortar economy and effectively assume that value is created only in places where physical resources, like employees, facilities and equipment, are located. Given their reliance on digital technology, businesses of this type do not require a local physical presence in order to engage with users and collect their data and content. These businesses nevertheless can reasonably be considered to be conducting this part of their value-creating activity, even if it is controlled remotely, in the location of the users. This activity, however, is not always subject to local tax under current rules.

Since user-intensive commercial activity of this kind is dominated by businesses that are multinational in scope, this issue would be best addressed multilaterally. To this end, the international community has been discussing possible approaches for a number of years. In the project on Base Erosion and Profit Shifting (BEPS) undertaken by the members of the Organisation for Economic Co-operation and Development (OECD) and the G20 from 2013 to 2015, digital economy challenges were designated as Action 1 of the 15 action items. No agreement, however, was reached under Action 1 on a common approach with respect to corporate-level tax. Intensive discussions on the challenges of digitalization re-started in 2017 through the OECD-led Inclusive Framework on BEPS (which now has 139 member jurisdictions). Due to the inability to reach consensus, however, in October 2020 the target date for agreement was deferred to mid-2021.

Canada has a strong preference for a multilateral approach and so continues to work actively toward this goal with our international partners. However, there have been delays in reaching agreement and there is uncertainty about when an eventual agreed approach will come into effect. The government therefore proposes to implement an interim measure.

Proposed Measure

As announced in the November 2020 Fall Economic Statement, Budget 2021 proposes to implement a Digital Services Tax (DST). The proposed tax is intended to ensure that revenue earned by large businesses – foreign or domestic – from engagement with online users in Canada, including through the collection, processing and monetizing of data and content contributions from those users, is subject to Canadian tax. The DST is intended to be interim in nature – it would apply as of January 1, 2022 until an acceptable multilateral approach comes into effect with respect to the implicated businesses.

The proposed tax would have the following key features.

- **Rate and Base:** The DST would apply at a rate of 3 per cent on revenue from certain digital services reliant on the engagement, data and content contributions of Canadian users. For greater certainty, revenue would not include any applicable value-added tax or sales tax amounts collected on the revenue transaction.
- **In-Scope Revenue:** The DST would apply to revenue from online business models in which the participation of users, including by the provision of data and content contributions, is a key value driver. Specifically, it would apply to revenue from:
  - *Online marketplaces:* Services provided through an online marketplace that helps match sellers of goods and services with potential buyers, whether or not the platform facilitates completion of the sale. Included would be optional (e.g., "premium") services that enhance the basic intermediation function or affect its commercial terms. This category would not generally include:
    - revenue in respect of the storage or shipping of tangible goods sold through the marketplace, to the extent the revenue reflects a reasonable rate of compensation for those services;
    - the sale of goods and services (including the sale, licensing or streaming of digital content such as audio, video, games, software, e-books, newspapers and magazines) by a seller on its own account; and
    - trading in financial instruments and commodities.
  - *Social media:* Services provided through an online interface to facilitate interaction between users or between users and user-generated content. This category would not generally include an interface of which the sole purpose is to provide communications services (such as telephone service through Voice over Internet Protocol).
  - *Online advertising:* Services aimed at the placing of online advertisements that are targeted based on data gathered from users of an online interface. This would include online interfaces such as online marketplaces, social media platforms, internet search engines, digital content streaming services, and online communications services. Advertisements would include preferential search listings. The scope would encompass both revenue earned by an interface operator from the display of advertising on the interface as well as revenue earned from systems for facilitating online advertising placement by third parties (including demand-side platforms, supply-side platforms, ad exchanges and advertising performance monitoring services).

- *User data:* The sale or licensing of data gathered from users of an online interface, including anonymized and aggregated data.

- **Taxpayers**:
  - *Thresholds:* The DST would apply to businesses organized under various forms including corporations, trusts and partnerships. The DST would apply in a particular calendar year to an entity that meets, or is a member of a business group that meets, both of the following thresholds:
    - global revenue from all sources of €750 million or more (the threshold for country-by-country reporting under an OECD standard) in the previous calendar year; and
    - in-scope revenue associated with Canadian users of more than $20 million in the particular calendar year.

    For such entities or groups, the DST would apply only to in-scope revenue associated with Canadian users in excess of the $20 million threshold.
  - *Group-level calculation:* Group-level calculation of thresholds is important because a firm's administrative capacity is linked to its overall size and the revenue-generating activities linked to Canadian users may be dispersed across multiple entities in a business group. It is anticipated that groups will generally be defined in the same manner as for country-by-country reporting.
  - *Large firms:* Large firms are the focus of the proposed tax for several reasons.
    - Successful leveraging of user participation, data and content as a key value creation method in an online platform involves significant economies of scale and important network effects. Users are attracted by the presence of other users with whom they can interact, so market share tends to gravitate toward platforms that attract large user groups. Larger platforms thus tend to have a greater ability to generate value from user engagement.
    - Larger, more mature firms are more likely to be profitable and able to bear the burden of a tax on revenue, which is not sensitive to profitability. Exclusion from the tax of smaller firms, from all countries, will help ensure that smaller, less mature and growing firms, which are less likely to be profitable, are not prejudiced in their ability to compete against larger, more established firms.
    - Large firms are better able to manage the burden of compliance associated with a new tax and can absorb the relevant costs over a larger amount of revenue. The relative costs of administration for government are also proportionately smaller relative to the tax revenue for larger firms. In particular, the costs of administering a tax applicable to large numbers of smaller firms, many of which have little or no local physical presence, would be inordinate.

- **Revenue Sourcing:** When revenue of an entity is contractually related to both activities within the scope of the DST and other activities, the in-scope revenue would need to be determined on a reasonable basis. In determining an entity's in-scope revenue associated with users in Canada (as opposed to users in another jurisdiction), two general methods would be used. Where it is possible to trace revenues to relevant users in Canada on the basis of transactional information, such tracing would be required. Where such tracing is not possible, a specified formulaic allocation would be required. Revenue sourcing principles would vary according to the nature of the revenue.
  - *Online marketplaces:* Fee revenue of online marketplaces would generally be sourced to the locations of the users who interact through the interface.
    - *Transactional*: Fee revenue associated with a particular transaction between users (e.g., a fee set as a percentage of the transaction price or as a fixed amount per transaction, or a fee otherwise set for a particular transaction) would generally be considered to be sourced 50:50 to the locations of the buyer and seller. This allocation recognizes that regardless of the legal arrangement for payment of the fee, the intermediation service of the marketplace is reliant on the engagement and data contributions of both parties. However, where the transaction is an arrangement for the performance of a tangible service in a particular location (e.g., accommodations, food delivery, taxi ride), the revenue would be sourced to the location where the service is performed.
    - *Non-transactional:* Fee revenue that is not associated with a particular transaction (e.g., interface subscription fees) and revenue from advertising goods or services listed for sale on the marketplace would be sourced to the locations of the interface users on a formulaic basis. The revenue associated with users in Canada would be considered to be equal to the total of the relevant revenue multiplied by the ratio of the number of marketplace transaction participants in Canada to the total number of transaction participants. For this purpose, the buyer and seller in a transaction would each be considered a "transaction participant" and a participant would be counted each time it participates in a transaction. This allocation reflects the fact that non-transactional interface fees are generally paid for the ultimate purpose of concluding transactions with other interface users, even if those users cannot be identified at the time the fee is paid.

- *Social media*: Fee revenue of social media interfaces (e.g., interface subscription fees) would be sourced to the locations of the interface users on a formulaic basis. The revenue associated with users in Canada would be considered to be equal to the total of the relevant revenue multiplied by the ratio of the number of active users of the interface that are users in Canada to the total number of active users in all locations. This allocation reflects the fact that interface fees are generally paid for the purpose of facilitating interactions with other interface users, including those who do not pay fees.
- *Online advertising*: Online advertising revenue would generally be sourced based on the location of the user who views, listens to, clicks on, or otherwise consumes the advertisement. This user would often be the same user whose data has been used to target the advertisement. As an exception, revenue of an online marketplace from advertising goods or services listed for sale on the marketplace would be sourced using the formula applicable to non-transactional marketplace fee revenue (outlined above). Outside of this exception, advertising revenue would be sourced using tracing or a formulaic basis, according to the circumstances.
  - *Tracing*: Advertising revenue would be required to be traced to viewers in Canada where possible. For example, this would include revenue from a series of advertisements that is shown all or substantially all (generally 90 per cent or more) to viewers in Canada and revenue from individual advertisements that are shown to viewers in Canada (e.g., where advertising fees are contractually charged on the basis of a user viewing or clicking on the advertisement or taking some other action).
  - *Formula*: Where under a contract advertising revenue associated with users in Canada and other jurisdictions is not separately identifiable, revenue associated with users in Canada would be considered to be equal to the total contract revenue multiplied by the ratio of the number of advertisement views by viewers in Canada to the total number of advertisement views by viewers in all locations.
- *User data*: Revenue from the sale of user data would be sourced where possible to the location of the user to whom the data relates. If particular revenue relates to data in respect of both users in Canada and users in other locations, the revenue associated with users in Canada would be considered to be equal to the total of the relevant revenue multiplied by the ratio of the number of users from which the data was collected that are users in Canada to the total number of users.

- **User Location:**
  - *Ordinary location*: The determination of whether a user of an interface is located in Canada or some other country for purposes of revenue sourcing would generally be based on the ordinary (i.e., usual) location of an individual user and the ordinary place of business of a business user. The determination of the ordinary location, or ordinary place of business, of a user would be based on information generally available to the digital service provider. This would include such indicators as recurring data on device geolocation or internet protocol (IP) address, billing address, delivery address (where relevant), and telephone area code.
  - *Real-time location*: By exception, in the cases of advertising targeted based on the real-time location of a user and the sale of data based on the real-time location of a user, the real-time location of a user would be based on device geolocation if available, or other information if not.
  - *Consistency*: Firms would be expected to use a consistent approach in determining user location, though different approaches might be used for different services depending on differences in data availability.
- **Treatment for Income Tax Purposes:** As with other non-income taxes, the deductibility of the DST liability of an entity in computing taxable income for Canadian income tax purposes would be determined based on general principles – e.g., whether it is incurred for the purpose of earning the entity's income subject to Canadian income tax. DST liability would not be eligible for a credit against Canadian income tax payable.
- **Administration:** It is proposed that firms subject to DST be required to file an annual return following the end of the reporting period, which is proposed to be the calendar year. It is contemplated that:
  - one annual payment would be required after the end of the reporting period;
  - a group would be able to designate an entity to file the DST return and pay the DST liability on behalf of the group; and
  - to facilitate enforcement, each entity in a group would be jointly and severally liable for DST payable by any other group member.

Coming Into Force

The DST would apply as of January 1, 2022.

Consultation

The government plans to engage with the provinces and territories to discuss the implications of the DST.

The government welcomes feedback from stakeholders on the proposed approach to implementing the DST. Interested parties are invited to send written representations by June 18, 2021 to the Department of Finance Canada, Tax Policy Branch at: DST-TSN@canada.ca.

It is anticipated that draft legislation for a new statute implementing the DST would be released for public comment during summer 2021, taking into account the feedback received. The legislation would subsequently be included in a bill to be introduced in Parliament.

Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners

Budget 2021 proposes to introduce a new national 1-per-cent tax on the value of non-resident, non-Canadian owned residential real estate considered to be vacant or underused. This tax would be levied annually beginning in 2022.

Beginning in 2023, all owners of residential property in Canada, other than Canadian citizens or permanent residents of Canada, would be required to file an annual declaration for the prior calendar year with the Canada Revenue Agency in respect of each Canadian residential property they own. The requirement to file this declaration would apply irrespective of whether the owner is subject to tax in respect of the property for the year.

In a declaration in respect of a property, the owner would be required to report information such as the property address, the property value and the owner's interest in the property. The owner may also be eligible to claim in their declaration an exemption from the tax in respect of a property for the year. An exemption may be available, for instance, where a property is leased to one or more qualified tenants in relation to the owner for a minimum period in a calendar year. Where an exemption in respect of a property for the year is not available, the owner would be required to calculate the amount of tax owing and report and remit it to the Canada Revenue Agency by the filing due date.

The failure to file a declaration with respect to a property for a calendar year as and when required could result in the loss of any available exemptions in respect of the property for the calendar year. Penalties and interest would also be applicable and the assessment period would be unlimited.

In the coming months, the government will release a backgrounder to provide stakeholders with an opportunity to comment on further parameters of the proposed tax. These parameters would include, for example, the definition of residential property, the value on which the tax would apply, how the tax would apply where a property is owned by multiple individuals and/or non-individuals, potential exemptions and compliance and enforcement mechanisms. Additionally, the consultation will consider whether, how and when the proposed tax would apply in smaller, resort and tourism communities.

Notices of Ways and Means Motions

Notice of Ways and Means Motion to Introduce an Act to Implement a Digital Services Tax

That it is expedient to introduce an Act to implement a Digital Services Tax to give effect to the proposals relating to the Digital Services Tax as described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

Notice of Ways and Means Motion to introduce an Act to implement a Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners

That it is expedient to introduce an Act to give effect to the proposals relating to the Tax on Unproductive Use of Canadian Housing by Foreign Non-resident Owners described in the budget documents tabled by the Minister of Finance in the House of Commons on Budget Day.

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REPORT TO PENINSULA RECREATION COMMISSION
MEETING OF THURSDAY, APRIL 29, 2021

SUBJECT **Panorama Recreation Main Electrical Transformer**

ISSUE SUMMARY

To amend the capital budget for the main electrical transformer project to allow for transformer replacement.

BACKGROUND

As part of the Main Electrical Transformer Project, the 1500 kVa transformer was removed from its location so the transformer pad could be relevelled. During the process of lifting the transformer back on to its pad, the unit broke loose from its rigging and fell 18-24 inches partially landing on the concrete pad. The transformer was briefly inspected for damage on site and reinstalled. The unit energized and showed no initial signs of damage from the impact.

After the incident, Panorama engaged a third-party high voltage electrical contractor to perform extensive testing of the unit. The report found that the main transformer that feeds Panorama Recreation Center is in less than suitable condition for reliable operation. Testing of the unit revealed oil leaking from one set of bushings that was found to be likely caused by the fall. Testing also found significant faults in some of the unit's windings. The report was unable to confirm if the fall contributed to, or worsened the conditions of the windings due to inconsistencies in prior testing results. The report recommends removing the transformer from operation as failure of the unit is considered likely.

Based on the report findings, the transformer should be replaced as soon as possible. Staff are gathering additional quotes to have this work completed.

ALTERNATIVES

Alternative 1:
The Peninsula Recreation Commission recommends to the Capital Regional District Board:

That the approved Panorama Recreation project 19-02-Main Electrical Transformer Upgrade be amended by $52,100 to accommodate for the emergency replacement of the main electrical transformer, and to proceed with the purchase of the transformer.

Alternative 2:
That the Peninsula Recreation Commission receive this report for information.

IMPLICATIONS

Financial Implications

The estimated budget to replace the transformer including permits, installation, commissioning and disposal of the old transformer is $80,000.00. The transformer replacement can be done

within the original Transformer Maintenance Upgrade Project which currently has an approximate remaining balance of $27,900, leaving a required project budget increase of $52,100.

Staff are involved in negotiations for compensation of damages arising from this incident.

Failure of the transformer prior to replacement would result in substantial costs to provide emergency power and would drastically limit our operations. Under temporary generator power we would not be able to operate the refrigeration plant or pool.

Service Delivery Implications

The 1500 kVa transformer provides power to Panorama Recreation and is imperative to the operation of the facility. These transformers are not readily available and typically have a 20-30 week lead time on ordering. Failure of the transformer would cause extensive service delivery interruptions.

CONCLUSION

The main electrical transformer at Panorama Recreation was found to be in poor condition following an incident during the Main Electrical Transformer Maintenance Project. The assessment of the unit revealed that the transformer is in less than suitable condition for reliable operation and should be taken out of service. A project budget increase of $52,100. is required to cover the transformer replacement costs.

RECOMMENDATION

The Peninsula Recreation Commission recommends to the Capital Regional District Board:

That the approved Panorama Recreation project 19-02-Main Electrical Transformer Upgrade be amended by $52,100 to accommodate for the emergency replacement of the main electrical transformer, and to proceed with the purchase of the transformer.

Submitted by:	Lorraine Brewster, Senior Manager, Panorama Recreation
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

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REPORT TO PENINSULA RECREATION COMMISSION
MEETING OF THURSDAY, APRIL 29, 2021

SUBJECT **2021/2022 Fees and Charges – Panorama Recreation Services**

ISSUE SUMMARY

To provide the Peninsula Recreation Commission with recommendations for the 2021/2022 fees and charges.

BACKGROUND

Each year, all Capital Regional District (CRD) recreation centres are required to review and analyze their fees and charges and recommend any changes for approval by the CRD Board. Existing fees and charges are compared to other recreation centres in the area and the lower mainland. As well, other data and background information is gathered to determine social and economic conditions in the community.

The COVID-19 pandemic continues to impact Panorama Recreation operations. Staff have considered this, as well as the impact on the community when reviewing the fees and charges. Staff are recommending no changes to admissions and pass fees and have limited changes to other fees with the goal of supporting community health and wellness. In addition, keeping fees static may assist in bringing back community members who haven't yet returned, or have been using other options for recreation, particularly fitness and weights. Monthly and annual (timed passes) are included in the fees and charges but will continue to be on hold until operations resume without capacity limits. The Employee Wellness program will also be placed on hold, pending a review from staff once normal operations resume. The proposed changes are listed below:

- *Adjustment to Junior B ice rental rates:* The current fees and charges list the Junior B practice rate at $127/hr and games at $128/hr. The proposal is to combine these fees at $128/hr for ease of reference and use.

- *Outdoor tennis court rental rate extended to inclusive multisport court:* The Jumpstart inclusive multisport courts are expected to open this fall. Staff propose to extend the current rate of $6 per hour used at the existing outdoor tennis courts to the new courts.

- *New rate for Greenglade Fitness/Dance Studio:* The Greenglade fitness/dance studio (Room #4) is currently rented out at the standard Greenglade classroom rate. The space is double the size of the other Greenglade classrooms, so the current structure doesn't reflect a fair rental rate. Staff are proposing an increase to align more closely with the Fitness Studio at Panorama Recreation Centre.

ALTERNATIVES

Alternative 1

That the Peninsula Recreation Commission recommend to the Capital Regional District Board:

That the proposed fees and charges be approved for inclusion in the 2021/2022 Fees and Charges Bylaw for Panorama Recreation Services.

Alternative 2

That the proposed fees and charges, as amended, be approved for inclusion in the 2021/2022 Fees and Charges Bylaw for Panorama Recreation Services.

IMPLICATIONS

Social Implications

Maintaining current admission rates and pass rates without increase will continue to make recreation accessible to our community members and encourage them in a healthy lifestyle.

Economic Implications

The user fees collected by Panorama Recreation are used to reduce the tax requisition and for the delivery of recreation services. Recreation fees and charges continue to be reasonable and affordable for the majority of residents and visitors to this area. Given the current financial impact of the pandemic, and increase in admission and passes, may be prohibitive to families in the post-pandemic recovery. A new preschool program and a return of regular operations should generate sufficient revenue to meet budget targets for 2021/2022.

CONCLUSION

Each year the fees and charges for recreation services are re-evaluated to determine if new charges are required and if existing fees need to be adjusted. Comparing fees to other recreation centres and looking at social and economic factors, the recommendation is that most fees should remain unchanged.

RECOMMENDATION

That the Peninsula Recreation Commission recommend to the Capital Regional District Board:

That the proposed fees and charges be approved for inclusion in the 2021/2022 Fees and Charges Bylaw for Panorama Recreation Services.

Submitted by:	Lorraine Brewster, Senior Manager, Panorama Recreation
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Options for 2021/2022 Fee Changes

Options for 2021/2022 Fee Changes

2018 Bylaw 4108 Fees and Charges	2021/2022		Option	% Chg
DROP- IN FEES (swim, skate, weight room, aerobic classes) Admission fees inclusive of tax				
Adult (19 – 59)	Single Admission	$6.75		
	10x	$60.80		
	25x	$143.75		
	50x	$270.00		
	1 month	$57.00		
	3 month	$136.00		
	6 month	$234.00		
	12 month Deluxe Active Pass (with benefits)	$420.00		
	12 month Basic Pass (without benefits)	$372.00		
	Lifetime Membership 90 yrs+	Free		
Senior (60 plus)	Single Admission	$5.50		
	10x	$49.50		
	25x	$117.00		
	50x	$220.00		
	1 month	$57.00		
	3 month	$136.00		
	6 month	$234.00		
	12 month Deluxe Active Pass (with benefits)	$420.00		
	12 month Drop-in (without benefits)	$372.00		
Children and Youth (6 – 18)	Single Admission	$3.50		
	10x	$31.50		
	25x	$74.50		
	50x	$140.00		
	12 month	$69.00		
	With Valid Parent Adult Annual Pass	Free		
Family (Max. 5)	Single Admission	$13.50		

Options for 2021/2022 Fee Changes

2018 Bylaw 4108 Fees and Charges	2021/2022		Option	% Chg
Other Drop-in Fees				
Yoga	Single Admission	$12.50		
Kindergym	First child	$5.00		
	Additional sibling	$2.00		

Options for 2021/2022 Fee Changes

2018 Bylaw 4108 Fees and Charges		2021/2022	Option	% Chg
Greenglade				
Pottery	Single Admission	$8.00		
	10x	$72.00		
	10x (youth)	$65.00		
	25x	$176.00		
	25x (youth)	$155.00		
	6 Month	$240.00		
	1 year	$380.00		
RACQUET SPORTS (Subject to applicable tax)				
Rates per hour unless otherwise noted*				
Outdoor Tennis **(per 1 hour)**		$5.71	revise fee to Outdoor Court	
Tennis – Prime (1 hour)		$26.67		
Tennis – Economy (1 hour)		$24.76		
Tennis – Non-Prime (1 hour)		$15.24		
Squash – Prime (45 minutes)		$15.24		
Squash – Non-Prime (45 minutes)		$12.14		
Racquet – Rental		$2.38		
Rates per day				
Complex – Off Season		$1,568.86		
Complex – In Season		$2,195.43		
Complex – Off Season Commercial		$2,195.43		
Complex – In Season Commercial		$2,622.86		
*See Panorama Recreation brochure for the definition of prime, non-prime and economy. Off Season is defined as being between May 1st and September 30th.				
AQUATICS (Subject to applicable tax)				
Rates per hour				
Pool Rental – Youth		$109.52		
Pool Rental – Adult		$148.00		
Pool Rental – Commercial		$166.00		
Pool Rental – Lifeguard/Instructor (additional staff) **		$32.00		
Lane Rental – Youth		$14.00		
Lane Rental – Adult		$20.25		
Lane Rental – Commercial		$23.50		
**Lifeguard/Instructor is additional charge at times outside of normal operating hours and where additional staff is needed. Max participants per lifeguard = 35 (additional lifeguard charges apply to larger groups). Pool rentals do not include slide use. Slide use will require an additional 2 lifeguards.				

Options for 2021/2022 Fee Changes

2018 Bylaw 4108 Fees and Charges	2021/2022	Option	% Chg

ARENA FACILITY (Subject to applicable tax, unless otherwise stated)	
Rates per hour unless otherwise noted	
Ice – Adult Prime*	$221.00
Ice – Adult Non-Prime	$171.00
Ice – Adult Midnight**	$112.00
Ice – Youth Prime	$118.00
Ice – Youth Non-Prime	$99.00
Junior B Hockey Practice***	$127.00
Junior B Game ****	$128.00
Ice – Commercial (Tournament rate e.g. Pacific Cup)***	$220.00
Dry Floor – Adult	$71.00
Dry Floor – Adult League	$69.00
Dry Floor – Youth	$46.00
Dry Floor – Youth League	$44.00
Dry Floor – Commercial (Trade Show)	$73.00
Skate Rental	$3.33
Arena Staff	$32.00
Rates per day	
Complex – Ice Season Commercial (per day)	$2,700.00
Complex – Dry Floor Commercial (per day)	$1,095.00

* See the Peninsula Recreation Commission Ice Allocation Policy for the definition of prime time.

** Adult Midnight is charged between 12:00am and 5:00am Monday to Friday

***Commercial rate may vary depending on market demand (fee is charged for both Prime and Non-Prime times)

****Additional $25 per hour to be charged if Panthers do not supply security

PANORAMA ROOM/FACILITY RENTAL (Subject to applicable tax)	
Rates per hour unless otherwise noted	
Boardroom – Youth	$21.50
Boardroom – Adult	$28.00
Boardroom – Commercial and Birthday Party	$33.00
Island Room – Youth	$20.50
Island Room – Adult	$26.50
Island Room – Commercial and Birthday Party	$35.00
Fitness Studio – Youth	$29.00
Fitness Studio – Adult	$43.00
Fitness Studio – Commercial and Birthday Party	$52.00
Spin Room – Youth	$28.00
Spin Room – Adult	$42.00
Spin Room – Commercial and Birthday Party	$48.00
Lobby/Concourse	$12.00
Poolside Room - Youth	$17.50

remove
revise fee to Junior B Game/Practice

Options for 2021/2022 Fee Changes

2018 Bylaw 4108 Fees and Charges	2021/2022	Option	% Chg
Poolside Room – Adult	$26.50		
Poolside Room – Commercial and Birthday Party	$35.00		
ARC Room - Youth	$17.50		
ARC Room - Adult	$26.50		
ARC Room – Commercial and Birthday Party	$35.00		
Parking Lot - Commercial	Negotiated		
Parking Lot Per Zone/Day	$75.00		

Options for 2021/2022 Fee Changes

2018 Bylaw 4108 Fees and Charges	2021/2022	Option	% Chg
CENTRAL SAANICH CULTURAL CENTRE (Subject to applicable tax)			
Rates per hour unless otherwise noted			
Cultural Centre Room A – Youth	$28.00		
Cultural Centre Room A – Adult	$35.00		
Cultural Centre Room A – Commercial *	$43.00		
Cultural Centre Room B – Youth	$26.00		
Cultural Centre Room B – Adult	$33.00		
Cultural Centre Room B – Commercial *	$41.00		
* Bookings 3 days or more, 1st 8 hours at commercial rate, remaining days at adult rate			
GREENGLADE COMMUNITY CENTRE (Subject to applicable tax)			
Rates per hour unless otherwise noted			
Classroom – Youth	$23.50		
Classroom – Adult	$29.00		
Classroom – Commercial and Birthday Party *	$43.00		
Fitness/Dance Studio (Rm 4) - Youth		$29.00	new
Fitness/Dance Studio (Rm 4) - Adult		$36.00	new
Fitness/Dance Studio (Rm 4) - Commercial/Birthday Party		$52.00	new
Gymnasium – Youth	$36.00		
Gymnasium – Adult	$43.00		
Gymnasium – Commercial and Birthday Party	$70.00		
Gymnasium - Court Rental Fee (Pickleball, Badminton)	$15.00		
Teen Lounge	$42.00		
Staff Supervision	$32.00		
Playing Field	$15.00		
* Bookings 3 days or more, 1st 8 hours at commercial rate, remaining days at adult rate			

NORTH SAANICH MIDDLE SCHOOL (Subject to applicable tax)	
Rates per hour unless otherwise noted	
Science Classroom – Youth*	$23.50
Science Classroom – Adult*	$29.00
Science Classroom – Commercial*	$43.00
Multipurpose – Youth***	$69.00
Multipurpose – Adult***	$79.00
Multipurpose – Commercial***	$121.00
Gymnasium – Youth**	$50.00
Gymnasium – Adult**	$62.00
Gymnasium – Commercial and Birthday Party**	$95.00
Staff Supervision (two hour minimum required)	$32.00
* Home Ec. Room used for Panorama Recreation Centre Programs ** Half Gymnasium rental is half the regular fee *** One third of Multipurpose rental is one third the regular fee	

Options for 2021/2022 Fee Changes

2018 Bylaw 4108 Fees and Charges	2021/2022	Option	% Chg
MISCELLANEOUS (Subject to applicable tax)			
Rates per day unless otherwise noted			
Table Rental Fee Per Table	$3.00		
Chair Rental Fee Per Chair	$0.75		
Fitness/Aquatic Fitness Staff	$40/hr		
Maintenance Staff	$42/hr		
Event Power (special events/tournaments)	Negotiated		
Dumpster (special events/ tournaments)	Negotiated		
Damage Deposit - Major Event/Tournament	20% of contract		
Facility rental for commercial film rental		Negotiated	new

Options for 2021/2022 Fee Changes

2018 Bylaw 4108 Fees and Charges		2021/2022	Option	% Chg
MISCELLANOUS ADMINISTRATION (Inclusive of tax)				
Refund Fee		$5.00		
NSF Cheque/Declined Credit Card Fee		$15.00		
Change to Pass Membership		$10.00		
Card Replacement		$10.00		
Loonie Admission		$1.00		
Toonie Admission		$2.00		
Locker (small/medium)		$0.25		
Locker (large)		$0.50		
Child Minding	per hour	$3.75		
	x10	$37.50		
ADVERTISING FEES				
BROCHURE ADVERTISING (Subject to applicable tax)				
Banner Ad (2 x 7.25)		$245		
Banner Ad (2 x 7.25) three brochures (20% discount)		$615		
Banner Ad (4 x 7.25)		$405		
Banner Ad (4 x 7.25) three brochures (20% discount)		$1,005		
Front/Back Inside Cover (full gloss 9.5 x 7.25)		$1,075		
Front/Back Inside Cover (full gloss 9.5 x 7.25) three brochures		$2,665		
Back Cover (full gloss 9.5 x 7.25)		$1,275		
Back Cover (full gloss 9.5 x 7.25) three brochures		$3,200		
Inside Full Page		$800		
Design Fee (per hour)		$75.00		
FACILITY ADVERTISING (Subject to applicable tax)				
Rink Board A (per year)		Negotiated		
Wall Board A (per year)		Negotiated		
Rink Board B (per year)		Negotiated		
Wall Board B (per year)		Negotiated		
Reado Sign	Daily	Negotiated		
	Weekly	Negotiated		
Aquatic Wall Board		Negotiated		
Tennis Wall Board		Negotiated		
LCD Display		Negotiated		
Panther's Arena B Advertising Exclusivity		Negotiated		
Hanging Banner (per year)		Negotiated		
Title Sponsor of Event		Negotiated		
PARTNERSHIPS				
Employee Wellness Program Participant Fee (6-12 months of calendar year term)		$225		
Employee Wellness Program Participant Fee (1-5 months of calendar year term)		$155		
Military Participant Fee		$225		
Partners of Panorama		Negotiated		

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REPORT TO REGIONAL PARKS COMMITTEE
MEETING OF WEDNESDAY, APRIL 28, 2021

SUBJECT **Sustainable Funding Model for Future Land Acquisitions**

ISSUE

To address resource funding required to sustain future land acquisitions.

BACKGROUND

At its March 27, 2019 meeting, the Parks & Environment Committee directed staff to identify options during the 2020 budget process for service level adjustments to sustain Capital Regional District (CRD) Regional Parks service delivery. At the October 23, 2019 meeting, staff presented sustainable service delivery report cards that identified that financial and human resources were no longer sufficient to meet current asset renewal demands. That meeting resulted in two motions related to sustainable service delivery: 1) that an additional $925,000 be requisitioned each year for capital reserves to fund the refurbishment and replacement of existing assets; and 2) that staff report back in 2020 on strategies to ensure that sufficient funding is in place in future years to sustain the Regional Parks service.

At its November 13, 2019 meeting, the Board approved an extension to the Land Acquisition Fund (LAF) for 10 years. At its October 28, 2020 meeting, the Board approved a $1 increase per average residential household every year from 2021 until 2025. The Board did not support utilizing the LAF to resource increased costs associated with the additional land acquisitions.

Increases in the regional parks land base come with costs at the time of acquisition, as well as later on when implementing an approved management plan for the area. As soon as land is acquired, the CRD has a responsibility to manage the land to ensure visitor safety and park values are protected; therefore, all costs associated with the acquisition of properties need to be made available for immediate site management needs.

Costs associated with land management will vary widely based on the size of the land, the amount of development already on the land and where the land is located relative to the CRD Regional Parks' service yards and offices. To understand the real costs associated with managing, developing and maintaining a new property, staff have developed a cost sheet that identifies many of the individual one-time costs associated with immediate management needs as well as some of the ongoing costs that are associated with maintaining park assets (Appendix A).

In addition to the costs described within Appendix A, there are incremental costs associated with supporting new land acquisitions. Support services such as First Nations Relations, park planning, ecological biology, GIS, management and administration increase with each acquisition. For each new land acquisition a detailed unique cost schedule for immediate management needs will be brought forward.

All draft management plans presented to the Regional Parks Committee will identify a cost schedule for plan implementation. This cost schedule will form part of the draft management plan for consideration during the decision-making process (Appendix B), including any additional staffing resources that are required.

ALTERNATIVES

Alternative 1

The Regional Parks Committee recommends to the Capital Regional District Board:

1. That all future recommended regional park land acquisition purchases include a detailed unique operating cost schedule until a management plan is completed, and all draft management plans presented to the Regional Parks Committee will identify a cost schedule for plan implementation.

2. That costs required for future property acquisitions be identified within the subsequent Capital Regional District Regional Parks Financial Plan.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

The acquisition of new land requires additional resources for its securement, protection and management. These costs are not included in the estimated costs when acquiring land for CRD Regional Parks. These costs have historically been absorbed through the Regional Parks' core budget. Increases in the annual requisition that account for new acquisition costs will be required in each year where new lands are purchased. Requests for funding to support new land acquisitions will be made through the budgeting process. The requested increases will vary depending on the complexities associated with the lands and depending on how many staffing resources are required.

Strategic Plan Implications

The current Board Strategic Plan priority initiative under Climate Action and Environmental Stewardship is to "Ensure appropriate funding for parks and trails infrastructure, improvements and maintenance by updating the Regional Parks Strategy with consideration to ecological, recreation and reconciliation principles, land acquisition capacity, and expanded partnerships with First Nations." Actions and key deliverables to date include renewing the LAF for an additional 10 years, development of an asset management plan, $925,000 increase in the operating budget to address deficiencies and asset replacement, additional staffing, update the Regional Parks Plan and a zero based budget exercise for regional parks.

Social Implications

From 2010 to 2020, visits to regional parks and trails have increased by more than 60% from 5.2 million in 2010, to 8.5 million in 2020. Public expectations are that lands purchased to become regional parks will be made accessible to the public and will provide some level of recreational service even before park management planning processes are completed. Without the resources required to operate newly acquired park lands, existing parks will continue to face capacity issues that will have implications for both park values and quality visitor experience.

Environmental & Climate Implications

The acquisition of land for regional parks and trails contributes significantly to achieving corporate environmental protection and climate action strategic priorities. Land acquired protects ecosystems, provides habitat for plants and animals, supports the natural cleansing of water and air and helps reduce fossil fuel use and greenhouse gas emissions.

If newly acquired lands are not actively managed and developed for visitor use, those lands may be at risk of being used by the public without appropriate guidance and oversight. This has the potential to impact culturally sensitive sites as well as sensitive ecosystems and their related federally and provincially protected species.

Regional Growth Strategy Implications

The regional population is increasing. The Regional Growth Strategy indicates an intent to protect, enhance and expand natural areas and to provide recreation areas. With increasing population and changing population demographics, there will be increasing demands on the regional park system. The acquisition of land for regional parks and trails sets aside parkland to meet the needs of current residents and future population growth.

CONCLUSION

At its November 13, 2019 meeting, the Board approved an extension to the Land Acquisition Fund (LAF) for 10 years and did not support utilizing the LAF to resource increased costs associated with additional land acquisitions. With increasing park use and the addition of more land, there will be ongoing pressure on the regional parks budget. Staff will provide a summary of expected costs associated with each new land acquisition. An increase in the requisition would be required beyond the projected increase in the operational budget.

RECOMMENDATION

The Regional Parks Committee recommends to the Capital Regional District Board:

1. That all future recommended regional park land acquisition purchases include a detailed unique operating cost schedule until a management plan is completed, and all draft management plans presented to the Regional Parks Committee will identify a cost schedule for plan implementation.

2. That costs required for future property acquisitions be identified within the subsequent Capital Regional District Regional Parks Financial Plan.

Submitted by:	Jeff Leahy, RPF, Senior Manager, Regional Parks
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

Appendix A: Cost Estimates for Resources required to Secure, Develop and Manage New Land Purchases
Appendix B: Cost Estimates for Resources required to Develop and Manage New Assets associated with Management Plan Implementation

APPENDIX A

COST ESTIMATES FOR RESOURCES REQUIRED TO SECURE, DEVELOP AND MANAGE NEW LAND PURCHASES

Park Acquisition – Site Securement Estimated Costs (2021)

CRD Regional Park Name: _____

Park Classification: _____

Hectares: _____

Costs Worksheet (Cost items may change based on site survey information)

Cost Item	One-time Cost	Ongoing Annual Cost
Structure and debris removal (e.g., unsafe or unnecessary facilities, well decommissioning)	$50,000 per building	
Addressing contaminated sites	Varied depending on scale of contamination	May be ongoing monitoring costs
Installation of site securement signage	$10,000.00	
Legal surveys	$10,000.00	
Compliance and enforcement patrols		$15,000 per year
Archaeological assessment	Varies depending on size, scale and activity	
Permitting	Varies depending on municipality	
Trails		$526.25 per year per kilometre of trail.
Toilet buildings (janitorial supplies)		$1,000 per year per building
Toilet building (grit disposal)		$1,000 per year per building
Parking areas (maintenance of gravel parking lot)		$5,000 per year
Parking areas (paved)	varies depending on size and condition	
Danger tree removal		$3,000 per year
Protection of known sites or features (species at risk, archaeology, etc)	Varies depending on values present	Varies depending on values present

APPENDIX B

COST ESTIMATES FOR RESOURCES REQUIRED TO DEVELOP AND MANAGE NEW ASSETS ASSOCIATED WITH MANAGEMENT PLAN IMPLEMENTATION

Management Plan - New Facility Development and ongoing average costs (2021)

Costs Worksheet (Cost items may change based on the individual approved regional park management plan)

Cost Item	One-time Cost	Ongoing Annual Cost
Gravel parking lot	Varies depending on size	$5,000 per year
Gravel access road - Type 1 trail	$450 per metre	$526.25 per year per kilometre of trail.
Gravel foot trail - Type 2	$225 per metre	$526.25 per year per kilometre of trail.
Garbage can bear proof	$3,700 unit and material cost + $500 installation	
Post mount garbage can	$200 unit and material cost + $250 installation	
Garbage recycling can dual plastic unit	$2,000 + $500 installation	
Garbage can servicing (3 times per week)		$15,600 per year ($100 per service x 3 per week x 52 weeks)
Plumbed washroom 3 toilets, 1 urinal, 2 sinks	$454,750.00	
Plumbed washroom 6 toilets, 2 urinals, 5 sinks	$588,500.00	
Pit toilet - double concrete block pit toilet	$75,000.00	
Pit toilet - single concrete block pit toilet	$54,000.00	
Toilet servicing - 1 service per day		$21,900.00
Toilet buildings (janitorial supplies)		$1,000 per year per building
Toilet building (grit disposal)		$1,000 per year per building
Sign package	$15,000.00	
Kiosk structure	$10,000.00	

Cost Item	One-time Cost	Ongoing Annual Cost
Bench	$1,700 ($1,200 for bench + 500 for installation)	$200 per year
Gate - single span	$2,500 ($1,500 unit +$1,000 installation)	
Gate - double span	$4,000 ($2,500 unit +1,500 installation)	
Bridge - large multi-use equestrian bridge	$175,000.00	
Bridge - foot bridge	$50,000.00	
Boardwalk	$10,000.00	
Service truck	$50,000.00	
Service truck operating (fuel and insurance)		$13,200.00
Park management planning process		$30,000.00

Terms of Reference

GOVERNANCE COMMITTEE

PREAMBLE

The Capital Regional District (CRD) Governance Committee is a standing committee established by the CRD Board to make recommendations to the Board regarding items related to governance and corporate administration. The Committee will also provide advice to the Board on agenda items for Committee of the Whole meetings.

The Committee's official name is to be:

Governance Committee

1.0 PURPOSE

(a) To consider matters and make recommendations to the Board or to the Committee of the Whole regarding the following functions:

i. Board, committee and commission governance and meeting procedures;

ii. General governance issues such as communication, access and accountability processes;

iii. Corporate administration and operations such as but not limited to:
- Labour Relations and Human Resource Matters
- Internal and external communications systems
- Intergovernmental relations

iv. Legal and Risk Management;

v. Identification of items of regional interest and/or items that are relevant to more than one standing committee that are better suited for consideration at a Committee of the Whole meeting;

(b) The Committee may also make recommendations to the Board to advocate to provincial and federal governments on matters effecting the Regional District.

(c) The Committee may establish an Appointment Advisory Committee, on an as-and-when needed basis, responsible for reviewing applications and making recommendation for appointments to external boards.

i. The Appointment Advisory Committee is permitted to meet in closed when evaluating public member applications.

2.0 ESTABLISHMENT AND AUTHORITY

a) The Committee will make recommendations to the Capital Regional District Board for consideration; and

b) The Board Chair will appoint the Committee Chair, Vice Chair and Committee members annually.

3.0 COMPOSITION

a) Committee members will be appointed CRD Board Members;

b) All Board members are permitted to participate in standing committee meetings, but not vote, in accordance with the CRD Board Procedures Bylaw; and

c) First Nation members are permitted to participate in standing committee meetings at their pleasure, in accordance with the CRD Procedures Bylaw, where the Nation has an interest in matters being considered by the committee.

4.0 PROCEDURES

a) The Committee shall meet every second month on even months, or at the call of the Committee Chair;

b) The agenda will be finalized in consultation between staff and the Committee Chair and any Committee member may make a request to the Chair to place a matter on the agenda through the Notice of Motion process;

c) With the approval of the Committee Chair and Board Chair, Committee matters of an urgent or time sensitive nature may be forwarded directly to the Board for consideration;

d) A quorum is a majority of the Committee membership and is required to conduct Committee business

5.0 RESOURCES AND SUPPORT

a) The General Manager, Corporate Services will act as liaison to the Committee;

b) Minutes and agendas are prepared and distributed by the Corporate Services Department; and

c) The Executive Services Department will provide additional Committee support as required.

Approved by CRD Board _____

Making a difference...together

REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **Capital Regional District 2020 Annual Report**

ISSUE SUMMARY

To present the Capital Regional District 2020 Annual Report.

BACKGROUND

The Capital Regional District (CRD) 2020 Annual Report, attached as Appendix A, provides a profile of CRD services and our progress and accomplishments in advancing Board and Corporate priorities, together with service delivery results and financial highlights. The report also features key activities of the CRD's other corporate entities, the Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC), and the many CRD-appointed Commissions.

The report is prepared to give stakeholders information about the CRD's activities and performance and together with the approval of the 2020 financial statements, will close-out the prior year. This report is filed with the provincial government together with the detailed financial statements, circulated to stakeholders and submitted to the Government Finance Officers Association to share our reporting and performance.

2020 marked completion of the second year of the Board's four year term and the report provides an opportunity to share the progress on the Board's Strategic Priorities for 2019 – 2022 advancing actions and initiatives related to Transportation and Housing; Climate Change Adaptation and Mitigation; First Nations Reconciliation; and Advocacy, Governance & Accountability (including EA specific initiatives). The Board's Strategic Priorities confirm the CRD's vision, mission and mandate and set the long-term strategic direction for the CRD in order to respond to community needs. This work is done in alignment with the Statement of Reconciliation.

Despite the challenges that the COVID-19 pandemic presented in 2020, the CRD continued to provide essential services and make significant progress on the Board and Corporate priorities. Some of the most visible projects across the region included the completion of the Core Area Wastewater Treatment Plant construction project, the addition of more than 1000 new affordable homes as part of the Regional Housing First Program and Capital Regional Housing Corporation construction projects, the acquisition of four new areas including more than 100 hectares for regional park, and completion of the restoration of the Todd Creek Trestle along the Galloping Goose Regional Trail.

We also focused on developing our organization improving our operations, systems and processes to effectively manage taxpayer resources and steward our more than $2.3 billion of assets that contribute to the health and wellbeing of residents.

The results contained in the report show the breadth and scope of what we do on a daily basis and demonstrates how the CRD contributes to an improved quality of life for the residents through the efficient and effective delivery of services across the region.

ALTERNATIVES

Alternative 1:
That the Capital Regional District 2020 Annual Report be received for information.

Alternative 2:
That the Capital Regional District 2020 Annual Report be referred back to staff for additional information.

RECOMMENDATION

That the Capital Regional District 2020 Annual Report be received for information.

Submitted by:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Capital Regional District 2020 Annual Report



CAPITAL REGIONAL DISTRICT
2020 ANNUAL REPORT

Making a difference...together

Greater Victoria,
British Columbia, Canada
Year ended December 31, 2020

TERRITORIAL ACKNOWLEDGEMENT

The CRD acknowledges that it conducts its business in the territory of the Lək̓ʷəŋən (Songhees) and Xwsepsum (Esquimalt) Nations here in the core area, the W̱SÁNEĆ Nations, including W̱JOŁEŁP (Tsartlip), BOḴEĆEN (Pauquachin), SṮÁUTW̱, (Tsawout) and W̱SIKEM (Tseycum) on the Saanich Peninsula and Gulf Islands, Sc'ianew (Beecher Bay), T'Sou-ke, and Pacheedaht to the west as well as MÁLEXEŁ (Malahat) and Pune'laxutth' (Penelekut) Nations. All of whom have lived on these lands since time immemorial.



PHOTO ACKNOWLEDGMENT

The photos in this document were taken within the boundaries of the Capital Regional District. Thank you to the wonderful local professional and staff photographers that contributed photos to this report. Note: some images in this report were taken before COVID-19 health orders came into effect, therefore social distancing and safety measures may not be pictured.

- Monique **BOOTH**
- Helene **CYR**
- Derek **FORD**
- Dylan **HEWLETT**
- Jean **PAKVIS**
- Bryan **RUNDLE**
- Leanna **RATHKELLY**
- **SKYSCOPE**
- Colin **SMITH**
- Sophie **WOOD**

Cover: Sandcut Beach, Juan de Fuca Electoral Area

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The Capital Regional District

The Capital Regional District (CRD) is the regional government for 13 municipalities and three electoral areas on southern Vancouver Island and the Gulf Islands, serving more than 425,500 people.

The capital region spans the Territories of approximately 20 First Nations, of which 11 have Reserve lands and 9 have settlement populations, made up of 4,142 members.

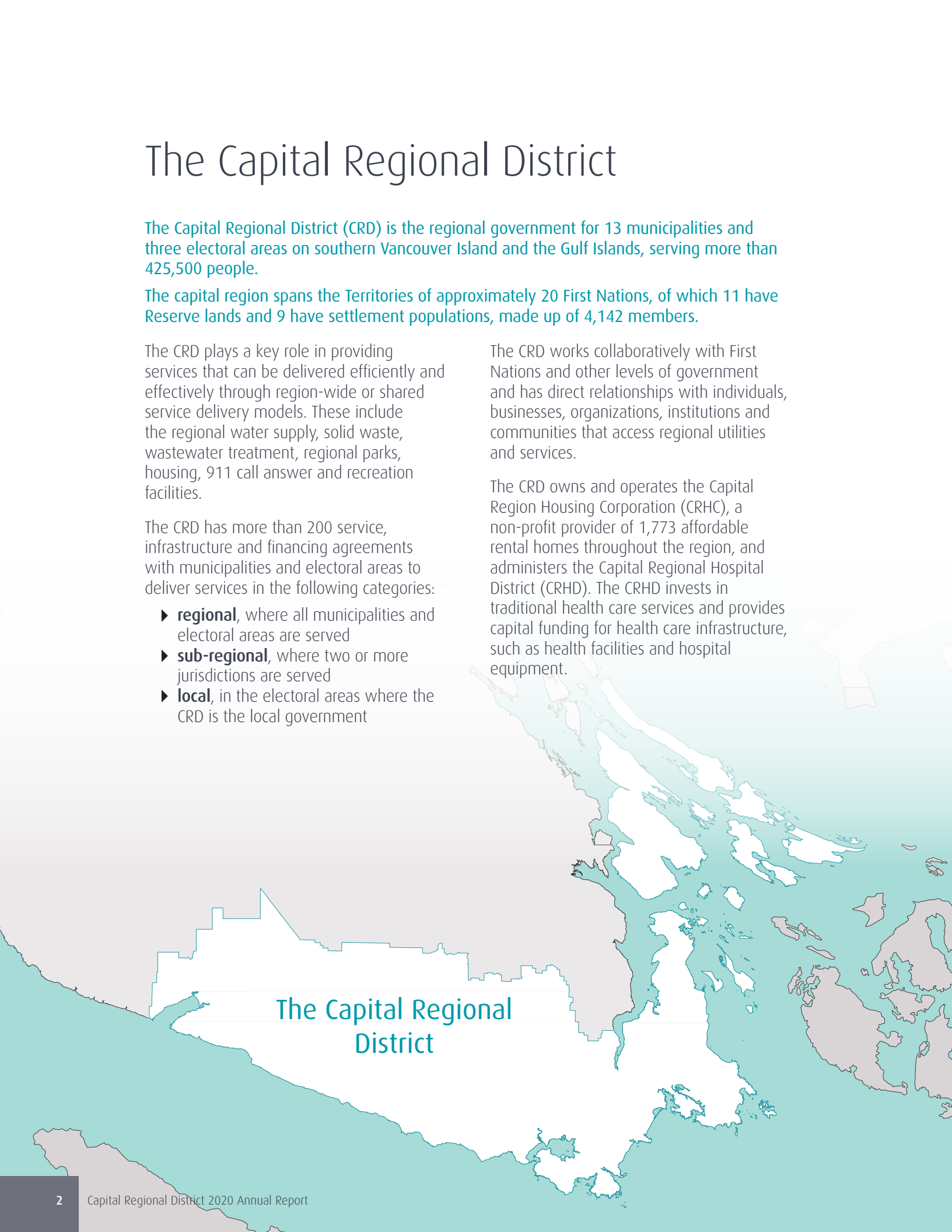
The CRD plays a key role in providing services that can be delivered efficiently and effectively through region-wide or shared service delivery models. These include the regional water supply, solid waste, wastewater treatment, regional parks, housing, 911 call answer and recreation facilities.

The CRD has more than 200 service, infrastructure and financing agreements with municipalities and electoral areas to deliver services in the following categories:

- **regional**, where all municipalities and electoral areas are served
- **sub-regional**, where two or more jurisdictions are served
- **local**, in the electoral areas where the CRD is the local government

The CRD works collaboratively with First Nations and other levels of government and has direct relationships with individuals, businesses, organizations, institutions and communities that access regional utilities and services.

The CRD owns and operates the Capital Region Housing Corporation (CRHC), a non-profit provider of 1,773 affordable rental homes throughout the region, and administers the Capital Regional Hospital District (CRHD). The CRHD invests in traditional health care services and provides capital funding for health care infrastructure, such as health facilities and hospital equipment.





OUR ORGANIZATION

Message from the Board Chair

As with other organizations, the CRD needed to adapt quickly to the COVID-19 pandemic in 2020. As a result of strong leadership and staff dedication, the CRD has been able to safely continue delivering services and still make significant progress moving forward on the Board Strategic Priorities.

The crucial services and infrastructure that we operate and maintain are critical to the wellbeing, health and safety of our residents.

The supply and distribution of drinking water, disposal of wastewater and refuse, operation of parks and maintenance of affordable homes, among many other services, required ongoing attention and remain essential in an emergency.

While the CRD has been mandated to deliver these services, we are also committed to working with partners to advance many other initiatives.

In 2020, some of the most visible projects across the region included the completion of the Core Area Wastewater Treatment Plant, the construction of many new affordable housing units as part of the Regional Housing First Program and the acquisition of additional regional parkland.

Another initiative, while less visible but vitally important, included the progress made on the inclusion of First Nations in regional governance and decision-making, a truly significant and important change to CRD governance as part of our commitment to reconciliation.

Looking forward, under the re-established Transportation Committee, the CRD's goal is to identify a list of regional transportation priorities and work with jurisdictional partners and stakeholders to realize them.



Throughout 2020, I enjoyed finding new ways to connect virtually with colleagues, residents and the media about the CRD. It hasn't always been easy to stay connected while staying apart, but I am constantly impressed by our ability to adapt and maintain relationships in difficult times.

Thank you to my Board colleagues for our thoughtful deliberations, to staff for their tremendous efforts in 2020, and I hope 2021 will be a year of collective economic and public health recovery.

I am proud of the resilience shown by the CRD as an organization by continuing to stay on track with projects and operations throughout the COVID-19 pandemic and I am excited about the future ahead.



Colin **PLANT**
Chair
Capital Regional District Board

Message from the Chief Administrative Officer



I am exceptionally proud of how our organization was able to adjust and sustain operations through 2020 and continue to make progress on Board and Corporate priorities. We executed a large capital program and saw the construction or completion of many significant projects, despite the challenges presented by the COVID-19 pandemic.

Our staff was able to quickly adjust and safely implement the necessary measures to ensure that essential service delivery continued while respecting public health orders and following our COVID-19 Safety and Exposure Control Plan.

The extraordinary efforts to assess, prepare and deploy new operational procedures demonstrated how prepared, resilient and willing our staff are to meet the needs of the region, and assured residents and customers that our workforce could maintain business continuity.

The CRD focused on developing our organization, investing in infrastructure and improving our systems to effectively manage taxpayer resources and steward our more than $2.3 billion of assets that contribute to the health and wellbeing of residents.

As we continue to progressively address a growing number of economic, social and governmental issues, I have great confidence in how prepared and capable the organization is to take a leading role for the entire region, now and in the future.

Our vision for achieving exemplary environmental stewardship, a dynamic vibrant economy and an inclusive, caring society was significantly advanced by the many major initiatives in 2020 and by the continued service we were able to provide.

The progress we made is very inspiring given the impacts of the pandemic and the enormous challenges many people will continue to face through the restart and recovery of the economy.

Thank you to our Board for their leadership and to our staff for their dedication and ability to adapt. These efforts made 2020 a successful year of meeting the unexpected challenges and demonstrating that the CRD truly makes a difference...together.



Robert **LAPHAM**
Chief Administrative Officer
Capital Regional District
Capital Region Housing Corporation
Capital Regional Hospital District

Board of Directors

The Capital Regional District is governed by a 24-member Board of Directors, supported by more than 75 committees and commissions. The Board is composed of one or more elected officials from each of the municipalities and three electoral areas within the CRD's boundaries. Each municipality has one director for every 25,000 people (or portion thereof). Each electoral area is represented by one director.

The directors also serve on the Capital Region Housing Corporation Board and the Capital Regional Hospital District Board.

CRD Chair, Colin **PLANT**, Saanich
Vice-Chair, Rebecca **MERSEREAU**, Saanich

CRHC Chair Lisa **HELPS**, Victoria
Vice-Chair, Colin **PLANT**, Saanich

CRHD Chair Denise **BLACKWELL**, Langford
Vice-Chair, David **SCREECH**, View Royal

Directors

- Susan **BRICE**, Saanich
- Barbara **DESJARDINS**, Esquimalt
- Fred **HAYNES**, Saanich
- Lisa **HELPS**, Victoria
- Mike **HICKS**, Juan de Fuca EA
- Gary **HOLMAN**, Salt Spring Island EA
- Dave **HOWE**, Southern Gulf Islands EA
- Ben **ISITT**, Victoria
- Jeremy **LOVEDAY**, Victoria
- Rob **MARTIN**, Colwood
- Cliff **MCNEIL-SMITH**, Sidney
- Rebecca **MERSEREAU**, Saanich
- Kevin **MURDOCH**, Oak Bay
- Geoff **ORR**, North Saanich
- John **RANNS**, Metchosin
- David **SCREECH**, View Royal
- Lanny **SEATON**, Langford
- Maja **TAIT**, Sooke
- Ned **TAYLOR**, Saanich
- Ken **WILLIAMS**, Highlands
- Ryan **WINDSOR**, Central Saanich
- Geoff **YOUNG**, Victoria



Executive Leadership Team

The Executive Leadership Team (ELT) consists of the Chief Administrative Officer, Chief Financial Officer, Corporate Officer and the General Managers, who are also officers of the corporation. These officers direct the departments and divisions of the CRD and work collaboratively to:

- consider strategic issues related to corporate decision-making
- discuss solutions to organizational challenges
- provide direction on corporate-wide policies, systems, projects and initiatives
- ensure employees are empowered to achieve organizational goals

The ELT ensures that corporate policies are clear and appropriate and that there are effective management actions to meet statutory obligations, mitigate risks and report on progress, outcomes and concerns.

The ELT has the administrative responsibility and delegated authority to manage and coordinate various programs, projects and initiatives and makes decisions to support overarching corporate goals that are in the best interests of the organization as a whole.

Executive Leadership Team

- Robert **LAPHAM,** Chief Administrative Officer
- Kristen **MORLEY,** General Manager, Corporate Services & Corporate Officer
- Nelson **CHAN,** Chief Financial Officer
- Kevin **LORETTE,** General Manager, Planning & Protective Services
- Larisa **HUTCHESON,** General Manager, Parks & Environmental Services
- Ted **ROBBINS,** General Manager, Integrated Water Services

(Shown from left to right below)



Governance Framework

The CRD is governed by a 24-member Board of Directors, which serves as a political forum and a vehicle for advancing the interests of the region as a whole. The Board is composed of one or more elected officials from each of the local governments within the CRD's boundaries:

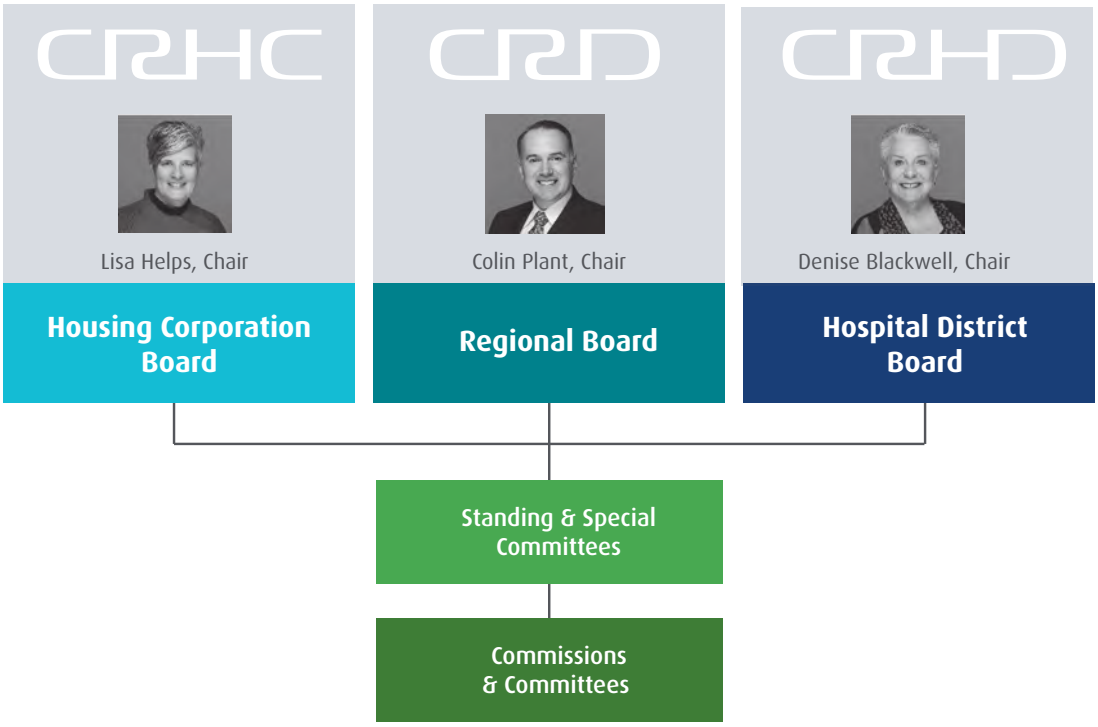
- For areas outside municipal boundaries (electoral areas), citizens elect one director to the Board during general local elections.
- Each municipal council appoints one or more elected officials to the Board. The formula is one director for every 25,000 population (or portion thereof).

All members also sit on the Capital Region Housing Corporation (CRHC) Board and the Capital Regional Hospital District (CRHD) Board. Board meetings are held once a month and are open to the public.

Collectively, these Boards establish the CRD vision, set priorities and provide direction on service delivery, collaboration and partnerships. Various committees and commissions oversee delivery of services and report to the CRD, CRHC and CRHD Boards.

The chair and vice-chair of each regional board are elected from among the directors at an inaugural meeting held each November. Next, the regional board chairs define various committees and their membership.

To make decisions, directors must vote. The CRD uses special voting rules based on population and the combination of participants in each service. Some votes are unweighted (one vote per director) and others are weighted based on population (one vote per 5,000 population or portion thereof).





OUR PROFILE

The CRD has more than 200 service, infrastructure and financing agreements with municipalities and electoral areas to deliver services.

A Resilient Region

Encompassing 237,000 hectares, including 70 Gulf Islands, the capital region is a sought-after destination, renowned for its mild climate, beautiful coastlines and natural ecosystems.

The region offers a balance between rural and urban lifestyles, including the farming communities in North Saanich, the evergreen hills of Sooke, the artisan networks on the Gulf Islands and the government and business hub of Victoria, the province's capital city. It is home to the Canadian Pacific Naval Fleet and multiple post-secondary educational institutions, including Camosun College, Royal Roads University and the University of Victoria.

Tourism, technology, health care and government services are key industries in the region, a place where residents and tourists can enjoy the Pacific Ocean, old-growth rainforests, outdoor adventure and a vibrant arts and culture scene.

The region has seen a steady increase in population and sustained growth in housing starts and property values. The CRD will continue to work with local residents, community groups, businesses, First Nations, major institutions, municipalities and other stakeholders to ensure we continue to meet the needs of this resilient and growing region through major infrastructural development and services.



Meeting the Needs of a Resilient Region

425,500
Residents
up **6.2%** since 2016

$1.4B
Building Permits

3,209
Housing Starts
in the Victoria CMA

1.1%
Inflation Rate
vs **0.7%** nationally

$948,200
Avg price of single family dwelling in CRD
up 9% over 2019



Supporting & Responding to Community Needs

In hearing and responding to the concerns of constituents, the CRD Board identified 15 community needs to focus and drive work. Through strategic and corporate planning, the strategic course for the CRD is set over a four-year mandate to respond to community needs and to deliver on the Board's mission, vision and priorities and the organization's ongoing service mandates and approved plans.

The CRD budget cycle ensures that we respond to changes in our external and internal environments. The Executive Leadership Team identifies projects that enhance our corporate capacity to ensure we are well-positioned to meet evolving Board and community needs. Each Spring, the corporate annual report is presented to demonstrate progress, capture major accomplishments and summarize financial highlights.

The following 15 community needs have been identified to guide the work the organization delivers.

1. Affordable Housing
2. Transportation
3. First Nations Relations
4. Economic Development
5. Climate Action & Adaptation
6. Parks & Natural Resource Protection
7. Protective Services
8. Wastewater
9. Landfill & Recycling
10. Water
11. Planning & Development
12. Arts & Culture
13. Recreation
14. Health Facilities
15. Accountability





COMMUNITY NEEDS

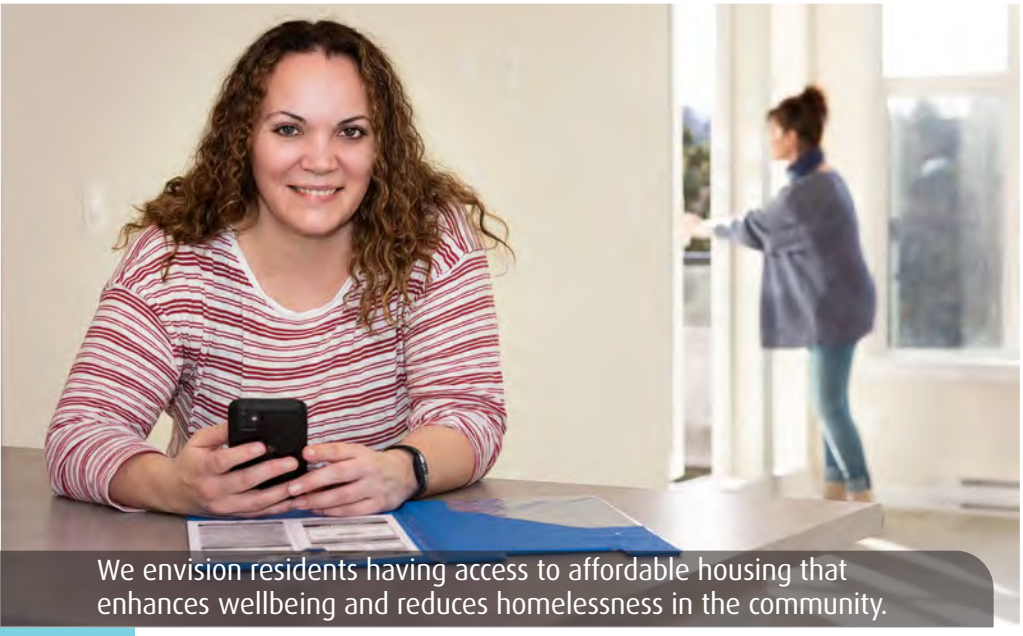
For each community need identified in our Corporate Plan, the CRD Board approved an outcome statement to capture what we envision our work will accomplish.



We envision being leaders in accountability through transparency, organizational performance and service delivery.

ACCOUNTABILITY

The CRD leads organizational accountability through corporate best practices and effective financial and audit reporting. Guided by our Organizational Development Plan, we continually strengthen the organization and engage employees by investing in operational efficiency and transparency systems to ensure public access to CRD information and through ongoing workforce training and development. Our Corporate Plan and Board Strategic Priorities inform service and financial planning to best serve our communities. Exceptional customer service and service delivery are central to our operations.



We envision residents having access to affordable housing that enhances wellbeing and reduces homelessness in the community.

AFFORDABLE HOUSING

Affordable housing is key to a strong economy and healthy region. The Capital Region Housing Corporation (CRHC) provides 1,773 units of affordable housing, and the CRD Regional Housing Trust Fund provided over $11 million to build 959 affordable rental housing units. The CRD-initiated Regional Housing First Program partnered the CRD, BC Housing and the Canada Mortgage and Housing Corporation, each committing $40 million to create up to 2,000 affordable housing units, including 400 units renting at the provincial income assistance rate, with a total program value of $600 million.

ARTS & CULTURE

The CRD Arts & Culture Support Service provides various grant funding streams to not-for-profit organizations in the region. By supporting, promoting and celebrating the arts, the CRD contributes to the development of a healthy, livable and vibrant community and fosters collaboration between arts organizations, funders and audiences. On behalf of participating municipalities and electoral areas, the CRD manages and funds performing arts venues, libraries and museums, in addition to developing, operating and maintaining numerous local amenities. The Service is guided by the CRD Arts & Culture Support Service Strategic Plan.



We envision strategic investment to maximize the artistic, social and economic contribution that arts organizations make to the quality of life of our residents.

CLIMATE ACTION & ADAPTATION

The CRD Climate Action Service develops both corporate and community-focused mitigation and adaptation strategies. To help the region become climate neutral by 2030, we support local governments in achieving their climate goals and are striving to be greenhouse gas (GHG) emission neutral corporately. At the community level, the Regional Climate Action Strategy guides climate mitigation and adaptation actions for the 200 services the CRD delivers, with some services requiring comprehensive strategies to best respond.



We envision reduced GHG emissions, triple bottom-line solutions and progress on adaptation.

ECONOMIC DEVELOPMENT

As the local government for the Salt Spring Island, Southern Gulf Islands and Juan de Fuca electoral areas, the CRD advances committee and commission-directed projects and provides data and recommendations from the CRD Regional Information Service. The Salt Spring Island Community Economic Development Commission and the Southern Gulf Islands Community Economic Sustainability Commission develop strategies to foster resilient and sustainable local economies.



We envision increasing economic development potential in the region, with a special emphasis on sustainable, resilient local economies for all the communities in the capital region.



We envision strong relationships with First Nations based on trust and mutual respect, partnerships and working together on shared goals.

FIRST NATIONS RELATIONS

The First Nations Relations Service supports the CRD and its Board to build strong and enduring relationships with neighbouring First Nations governments. We are committed to respectfully and appropriately engaging those First Nations communities in regional strategies, decision-making and shared interests. Priorities include implementing the actions and recommendations outlined in the First Nations Task Force Final Report. Underpinning the report is a Statement of Reconciliation, which will guide the organization's initiatives at the Board, leadership and staff level.



We envision effectively contributing to improved community health and wellbeing.

HEALTH FACILITIES

The Capital Regional Hospital District (CRHD) fosters a healthy region by investing in traditional health care services, developing and improving health care facilities and providing capital funding for infrastructure such as acute care, residential care and hospital equipment. The CRHD strategically acquires property, plans and delivers capital projects, and partners with Island Health on public health bylaws and capacity-building through a Community Health Network. The CRHD and the CRD share the same Board of Directors and Officers.



We envision minimizing waste disposal and maximizing waste diversion.

LANDFILL & RECYCLING

The CRD's comprehensive and ever-evolving solid waste management system minimizes waste and maximizes resource recovery. The Environmental Resource Management Service operates the landfill, oversees solid waste planning, explores opportunities for resource recovery and identifies best practices to further reduce waste, increase recycling and mitigate climate change. The CRD seeks the best use for waste resources through initiatives such as methane gas capture and the diversion of kitchen scraps from the landfill.

We envision additional land acquisitions and increased access to parks and recreational trails for residents.

PARKS & NATURAL RESOURCE PROTECTION

The CRD protects and manages more than 13,000 hectares of spectacular natural areas in 34 regional parks and trails on southern Vancouver Island and the Gulf Islands, providing outdoor experiences and activities that improve personal health and foster appreciation and respect for the region's natural environments. Guided by the Regional Parks Strategic Plan, the CRD develops and maintains park facilities, offers interpretive programs for continued park stewardship and plans for future land acquisitions focused on parcels with high potential for conserving and restoring our natural resources.

PLANNING & DEVELOPMENT

The CRD provides information on and analysis of the region's population, development, land use, transportation, housing and employment trends. Transportation planning, as well as developing, implementing, maintaining and updating a regional growth strategy supports regional sustainability and quality of life. Building Inspection is responsible for overseeing the construction, alteration, repair or demolition of buildings within the capital region's three electoral areas (Juan de Fuca, Salt Spring Island and the Southern Gulf Islands).



We envision keeping approved plans current and monitoring for effectiveness to ensure we achieve our goals and to remain accountable to CRD residents.

We envision effective regional cooperation in protecting public safety and preparing for, responding to and recovering from emergencies.

PROTECTIVE SERVICES

CRD Protective Services continues to maintain safety, good order and public health through emergency management and animal control and by enforcing bylaws using education, mediation, fines and injunctions. Collaborating with other agencies and partners ensures a coordinated and effective response to regional emergencies and bylaw enforcement, and furthers involvement in the Public Alert Notification System and the Regional Emergency Management Partnership. As the local government for three electoral areas, the CRD supports volunteer fire departments and local-level emergency services.



We envision residents having access to appropriate and affordable recreation opportunities.

RECREATION

A diverse range of recreation opportunities in the capital region ensures a healthy high quality of life for residents and visitors who can enjoy both indoor activities such as swimming, skating and fitness as well as outdoor activities like golf, skateboard and tennis. The CRD owns and operates three recreation centres across the region: Panorama Recreation, SEAPARC Leisure Complex and Salt Spring Island Recreation.

TRANSPORTATION

The CRD supports local governments and partner agencies to implement a multi-modal transportation system, enabling residents to access activities and the natural wonders of our region. Our Regional Information and Planning Service coordinates with regional and provincial stakeholders, collects and analyzes data, conducts research and analysis and enables partners to advance active transportation programming. Our work supports inter-jurisdictional transportation projects and initiatives that benefit the region as a whole.



We envision residents having access to convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.

WASTEWATER

The CRD wastewater management services prioritize the health of residents and the environment. We work with municipalities, electoral areas and industry to ensure consistent wastewater management, while protecting urban and rural watersheds and the marine environment. These services manage liquid waste, septic systems and wastewater collection, treatment and disposal infrastructure across the region. Five of the six secondary wastewater treatment plants we operate are in the electoral areas. The Core Area Liquid Waste Management Plan applies to Colwood, Esquimalt, Langford, Oak Bay, Saanich, Victoria and View Royal. The Saanich Peninsula Liquid Waste Management Plan applies to North Saanich, Central Saanich and the Town of Sidney.



We envision efficient and effective management of the region's wastewater through advanced management of wastewater & stormwater.

WATER

The CRD carefully manages the supply and delivery of safe and sustainable drinking water through the Regional Water Supply System serving Greater Victoria and distributes water directly to customers in several municipalities and electoral areas. Delivering safe drinking water from source to tap includes protecting the source, disinfecting the water, monitoring water quality and operating and maintaining transmission and distribution systems and investing in infrastructure renewal.



We envision a sustainable and resilient water supply for CRD residents.

Delivering on Priorities & Projects

Board Priorities

To guide the direction and major activities of the Capital Regional District for the 2019–2022 mandate, the Board of Directors agreed to focus on four regional priorities:

COMMUNITY WELLBEING – TRANSPORTATION & HOUSING

The CRD Board will advocate, collaborate and form partnerships to address the affordable housing and transportation needs of the region's diverse and growing population.

CLIMATE ACTION & ENVIRONMENTAL STEWARDSHIP

The CRD Board will encourage and implement bold action on climate change by enhancing its natural and built assets to achieve environmental resilience, food security and continued wellbeing of our current and future residents.

FIRST NATIONS RECONCILIATION

The CRD Board will take measurable steps toward strengthening government-to-government relationships with First Nations to foster shared prosperity for all.

ADVOCACY, GOVERNANCE & ACCOUNTABILITY

The CRD Board will advocate for infrastructure, regulatory, legislative, financial and operational support, focus its governance and committees/commissions on advancing regional, sub-regional and local priorities and work to resolve issues that the CRD does not have the direct mandate to address.

Corporate Priorities, Projects & Awards

To guide the effective development and coordination the Executive Leadership Team identified key priorities and projects to enhance corporate capacity and delivery of services.

CORPORATE PRIORITIES

With a focus on Accountability, Corporate Priorities include: Business Capacity & Continuity, Fiscal Responsibility, Transparency, Efficiency & Collaboration and Customer Service.

MAJOR PROJECTS

As an essential and critical infrastructure service provider, a number of capital projects were progressed and completed in 2020.

AWARDS

The CRD was the recipient of a number of awards in 2020.

As many initiatives and projects span multiple years and involve other organizations, the achievements described here capture only a snapshot of our organization's work.



2020 PROGRESS

Todd Creek Trestle

Board Priorities

Community Wellbeing

PLANNING & DEVELOPMENT

The CRD provides knowledge and expertise to explore new areas of regional interest and assess the feasibility of developing new services. This involves coordinating numerous internal and external stakeholders to collect data and conduct research, modelling and analysis on regional, sub-regional and local levels. Information related to population change, employment, land use and transportation supports the development and implementation of both regional district and municipal services. Our data services collect and provide regional information, and through the Regional Growth Strategy Indicators Report, monitors economic development. Building Inspection oversees the construction, alteration, repair or demolition of buildings within the capital region's three electoral areas (Juan de Fuca, Salt Spring Island and the Southern Gulf Islands). While we envision additional land acquisitions and increased access to parks and recreational trails for residents, we aim to keep approved plans current and monitor for effectiveness.

TRANSPORTATION

The CRD supports the development and implementation of regional district services and informs transportation and land use planning processes for agencies and both local and senior government. Our transportation service is responsible for data collection, research and modelling related to multi-modal regional travel. We analyze the impacts of actual and projected changes to the transportation system and provide transportation planning advice and expertise to regional, sub-regional and local planning and transportation projects and initiatives, on demand. Our Ready Step Roll initiative successfully delivers active school travel planning services to five schools per year. Our work supports interjurisdictional transportation projects and initiatives that benefit the region as a whole. We envision that residents have access to convenient, green and affordable multi-modal transportation systems that enhance community wellbeing.

CRD TRAFFIC SAFETY COMMISSION AWARDS FOURTH ANNUAL CONSTABLE SARAH BECKETT SCHOLARSHIP

The CRD Traffic Safety Commission (TSC) and Westshore RCMP awarded the fourth annual Constable Sarah Beckett Memorial Scholarship to two recipients in 2020. Cassandra Olson from Belmont Secondary School was awarded the $2,000 Cst. Sarah Beckett Memorial Scholarship. Faith Brown from Stelly's Secondary School was awarded a $2,000 scholarship by the Vancouver Island Slain Police Officers Fund, created to honour officers killed in the line of duty. Recipients are selected based on academic achievement, financial need, community service and an expressed interest in pursuing a career in law enforcement.

WESTVIEW HOUSING

Westview opened in Saanich with 73 affordable new homes for low-to moderate-income families, individuals, seniors and adults with disabilities. The CRHC owns and operates the building, which provides studio and 1, 2 and 3 bedroom apartments. The CRHC is the largest not-for-profit housing provider on Vancouver Island with a portfolio of 1,773 units.

THE REGIONAL HOUSING FIRST PROGRAM (RHFP)

The RHFP is an equal partnership agreement between the CRD, the Government of BC through BC Housing, and the Government of Canada through the Canada Mortgage and Housing Corporation (CMHC). The partners reached agreement to expand the program by contributing additional matching grants of $10 million each, for a total contribution of $120 million to this $600 million initiative. This will ensure the program reaches its target number of 400 homes renting at the provincial income assistance rate for people experiencing chronic homelessness who are ready to live independently with supports.

In December, the program opened West Park in View Royal and Spencer Close in Langford, providing 282 affordable mixed-market rental homes on the Westshore for families and single people with mixed incomes.



Spencer Close

Climate Action & Environmental Stewardship



LAND ACQUISITION

Following the Board's 10-year extension of the Regional Parks Land Acquisition Fund (LAF) in 2019, the CRD was able to acquire and conserve four new areas for regional park purposes, including a 12 hectare addition to Mt. Work Regional Park in Saanich, 41 hectares in Mt. Parke Regional Park on Mayne Island and through donations, 30 hectares near Money Lake on Saturna Island. The CRD Board has also agreed to purchase a 20 hectare property known as the Mountain Road Forest in Saanich in partnership with the Habitat Acquisition Trust.

MOUNTAIN BIKING ADVISORY COMMITTEE

In 2020, a Mountain Biking Advisory Committee (MBAC) was established with the goal of providing advice and guidance to the CRD Regional Parks Committee in developing mountain biking guidelines for regional parks. The MBAC met throughout 2020 and developed an Advice and Guidance Report. This report along with the mountain biking guidelines will be presented to the CRD Regional Parks Committee for review in the spring of 2021. The CRD Regional Parks mountain bike guidelines will assist with the planning of sustainable and quality mountain biking activities within regional parks, giving consideration to all regional park values.

SOLID WASTE MANAGEMENT PLAN

The CRD is developing a new solid waste management plan to reduce and manage solid waste in the capital region. The plan will guide how the region manages solid waste in the coming years and will look at ways to extend the life of the Hartland Landfill through future landfill design options, significantly reducing waste and reusing and/or recycling materials as much as possible.

The draft plan includes proposed strategies and actions for reducing and managing all streams of solid waste—including recyclables, compostable material and garbage—with an eye to extending the life of Hartland Landfill to 2100 and beyond.

Public engagement is a key part of developing the region's Solid Waste Management Plan and feedback from residents was received on the draft. In 2020, an additional consultation period was added to this process and included presentations to First Nations leadership groups in the fall, Hartland site tours for area residents in November and an interactive, live-streamed public information session.

COASTAL FLOOD INUNDATION MAPPING PROJECT

In 2020, the CRD completed and published its Capital Region Coastal Flood Inundation Mapping Project. On behalf of local government and other regional stakeholders, staff worked closely with an inter-municipal and multi-disciplinary project team to complete the project in order to better understand regional impacts from coastal storm flooding due to sea level rise and tsunamis. The project was completed with support from the federal and provincial National Disaster Mitigation Program.

ENERGY RETROFIT SUPPORT THROUGH NEW CLIMATE PROGRAM

Homeowners in the capital region had an opportunity to take action and make their homes more climate friendly through the new Bring It Home 4 The Climate program.

Residential buildings are a large source of greenhouse gas emissions in the capital region, second only to on-road transportation. Homeowners interested in reducing energy consumption benefitted from participating in this program and could also make a difference in reducing our region's carbon footprint.

Through the program, homeowners accessed free virtual home energy check-ups with a Bring It Home Energy Expert, up to $250 subsidy for a COVID-safe EnerGuide Home Energy Evaluation, supplies to reduce the air leakage in their homes, learning opportunities to increase home energy literacy and support with do-it-yourself projects. They also had access to existing provincial and municipal retrofit incentives offered through the Better Homes BC program, making retrofits more affordable.

Bring It Home was supported by the Federation of Canadian Municipalities Transition 2050 project, the CRD, the District of Central Saanich, the District of Saanich, the Township of Esquimalt and the City of Victoria. The program ran until the end of 2020.



CRD low energy fleet options

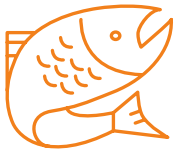


FIRST NATIONS REPRESENTATION

As part of our commitment to reconciliation, the CRD Board amended the CRD Board Procedure Bylaw to include First Nations elected representatives on CRD standing committees, creating space for more inclusive discussions and First Nations involvement in CRD governance.

Archaeology work along Dallas Road

First Nations Reconciliation



BIOSOLIDS TRUCKING

In 2020, the CRD signed a Memorandum of Understanding with ḰENES Transportation, a WSÁNEĆ First Nations partnership company, to contract the trucking of biosolids produced at its Residuals Treatment Facility (RTF).

Under this agreement ḰENES, a new business created by the WSÁNEĆ Leadership Council (WLC) and Sangan Resource Management, will transport dried biosolids to the Lafarge Canada cement plant in Richmond for up to five years while the CRD develops its long-term management plan for the continued beneficial use of this material.

Seeking out economic development opportunities with First Nations communities is a strategic priority of the Board and a core part of our commitment to shared prosperity and reconciliation. This is the first time the CRD has approached a service contract with this lens, recognizing community capacity and vision in a way that makes good sense, meets our business need to transport this material and hits the triple bottom line of positive social, environmental and financial impact. With provincial approval and these beneficial use contracts now in place, the CRD has started developing a long-term management plan for biosolids that will include public consultation.

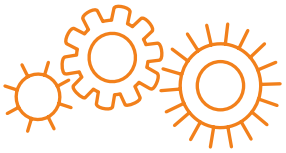
CRD PROTECTION AND CONSERVATION OF HERITAGE SITES POLICY

The First Nations Relations Division engaged Terra Archaeology to provide corporate-wide training to support the new Protection and Conservation of Heritage Sites Policy, which was approved in late January 2020. The policy enhances the requirements of the provincial *Heritage Conservation Act* while addressing the need for a more informed, respectful engagement with local First Nations, and facilitates the protection of archaeological sites during CRD land-altering works that may impact their Traditional Territories. First Nations have been stewards in taking care of the land and water since time immemorial, and the CRD is continuing to respect the Nations traditional land use for cultural and ceremonial practices, food and medicine harvesting, traditional management practices and reclaiming Indigenous place names.

INDIGENOUS CULTURAL PROGRAMMING IN PARKS

In 2020, an Indigenous cultural programmer joined the CRD Regional Parks team in a newly created position. One of the goals of this position is to develop and deliver an interpretive program that aligns with BC's education curriculum requirements for Indigenous content and CRD's reconciliation statement. In 2020, the cultural programmer drafted a school program titled EAGLE (Education & Appreciation Garnered through Listening & Exploring). The program consists of three age-appropriate program outlines and accommodates the unique elements of four regional parks. These draft outlines have been sent to representatives of both the Lək̓ʷəŋən and WSÁNEĆ First Nations for review and future discussion. In addition, the cultural programmer developed Indigenous content for existing interpretive programs, exhibits, kiosks and social media and has developed a new self-guided program featuring Indigenous perspectives in regional parks. On November 25, 2020 a virtual tour of Mill Hill Regional Park, featuring an Indigenous perspective, was filmed and recorded in partnership with the Royal BC Museum.

Advocacy, Governance & Accountability



CRD BOARD AFFIRMS PRIORITIES

In their annual review, the CRD Board confirmed that the Strategic Board Priorities identified in the 2019–2022 Corporate Business Plan remain as important as ever, and have renewed their commitment to addressing them. The four priorities are:

- Community Wellbeing – Transportation & Housing
- Climate Action & Environmental Stewardship
- First Nations Reconciliation
- Advocacy, Governance & Accountability

The Board commented that it was evident staff had taken great care in advancing the strategic priorities by using them to inform day-to-day decision-making. In addition, the Board asked the CRD to:

- Identify options to accelerate actions on Climate Action
- Review the Land Acquisition Fund rate
- Explore the options to further contribute to the region's economic development

This advice from the Board gives the organization clear direction to continue prioritizing initiatives that meaningfully advance the Board Priorities and the Corporate Plan and informs operational plans and budgets for the coming years.

SALT SPRING ISLAND LICENSED PRESCHOOL AND MODULAR CLASSROOM

The Salt Spring Island Parks and Recreation Commission received $214,600 in funding towards the installation of a new modular classroom located at the Rainbow Road Aquatic Centre. The main purpose of the new building is to create licensed care spaces on Salt Spring Island. The project was completed in 2020 with the licensed care program opening in January of 2021.

SALT SPRING ISLAND NORTH GANGES TRANSPORTATION PROJECT

In 2020, the CRD completed construction of Phase 3 of the approximately $1.7 million North Ganges Transportation project. This included the installation of sidewalks, bike lanes, crosswalks and stormwater drainage systems along Rainbow Road and Lower Ganges Road with improvements at the intersections of Rainbow Road and Upper Ganges Road, and Park Drive with the Lower Ganges Road. The project has provided long-awaited additional active transportation infrastructure to downtown Salt Spring Island and significantly improved pedestrian and cycling safety in the areas.

SOUTHERN GULF ISLANDS CONNECTIVITY PROJECT UPDATE

In 2020, the CRD contracted TANEx Engineering to create a Connectivity Infrastructure Design Plan for the Southern Gulf Islands. The project builds on work done by the CRD in 2019 to document community perceptions and experiences regarding internet connectivity on Galiano, Mayne, Pender and Saturna Islands ("Phase 1"). The project is expected to be completed in April 2021.

SOUTHERN GULF ISLANDS TRANSPORTATION SERVICE

In 2020, the CRD advanced a study to consider establishment of an Integrated Transportation Service for the Southern Gulf Islands. This service would create new opportunities for public transit, active transportation and inter-island passenger ferry travel — all integrated to enable multi-modal travel options throughout the islands. The study will be underway throughout 2021 with recommendations for possible service establishment in 2022.



Salt Spring Island Preschool

SOUTHERN GULF ISLANDS LIAISON PROGRAM

In 2020, the Southern Gulf Islands Liaison Program saw much success and has been continued to 2022. This program has island-based CRD contractors coordinating some CRD projects on Galiano, Pender, Mayne and Saturna Islands. The liaisons also share information, connect community groups and facilitate community member access to various CRD staff and services.

2020 ARTS DEVELOPMENT OPERATING GRANTS, PROJECTS AND FUNDING

In 2020, 92 not-for-profit organizations throughout the region received $2,491,400 in overall funding approved by the CRD Arts Commission through the Arts & Culture Support Service.

Grants were given to emerging and established organizations to support arts programming in participating municipalities, providing support in a particularly challenging year. This funding allowed organizations to continue developing inspiring and accessible arts and culture, while adapting programming in compliance with COVID-19 regulations.

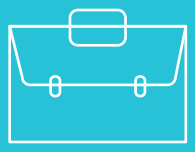
Arts organizations continued to bring communities together in a year where connection was particularly necessary given the cancellation of large in-person gatherings. To continue delivering the creativity that defines the arts, organizations adapted programming for the times; activities in 2020 included online gatherings and workshops, drive-in and pop-up events, virtual galleries, podcasts, livestreams and recordings of performances, and stay-at-home activity kits for children. Information about funding recipients and activities can be found at **crd.bc.ca/arts**.

Public conversations about performing arts facilities in the CRD were conducted virtually over the year, resulting in a report and recommendations regarding arts facilities for the region.



Belfry Theatre, *Bang Bang* by Kat Sandler
B. Ndukwu, A. Poch-Goldin, S. Heins, and T. Keenan
Sets: A.Parboosingh / Costumes: J. Abetria / Lights: S. Henderson

Corporate Priorities



ORGANIZATIONAL DEVELOPMENT PLAN UPDATE

The 2017 CRD Organizational Development Plan (ODP) was established on two foundational strategies to continue moving our organization forward on its path of success: Strengthening Our Foundational Core and Engaging our Employees.

In 2020, a pilot Performance Management process for CRD managers was launched to foster stronger alignment of employee performance to corporate goals. We continued to build the foundations of our Diversity and Inclusion Framework by establishing a working group, approving a staff position to support the Framework and educating managers and staff. We improved technological business solutions by developing a new Enterprise Asset Management System, a mobile maintenance work order system and a Cyber Security Education program.

While COVID-19 tested our organization in 2020, our focus on business continuity was able to proceed in tandem with the new requirement for an organization-wide COVID-19 Safety and Exposure Control Plan and with IT support for remote access and MS Teams. An employee survey on CRD programs, practices and policies and the implementation of the Occupational Health and Safety Certification of Recognition are planned for 2021.

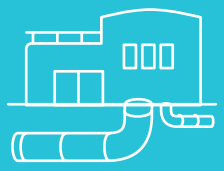
CRD'S EMERGENCY OPERATING CENTRE

In March, the CRD activated a corporate Emergency Operations Centre in response to the COVID-19 global pandemic. The CRD has maintained critical services and infrastructure throughout the ongoing public health emergency, and continues to provide reliable and essential services that play a significant role in economic recovery for the region. Many CRD services are vital to community wellbeing and the vast majority of CRD operations maintained service levels by implementing new measures to address health risks and safety.

CYBER SECURITY PROGRAM

Information Technology resources are valuable corporate assets that enable and support the business of the CRD. The CRD's Cyber Security Program promotes the implementation of appropriate security controls, processes and tools to mitigate cyber security risk and protect confidential and personal information. One goal of the CRD's Cyber Security Program is to build a security-aware culture that provides CRD staff with the information they need to spot and react to potential security problems at the office and at home. To reach this goal, the CRD has adopted a Security Awareness Training program.

Critical Infrastructure



WASTEWATER TREATMENT PROJECT

The Government of Canada, the Government of British Columbia and the CRD announced in December that the Wastewater Treatment Project is now treating wastewater and is exceeding regulatory requirements. The $775 million Wastewater Treatment Project provides tertiary treatment for the core area municipalities of Victoria, Esquimalt, Saanich, Oak Bay, View Royal, Colwood and Langford, and the Esquimalt and Songhees Nations. It was approved in 2016 and has been under construction for four years.

The Wastewater Treatment Project consists of three main components:

The McLoughlin Point Wastewater Treatment Plant in Esquimalt can treat 108 megalitres of wastewater per day to a tertiary level – one of the highest levels of treatment available.

The Residuals Treatment Facility at Hartland Landfill in Saanich turns residual solids, piped from the wastewater treatment plant, into what are known as Class A biosolids. These are the highest quality by-product suitable for beneficial use.

The Conveyance System carries wastewater from across the core area to the treatment plant, and residual solids to the Residuals Treatment Facility at Hartland Landfill. Major upgrades to pump stations, sewer mains, integrated monitoring and controls and an attenuation tank were part of the project.

SOUTHERN GULF ISLANDS HARBOURS & DOCKS FACILITIES

Under the Southern Gulf Islands Harbours Service (SGIHS), there are 12 dock facilities on six islands owned and operated by the CRD. These facilities are a vital link for island community residents and visitors, providing moorage, access points for supplies and mail delivery, water taxi and ambulance services, Royal Canadian Search and Rescue, and refuge in case of inclement weather or emergency.

In 2020, the SGIHS capital projects included starting construction of a new dock facility at Anson Road and installing a large new float at the Miner's Bay Dock, both on Mayne Island.

- **Anson Road Dock** — The new public dock on Mayne Island will provide 91 meters of boat moorage, space for approximately 30 boats. The upland portion of the dock will consist of upper and lower gravel parking lots and public access to the waterfront. The project will be completed in 2021.
- **Miner's Bay Dock** — The Miner's Bay Dock is located on the northeast side of Mayne Island facing Active Pass, the main shipping route between south Vancouver Island and the lower mainland. To better withstand the conditions at the location and improve the safety and usability of the dock, the CRD constructed a new float and anchoring system and re-aligned the dock.



McLoughlin Point Wastewater Treatment Plant



SEAPARC building expansion

SEAPARC EXPANSION

SEAPARC opened a new weight room and fitness studio expansion at the Leisure Complex in Sooke in early 2020. This project was made possible with the assistance of a $1.24 million grant from the Federal Gas Tax Fund.

TODD CREEK TRESTLE

CRD Regional Parks completed restoration of the Todd Creek Trestle along the Galloping Goose Regional Trail near Sooke Potholes Regional Park. This four-storey wooden trestle is over 100 years old and is a landmark of the Canadian National Railway. This restoration work adds an additional 35-50 years to the life span of the structure.

JUAN DE FUCA WATER DISTRIBUTION SERVICE ASBESTOS CEMENT PIPE REPLACEMENT PROGRAM

The Juan de Fuca Water Distribution Service has been investing in infrastructure renewal annually to ensure the system remains safe and reliable. The Asbestos Cement Pipe Watermain Replacement Program has been part of water mains and service infrastructure across the West Shore communities. Five projects were completed as part of the program during 2020, investing $4 million renewing over 3,500 metres of water main along Scafe Road, Hockley Avenue, and Walfred Road in the City of Langford and Kaltasin Road in the District of Sooke.

THE SUMMIT OPENING

The CRD and Island Health welcomed seniors living with complex health issues and dementia to a brand-new place to call home at The Summit, an $86 million, 320 bed modern long-term care home in Victoria's Quadra Village neighbourhood.

Residents at The Summit will have private bedrooms with ensuite bathrooms, grouped into "houses" (clusters of 16-24 residents). Private rooms offer a significant benefit for residents as an effective way to help keep them safe from the spread of communicable illnesses, such as influenza and the COVID-19 virus.

The site also includes a hair salon and a dialysis room to eliminate the need to travel to the hospital. Outdoor spaces include patios on every floor, a secure central courtyard on the main floor and a walking path around the property.

The Summit was developed through an innovative partnership between Island Health and the Capital Regional Hospital District (CRHD) to develop a long term care facility.

Construction on The Summit began in 2016. Plans to open the facility in April 2020 were paused to facilitate the building's use as a possible field hospital during the COVID-19 pandemic. With the oversight of Island Health's Chief Medical Health Officer, The Summit officially opened in July 2020.



The Summit

Awards

BC TOP EMPLOYER & GREEN EMPLOYER AWARDS

For the fourth year in a row, the CRD was recognized as one of BC's Top Employers and has previously been recognized as one of Canada's Greenest Employers, with announcements of this program honour pending. We received these awards as a result of our progressive human resources policies and programs, our commitment to continued employee professional development and our impactful environmental programs and earth-friendly policies.

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

The Government Finance Officers Association of US & Canada recognized the CRD with three awards for best practices in financial management and reporting. These awards reflect the CRD's commitment to meeting the highest principles of financial reporting in both the United States and Canada.

- **Distinguished Budget Award** (best practices in budgeting)
- **Canadian Award for Excellence in Financial Reporting** (going beyond minimum requirements in the spirit of transparency & full disclosure)
- **Popular Annual Financial Reporting Award** (recognizes local government financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance)



Lab services staff featured for the Green Employer Award



2020 FINANCIAL HIGHLIGHTS

Financial Reporting Overview

The Capital Regional District (CRD) is pleased to provide this consolidated financial overview for the 2020 fiscal year.

Our Region

The economic uncertainty in 2020 due to the global COVID-19 pandemic led to provincial restrictions, operational health and safety measures impacting service delivery, and increased unemployment throughout the region. While unemployment showed signs of improvement towards the end of 2020, rates remained more than 50% higher than 2019.[1]

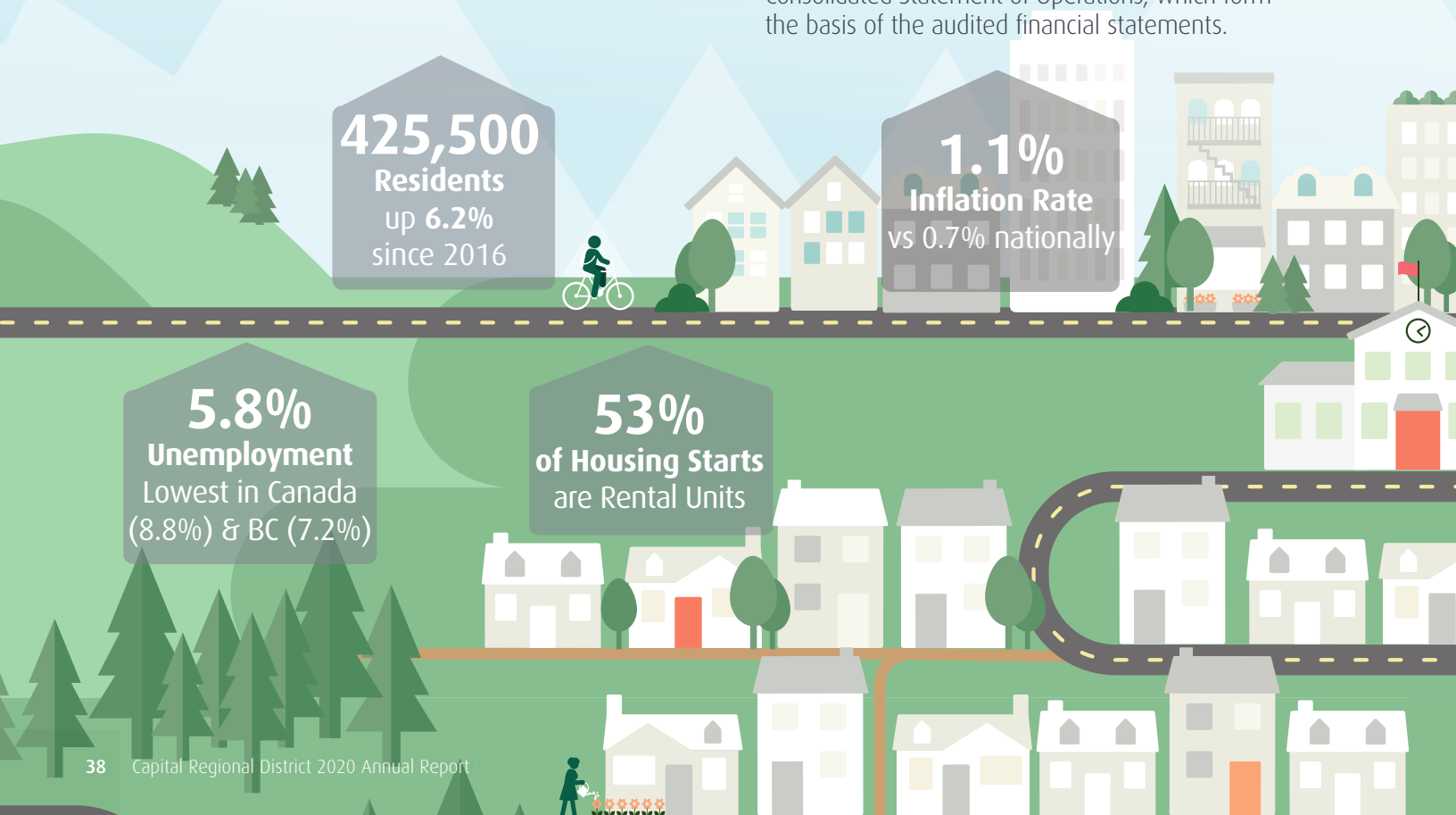
Throughout the year, with the exception of CRD recreation centres, demand for services remained strong and some services experienced record utilization. In 2020, visitations to Regional Parks increased by more than 25%, landfill tipping tonnage grew by 2.8%, and water consumption rose by 2.0%. Proactive management and continuous adjustments of service delivery resulted in minor impacts to the organization's overall financial health.

The Consumer Price Index (CPI) for greater Victoria was 1.1%, compared to Vancouver at 0.6% and British Columbia at 0.8%; significantly higher than the national average of 0.7%.[2] The average price of a single family home grew by 9.0% to $948,200.[3] As of December 2020, the region's unemployment rate was amongst the lowest in Canada at 5.8% and lower by comparison to 7.2%[4] in BC, and 8.8%[5] nationally.

Property assessment values across the region increased to $127 billion versus $125 billion in 2019 (increase of 2%). The annual increase remains lower from recent highs of 9%, 16% and 18% in 2019, 2018 and 2017 respectively.[6] New building permit values increased 26% to $1.4 billion[7] while housing starts decreased by 8.3% in 2020[8] suggesting that while construction is expected to decline in the near term, activity will rise in the future.

Our Process

This report includes the CRD's Consolidated Statement of Financial Position and the Consolidated Statement of Operations, which form the basis of the audited financial statements.



Each year, the CRD prepares audited financial statements in accordance with legislative requirements and presents them at a public Board meeting for approval. The 2020 financial statements were prepared by management, in accordance with Canadian Public Sector Accounting Board (PSAB) standards, and were audited by KPMG LLP.

Under PSAB regulations, governments are required to present five statements with explanatory notes:

- Statement of Financial Position
- Statement of Operations
- Statement of Change in Net Debt
- Statement of Remeasurement Gains and Losses
- Statement of Cash Flows

The CRD also includes a number of schedules for additional reference. The consolidated financial statements include all CRD divisions and departments.

Capital Region Housing Corporation

The Capital Region Housing Corporation (CRHC) is a non-profit organization wholly owned by the Capital Regional District and is governed by the same 24 member Board of Directors as the CRD.

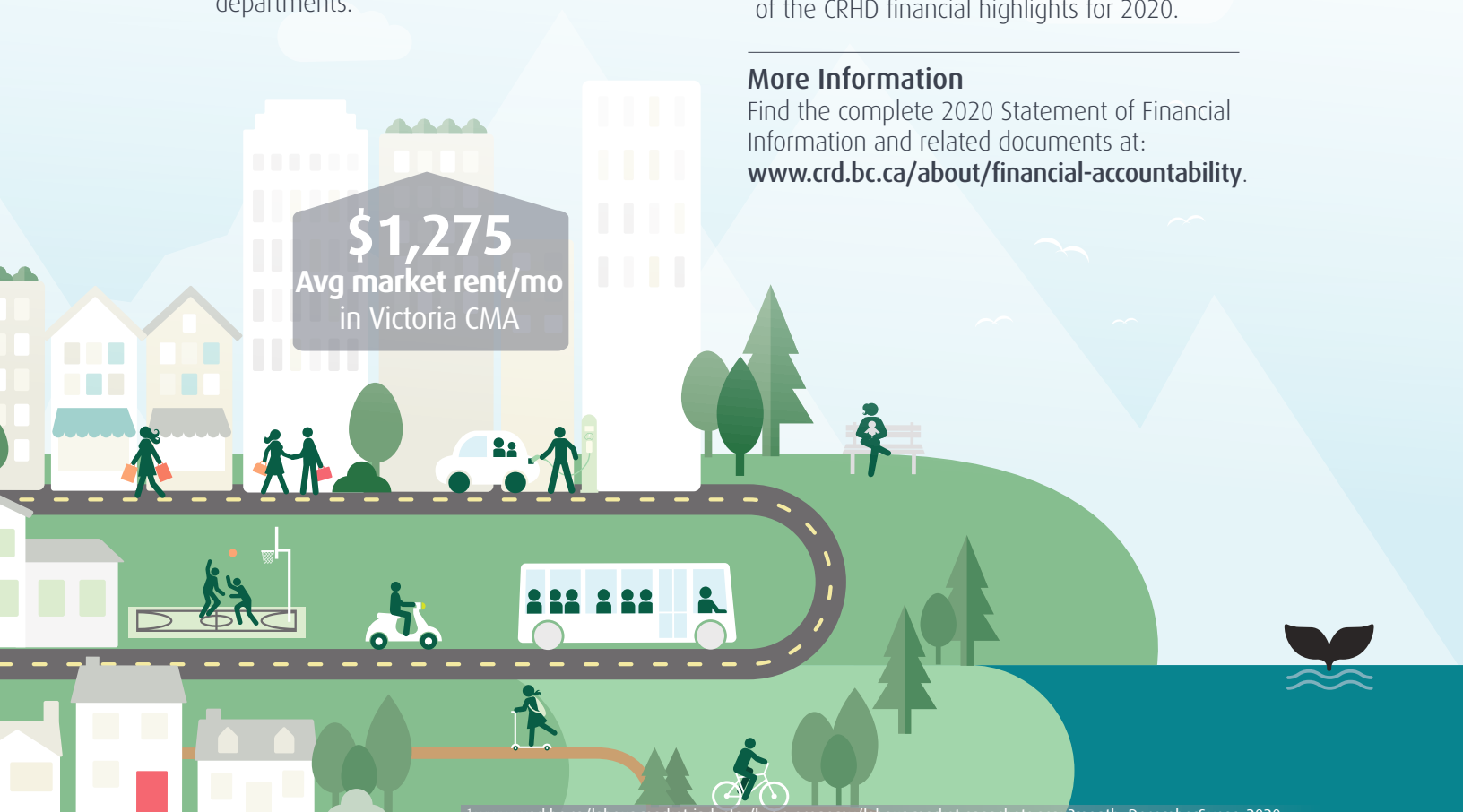
As an entity of the CRD, the CRHC's financial statements are consolidated within the audited CRD financial statements as required by PSAB standards.

Capital Regional Hospital District

The Capital Regional Hospital District (CRHD) operates under the authority of the *Hospital District Act* and shares the same boundaries, directors and administrative staff as the CRD. It partners with Island Health and community agencies to develop and improve health-related facilities in the region. The CRHD prepares a set of audited financial statements independent from the CRD. Page 47 features a brief summary of the CRHD financial highlights for 2020.

More Information

Find the complete 2020 Statement of Financial Information and related documents at: **www.crd.bc.ca/about/financial-accountability**.



[1] www.workbc.ca/labour-market-industry/b-c-s-economy/labour-market-snapshots.aspx?month=December&year=2020
[2] www2.gov.bc.ca/assets/gov/data/statistics/economy/cpi/cpi_annual_averages.pdf
[3] www.vreb.org/media/attachments/view/doc/stats_release_2021_02/pdf/stats_release_2021_02.pdf
[4] www.workbc.ca/labour-market-industry/b-c-s-economy/labour-market-snapshots.aspx?month=December&year=2020
[5] www.todocanada.ca/january-2021-a-quick-glance-at-unemployment-rates-across-canada/
[6] BC Assessment 2021 Tax Roll
[7] CRD Regional Planning Division Stats
[8] www150.statcan.gc.ca/n1/en/type/data?MM=1#tables (***Table:*** *Canada Mortgage and Housing Corporation housing starts, under construction and completions in selected census metropolitan areas, annual 1, 2, 3*)

2020 Operating Budget

Capital Regional District
$283M

Capital Regional Hospital District
$37M

Capital Region Housing Corporation
$20M

Total
$340M

2020 Capital Budget

Capital Regional District
$402M

Capital Regional Hospital District
$32M

Capital Region Housing Corporation
$15M

Total
$449M

CRD Statement of Financial Position (Consolidated CRD+CRHC)

This statement presents the organization's assets, liabilities, net debt position and accumulated surplus or equity position. The net debt position decreased by $20.0 million, primarily due to an increase in cash and investments and accounts receivable offset by an increase in debt. Amounts invested in capital assets in 2020 totalled $230.9 million contributing to the net increase in accumulated surplus of $251.9 million.

	2020	2019	2018
Financial assets	**(in millions)**	**(in millions)**	**(in millions)**
Cash and investments	$362.7	$298.7	$238.3
Accounts receivable	$35.0	$23.2	$25.0
Member municipality debt	$146.9	$153.0	$150.8
Restricted cash – MFA Debt Reserve Fund	$3.9	$4.0	$3.2
Land for resale	–	$8.3	$19.1
	$548.5	**$487.2**	**$436.4**
Financial liabilities			
Accounts payable and accrued liabilities	$117.2	$111.3	$94.5
Deferred revenue	$32.7	$16.0	$16.4
Short-term debt – CRHC	$61.3	–	–
Long-term debt – CRD, CRHC, & member municipalities	$405.0	$447.3	$384.5
Landfill closure liability	$11.3	$10.7	$10.1
Other long-term liabilities	$1.4	$2.3	$2.8
	$628.9	**$587.6**	**$508.3**
Net debt	**($80.4)**	**($100.4)**	**($71.9)**
Non-financial assets*			
Tangible capital assets	$1,760.5	$1,529.6	$1,246.4
Inventory of supplies and prepaid expenses	$2.7	$1.7	$1.4
	$1,763.2	**$1,531.3**	**$1,247.8**
Accumulated surplus	**$1,682.8**	**$1,430.9**	**$1,175.9**

*Non-financial assets are resources that are normally held for service provision over one or more future periods.

CRD Statement of Operations (Consolidated CRD+CRHC)

This statement identifies the results of the organization's financial activities for the year by presenting revenues less expenses, resulting in the organization's annual surplus on a PSAB basis. Overall, in 2020, revenue increased by $1.8 million. This increase was driven primarily by an increase in developer contributions of $2.4 million, an increase in rental revenue from CRHC of $1.3 million, and an increase in other revenue and sale of service revenue of $1.2 million. This was offset by a $3.0 million decrease in government grants. The change in expenses for 2020 relates primarily to an increase in salaries, wages and benefits, and contract for services and consultants related to third party payments. Financial surpluses generated from operations are generally carried forward and used to make principal debt repayments and reduce the appropriate service requisitions or funding requirements.

	2020	2019	2018
Revenue	**(in millions)**	**(in millions)**	**(in millions)**
Requisition – CRD	$71.0	$67.6	$63.7
Sale of services	$115.3	$109.5	$105.0
Other revenue	$231.6	$239.4	$109.9
Requisition – municipal debt	$15.3	$14.9	$15.4
	$433.2	**$431.4**	**$294.0**
Expenses			
General government services	$22.1	$20.4	$14.6
Protective services	$10.9	$10.5	$10.8
Sewer, water and garbage services	$84.5	$81.4	$76.4
Planning and development services	$2.5	$2.5	$2.4
Affordable housing – rental expenses	$17.8	$16.5	$14.7
Recreation and cultural services	$26.9	$28.6	$28.0
Other	$2.8	$2.3	$2.2
Municipal debt servicing	$15.4	$15.0	$15.5
	$182.9	**$177.2**	**$164.6**
Annual surplus	**$250.3**	**$254.2**	**$129.4**

CRD Financial Health (Consolidated CRD+CRHC)

Current Ratio

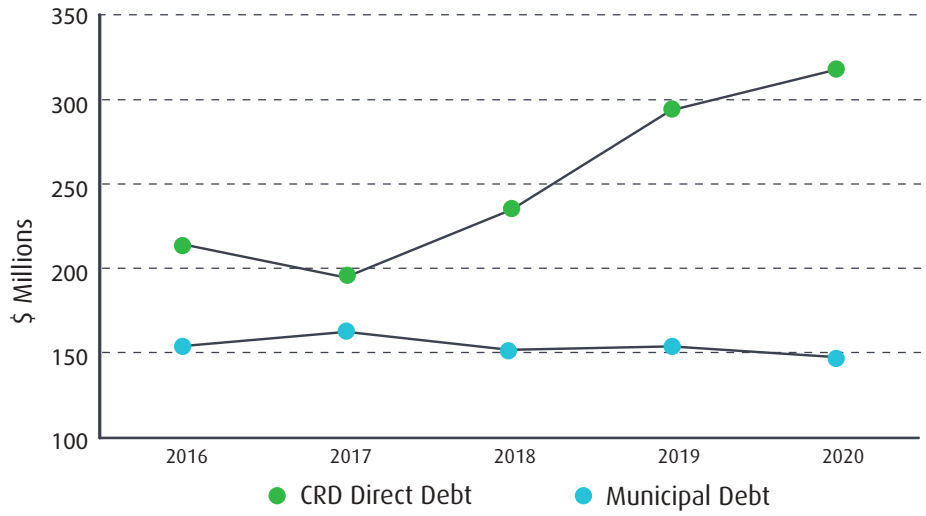
The current ratio is a measure of the liquidity of an organization, meaning the CRD's ability to meet current obligations through current assets. A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. Generally, a current ratio greater than one is considered healthy for a government entity.

CURRENT RATIO

7.3

Debt

Debt includes CRD, CRHC and member municipalities. Short-term debt increased by $61.3 million in CRHC related to new housing purchases through the Regional Housing First Program. This debt was rolled into long-term mortgages subsequent to year-end. Long-term debt decreased by $42.3 million to $405.0 million in 2020. The majority of the decrease comes from CRD which payed down $36.1 million in total. $30.9 million related to WTP debt repayments as the project nears completion. The remaining decrease relates to member municipality debt which decreased by $6.1 million.



Assets Funded by Debt

The Capital Investment Funded by New Debt ratio measures the current year acquisition of capital assets that are funded by new debt. In 2020, excluding $133.2 million investment towards the WTP, new debt funded $71.6 million out of the CRD's capital investment balance of $135.2 million.

CAPITAL INVESTMENT FUNDED BY NEW DEBT

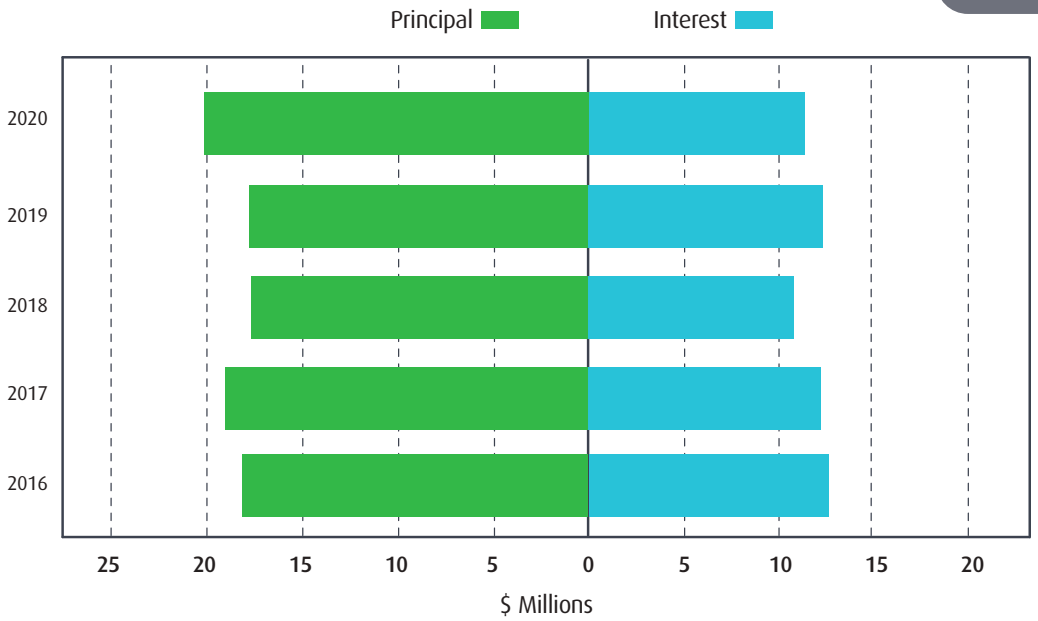
53.0%

Payments on Debt

The table below shows the split between principal and interest of total debt payments over the last five years. The portion of debt payments going to pay interest is trending lower, as a result of lower rates and reduced principal.

PRINCIPAL PORTION OF DEBT PAYMENTS

65.0%

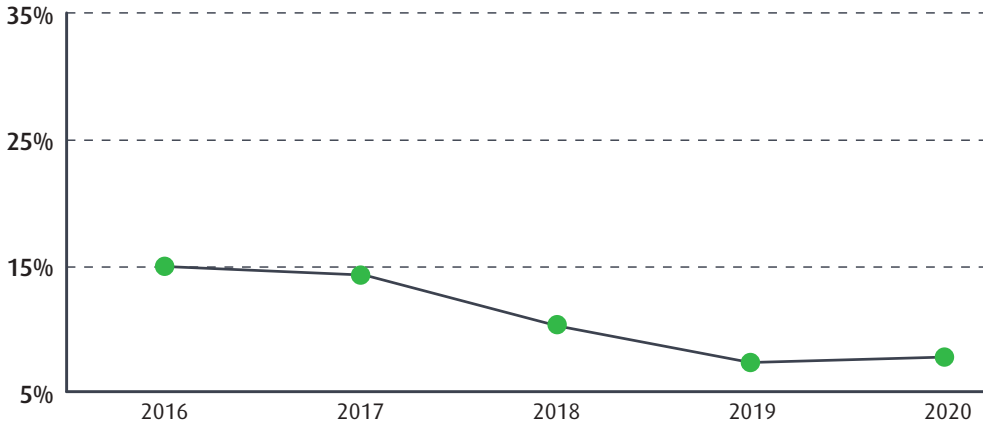


Debt Servicing Costs

The Debt Service Costs to Total Revenue ratio is the percentage of revenue committed to the payment of interest and principal on temporary and long-term debt. A high percentage indicates greater use of revenue for the repayment of debt and less ability to adjust to unplanned events and changing circumstances. The CRD's debt servicing costs (excluding member municipality debt servicing costs) have been trending down year over year. In 2020, debt servicing costs were $31.9 million and revenue was $417.8 million.*

DEBT SERVICE COSTS TO TOTAL REVENUE

7.6%

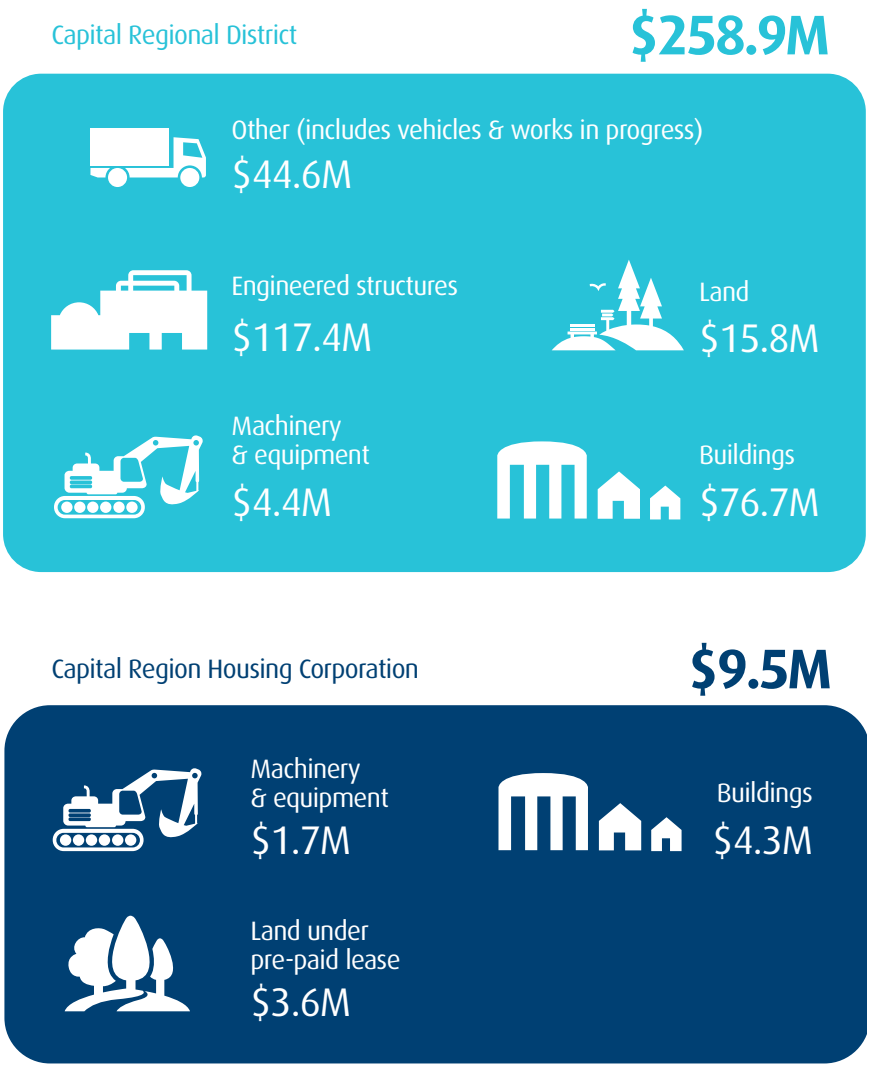


*Revenue excludes debt servicing costs paid by member municipalities.

CRD Capital Investment (Consolidated CRD+CRHC)

The CRD's capital assets continue to grow as the organization invests in infrastructure to meet capacity demands and the Board's strategic priorities and corporate plan.

Additions to Capital Assets in 2020

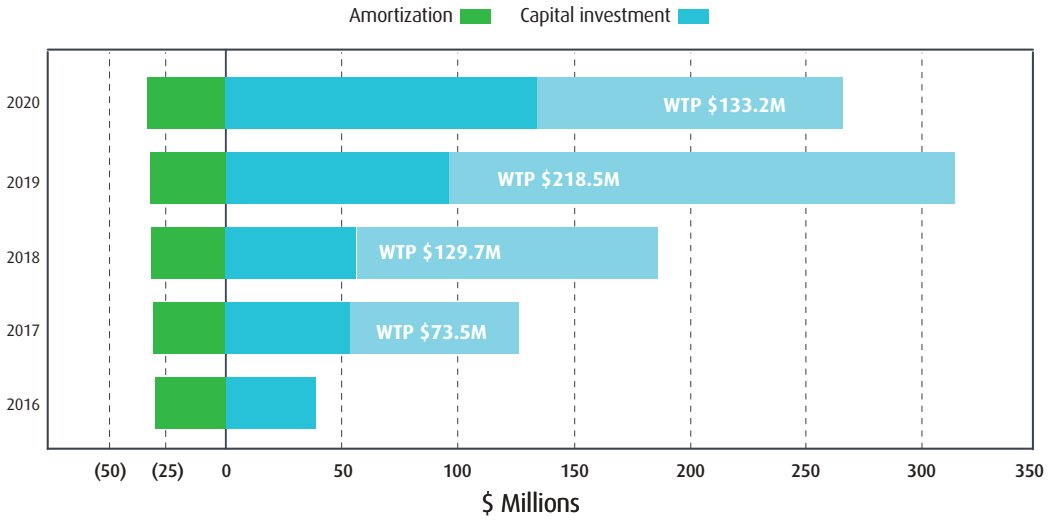


Capital Investment & Amortization

This ratio is the amount of capital invested in infrastructure for every dollar that assets depreciate each year. In 2020, investment in capital was $268.4 million, which includes $133.2 million in acquisitions for the WTP. Excluding the impact of WTP, the investment in capital was $135.2 million compared to amortization of $33.8 million.

INVESTMENT IN CAPITAL OVER AMORTIZATION

7.9x

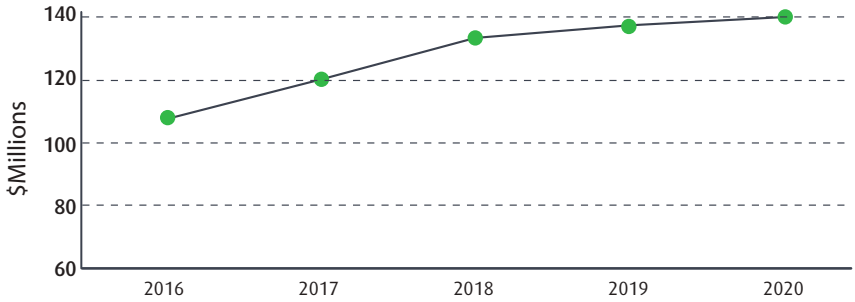


Contributions to Reserves

Contributions to reserves are needed to reduce costs of borrowing for asset renewal, replacement and to mitigate risk of asset failure. Reserves are essentially savings supporting sustainable service delivery while balancing fluctuations in requisition and user fees. Transfers to operating and capital reserves increased the total reserve to $141.4 million in 2020, an increase of $3.6 million.

RESERVE BALANCE

$141.4M



CRHD Statement of Financial Position

This statement presents the Capital Regional Hospital District's assets, liabilities, tangible capital assets and accumulated deficit. The net debt for 2020, also represented as total assets minus total liabilities, is $117.7 million. The overall position is a deficit, since the CRHD primarily borrows funds to distribute capital grants in support of regional hospitals, equipment and other investments in infrastructure. These grants are recorded as expenses rather than assets owned by the CRHD.

The accumulated deficit decreased by $28.5 million, as a result of capital investment in The Summit at Quadra Village; an asset where the CRHD retains ownership.

	2020	2019	2018
Financial assets	**(in millions)**	**(in millions)**	**(in millions)**
Cash and cash equivalents	$23.6	$30.4	$26.5
Investments	–	–	$26.0
Accounts receivable	$0.8	$0.3	$0.8
Prepaid expenses	–	–	$0.1
Restricted cash – MFA Debt Reserve Fund	$3.9	$4.1	$4.1
Land for resale*	–	–	$0.0
	$28.3	**$34.8**	**$57.5**
Financial liabilities			
Accounts payable and other liabilities	$3.8	$8.5	$8.9
Deferred revenue	$0.4	–	–
Due to Capital Regional District	–	$0.1	$0.1
Long-term debt	$141.8	$161.7	$175.3
	$146.0	**$170.3**	**$184.3**
Net debt	**($117.7)**	**($135.5)**	**($126.8)**
Non-financial assets*			
Tangible capital assets	$99.7	$89.0	$58.5
	$99.7	**$89.0**	**$58.5**
Accumulated deficit	**($18.0)**	**($46.5)**	**($68.3)**

*Non-financial assets are resources that are normally held for service provision over one or more future periods.

CRHD Statement of Operations

This summary identifies the result of the CRHD's financial activities for the year by presenting revenues less expenses, resulting in the organization's annual surplus on a PSAB basis. The annual surplus of $28.5 million was an increase of $6.7 million over 2019. The increase was due to the $9.3 million non-cash recognition of revenue related to the fair value of the Oak Bay Lodge donation from Island Health and $4.1 million in lease revenue from The Summit property. This was offset by $1.2 million decrease in requisitions and $0.8 million decrease in interest income. Expenses increased by $4.6 million due to $2.6 million increase in grants to district hospitals and $3.1 million in amortization on the new Summit property. This was offset by a $1.6 million decrease in interest on long-term debt.

	2020	2019	2018
Revenue	**(in millions)**	**(in millions)**	**(in millions)**
Requisition	$29.4	$30.6	$30.4
Other revenue	$20.6	$8.0	$7.7
	$50.0	**$38.6**	**$38.1**
Expenses			
Grants to district hospitals	$9.0	$6.4	$7.4
Interest and operating expenses	$12.5	$10.4	$11.5
	$21.5	**$16.8**	**$18.9**
Annual surplus	**$28.5**	**$21.8**	**$19.2**

CRHD Financial Health

Current Ratio

The current ratio is a measure of the liquidity of an organization, meaning the CRHD's ability to meet current obligations through current assets. A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. Generally, a current ratio greater than one is considered healthy for a government entity.

CURRENT RATIO

5.9

Interest Coverage Ratio

This ratio is a measure of the organization's ability to meet interest expense obligations on temporary and long-term debt. A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. Generally an interest coverage ratio greater than two is considered healthy for a government entity.

INTEREST COVERAGE RATIO

6.3X



Key Documents

We have a comprehensive list of reports and plans available on the CRD website at **www.crd.bc.ca/plans**.
Below are a selection of the resources available:

COMMUNITY WELLBEING – TRANSPORTATION & HOUSING

Capital Region Housing Corporation (CRHC) Strategic Plan
Regional Housing Affordability Strategy (RHAS)
Regional Growth Strategy (RGS)
Regional Transportation Strategy (RTP)

CLIMATE ACTION & ENVIRONMENTAL STEWARDSHIP

Corporate Climate Action Strategy (CCAS)
Regional Climate Action Strategy (RCAS)
Regional Food & Agricultural Strategy (RFAS)
Regional Parks Strategic Plan
Solid Waste & Resource Management Plan (SWMP)

FIRST NATIONS RECONCILIATION

First Nations Task Force Final Report
Statement of Reconciliation

ADVOCACY, GOVERNANCE & ACCOUNTABILITY

Regional Water Supply Strategic Plan
Advocacy Strategy
CRD Arts & Culture Support Service Strategic Plan

OTHER

Organizational Development Plan (ODP)
Corporate Asset Management Strategy (CAMS)
Board Priorities
Corporate Plan



Capital Regional District

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Facebook: Capital Regional District

Making a difference...together

REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **Capital Region Housing Corporation Annual General Meeting**

ISSUE SUMMARY

Complete the annual shareholder meeting of the Capital Region Housing Corporation (CRHC) by written resolution.

BACKGROUND

The Capital Regional District (CRD) is the sole shareholder of the CRHC, a corporation incorporated under the *Business Corporations Act* (BC).

As a corporation, the CRHC must hold an annual meeting of the shareholders, also called an annual general meeting, within 15 months of its last annual meeting. This may be in writing, which requires no additional administrative time to coordinate and can be included as a standard agenda item at a meeting of the CRD Board.

A shareholder's resolution is attached as Appendix A of this report. At a corporation's annual general meeting, the financial statements must be received by the shareholder (included as Appendix B). The corporation's annual report is also attached for shareholder information as Appendix C.

ALTERNATIVES

Alternative 1
That the unanimous shareholder's resolution attached as Appendix A to the Capital Region Housing Corporation Annual General Meeting report be adopted, and the Chair and Corporate Officer execute it on behalf of the Capital Regional District.

Alternative 2
That this matter be referred back to staff for further information based on Capital Regional District Board direction.

IMPLICATIONS

Former Practice at CRD
Starting in 2019, a resolution in writing, signed after a CRD Board meeting, was adopted as the process for holding an annual meeting. In prior years, the CRD appointed its Board Chair as shareholder representative. The Board Chair would attend a CRHC shareholders meeting, called for that purpose in accordance with the timelines in the legislation and corporate articles. The Board Chair of the CRD would then vote to adopt the financial statements, auditor's report, and any other business required to be transacted. This was prior to CRHC's governance reorganization.

The downside of the former practice is that it requires additional administrative time to be spent organizing an in-person meeting in strict compliance with the legislation and articles. As a sole-shareholder corporation that shares directors with the CRD, such administrative burden is no longer required as the directors of the CRD are those persons appointed as directors of the CRHC.

Economic Implications
By completing a resolution in writing, administration costs of organizing and hosting a formal in-person annual general meeting are avoided.

Public Participation Implications
By moving forward by way of resolution in writing, members of the public may attend to speak to CRHC's business as a delegation on a standard CRD agenda item. This may lead to increased transparency and public involvement.

Record Keeping Implications
By proceeding by way of corporate resolution in writing, it will be easier to track the business conducted by CRD as shareholder. The corporate resolution in writing will be filed in the CRHC's minute book, easily accessible if necessary, as well as noted in the CRD's minutes.

CONCLUSION

Staff recommend the CRD conduct the annual meeting of the shareholder of the CRHC by way of resolution in writing, and the CRD authorize the Chair and Corporate Officer to execute the unanimous shareholder resolution on its behalf.

RECOMMENDATION

That the unanimous shareholder's resolution attached as Appendix A to the Capital Region Housing Corporation Annual General Meeting report be adopted, and the Chair and Corporate Officer execute it on behalf of the Capital Regional District.

Submitted by:	Steven Carey, BSc, JD, Manager, Legal Services, Corporate Services
Concurrence:	Don Elliott, MUP, Senior Manager, Regional Housing & CRHC
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Unanimous Resolution of the Shareholders of the CRHC
Appendix B: Audited Financial Statements
Appendix C: Annual Report

Appendix A

CONSENT UNANIMOUS RESOLUTION OF THE SHAREHOLDER OF

THE CAPITAL REGION HOUSING CORPORATION

(the "CRHC")

The Capital Regional District, being the sole shareholder of the CRHC entitled to vote at an annual general meeting of the CRHC, hereby consent to the following unanimous resolutions:

RESOLVED that:

1) the financial statements of the CRHC for the period ended December 31, 2020, are hereby approved;

2) all lawful acts, contracts, proceedings, appointments and payments of money by the directors of the CRHC since the last annual general meeting of the CRHC, and which have previously been disclosed to the shareholder, are hereby adopted, ratified and confirmed;

3) that KPMG LLP be appointed auditors for the CRHC until the next annual general meeting or until a successor is appointed, at a remuneration to be fixed by the CRHC directors; and

4) this resolution may be signed on behalf of the corporate shareholder, the Capital Regional District, by the Chair of the Capital Regional District and the Corporate Officer.

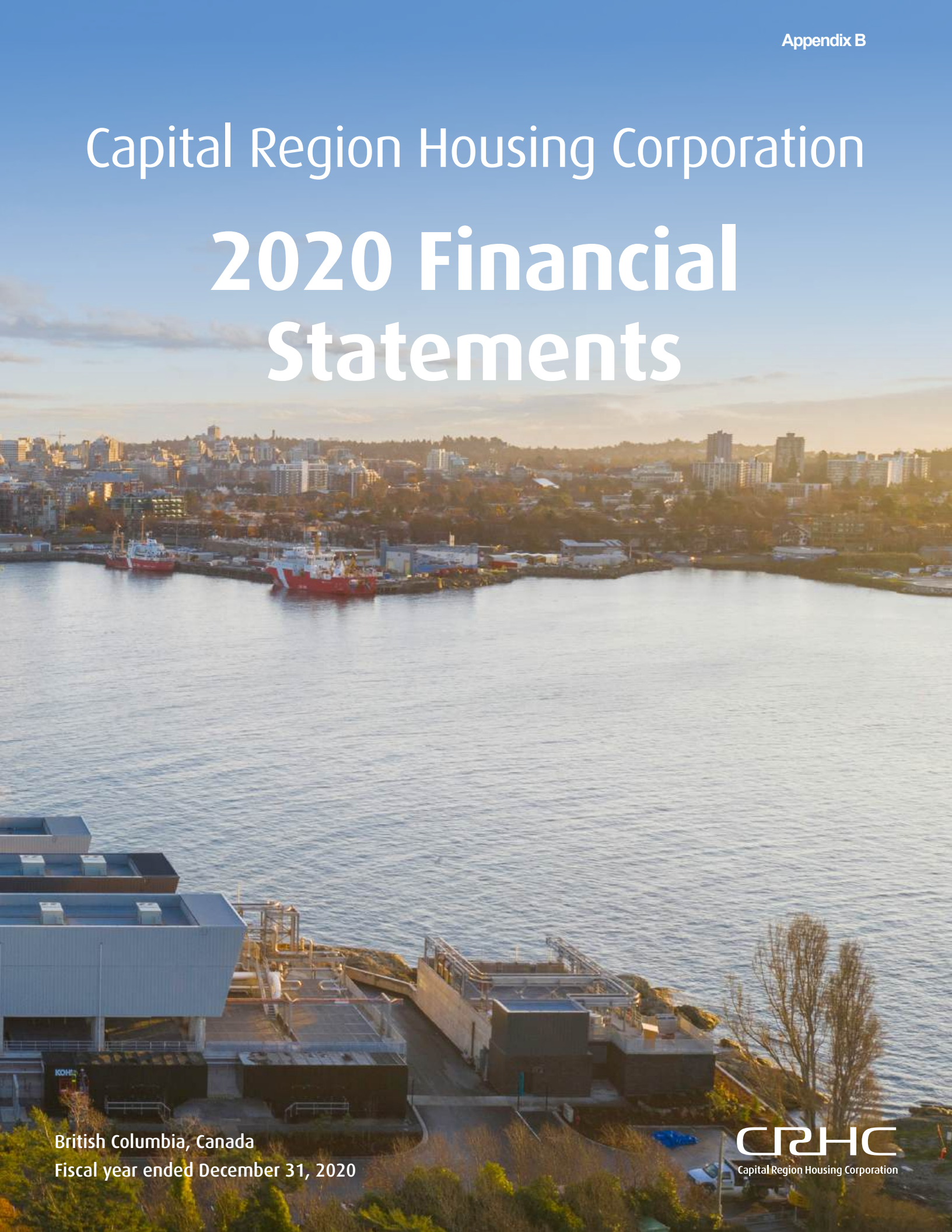
RESOLVED as of _____ May, 2021.

Colin Plant	Kristen Morley
Capital Regional District Board Chair	Corporate Officer

Appendix B

Capital Region Housing Corporation

2020 Financial Statements



British Columbia, Canada
Fiscal year ended December 31, 2020

CRHC
Capital Region Housing Corporation

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KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Shareholder of the Capital Region Housing Corporation

Opinion

We have audited the financial statements of the Capital Region Housing Corporation (the Corporation), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets and remeasurement gains and losses 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 significant 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 Corporation as at December 31, 2020, and its results of operations, its changes in net assets and remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Corporation 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.

DRAFT

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Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the Annual Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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 Canadian public sector accounting standards, 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 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.

Auditors' 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 auditors' 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

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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 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 auditors' 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 auditors' 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 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.

Chartered Professional Accountants

Victoria, Canada
_____ 2021

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Capital Region Housing Corporation

Capital Region Housing Corporation

MANAGEMENT REPORT

The Financial Statements contained in this report have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Capital Region Housing Corporation Board of Directors are responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Hospitals and Housing Committee of the Board.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian public sector accounting standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to staff and management. The Independent Auditors' Report outlines the scope of the audit for the year ended December 31, 2020.

On behalf of Capital Region Housing Corporation,

Nelson Chan, MBA, FCPA, FCMA
Chief Financial Officer
May 12, 2021

DRAFT

Statement of Financial Position

As at December 31, 2020

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	**$ 6,961,868**	$ 6,778,570
Accounts receivable	**642,886**	483,154
Due from Capital Regional Hospital District	**-**	80,726
Prepaid expenses	**541,333**	391,831
	8,146,087	7,734,281
Cash and cash equivalents restricted for replacement reserve (Note 2)	**5,934,450**	5,116,400
Restricted cash held by BCHMC	**-**	478,892
Capital assets (Note 3 and Schedule C)	**161,085,348**	99,934,869
	$ 175,165,885	$ 113,264,442
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	**1,014,548**	2,684,758
Accrued mortgage interest	**209,964**	229,824
Due to Capital Regional District	**104,454**	21,539
Deferred revenue	**704,008**	670,815
Security deposits	**795,281**	636,614
Short-term capital financing (Note 9)	**61,277,457**	2,344,958
Mortgages payable principal current portion (Schedule D)	**4,828,667**	4,568,934
Mortgages payable principal renewal portion (Note 4 and Schedule D)	**3,189,847**	8,840,245
	72,124,226	19,997,687
Mortgages payable (Note 4 and Schedule D)	**71,844,896**	64,173,151
Capital stock (Note 5)	**1**	1
Net assets:		
Invested in capital assets (Note 6)	**21,351,990**	20,840,337
Externally restricted (Note 7)	**8,587,302**	7,504,594
Internally restricted (Note 7)	**623,382**	306,064
Unrestricted: Corporation stabilization reserve (Note 8)	**498,122**	658,224
	31,060,796	29,309,219
Accumulated remeasurement losses	**135,966**	(215,616)
	31,196,762	29,093,603
Commitments and contingencies (Note 9)		
Subsequent events (Note 12)		
	$ 175,165,885	$ 113,264,442

See accompanying notes to the financial statements.

On behalf of the Board:

_____Director _____Director

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Statement of Operations

For the year ended December 31, 2020

	Operating Funds		Restricted Funds			
	Corporation	**Rental Housing**	**Capital Fund**	**Replacement Reserve Fund**	**Total 2020**	Total 2019
Revenues:						
Tenant rent contributions	$ -	$14,483,146	$ -	$ -	**$ 14,483,146**	$ 13,352,665
BCHMC rent subsidy assistance	-	359,792	-	-	**359,792**	326,494
BCHMC umbrella operating agreement funding	-	3,118,951	-	-	**3,118,951**	3,348,038
Rental management fees	1,736,610	-	-	-	**1,736,610**	1,505,344
Rental management fees - other	80,682	-	-	-	**80,682**	89,328
Investment income	78,422	-	45,427	148,084	**271,933**	303,915
Guest suites, net	(1,774)	-	-	-	**(1,774)**	1,320
Miscellaneous	55,890	137,626	-	-	**193,516**	172,248
Project management fees	273,690	-	-	-	**273,690**	276,000
Government contributions (Note 9)	-	-	660,000	-	**660,000**	5,821,264
	2,223,520	18,099,515	705,427	148,084	**21,176,546**	25,196,616
Expenses:						
Administration and property management	2,255,667	-	-	-	**2,255,667**	1,959,882
Amortization - office equipment and vehicles	-	-	8,970	-	**8,970**	11,213
Amortization - buildings and equipment	-	-	5,317,385	-	**5,317,385**	5,438,880
Amortization - prepaid leases	-	-	902,205	-	**902,205**	816,830
Property taxes	-	295,670	-	-	**295,670**	306,316
Insurance	-	845,756	-	-	**845,756**	632,846
Maintenance	-	949,823	-	-	**949,823**	1,031,410
Caretakers	-	1,513,770	-	-	**1,513,770**	1,246,120
Landscape	-	378,861	-	-	**378,861**	372,714
Electricity	-	264,704	-	-	**264,704**	323,562
Land and improvement leases	-	294,000	-	-	**294,000**	294,000
Water	-	1,090,990	-	-	**1,090,990**	977,216
Oil and gas	-	96,251	-	-	**96,251**	86,493
Garbage	-	286,381	-	-	**286,381**	265,337
Rental management fee	-	1,735,790	-	-	**1,735,790**	1,504,614
Audit and legal	-	31,381	-	-	**31,381**	28,211
Miscellaneous	-	35,745	-	-	**35,745**	66,139
Hospitality services (Parry Place)	-	293,690	-	-	**293,690**	290,262
Interest on mortgages payable	-	2,127,930	-	-	**2,127,930**	2,209,671
Repayment of BCHMC capital contribution	-	-	700,000	-	**700,000**	-
	2,255,667	10,240,742	6,928,560	-	**19,424,969**	17,861,716
Excess (deficiency) of revenues over expenses before:	(32,147)	7,858,773	(6,223,133)	148,084	**1,751,577**	7,334,900
Reimburse BCHMC subsidy overpayments	-	-	-	-	**-**	(5,047)
Excess (deficiency) of revenues over expenses	**$ (32,147)**	**$ 7,858,773**	**$ (6,223,133)**	**$ 148,084**	**$ 1,751,577**	$ 7,329,853

See accompanying notes to the financial statements.

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Statement of Changes in Net Assets & Remeasurement Gains & Losses

For the year ended December 31, 2020

	Operating Funds		Restricted Funds				
	Corporation	**Rental Housing**	**Capital Fund**	**Replacement Reserve Fund**	**Remeasurement Gains / (Losses)**	**Total 2020**	Total 2019
Net assets, beginning of year	$ 826,544	$ 2,525,938	$ 20,840,337	$ 5,116,400	$ (215,616)	$ 29,093,603	$ 21,718,174
Excess (deficiency) of revenues over expenses	(32,147)	7,858,773	(6,223,133)	148,084	-	1,751,577	7,329,853
Interfund transfers:							
Mortgage principal repayments	-	(5,092,006)	5,092,006	-	-	-	-
Replacement reserve transfers	-	(2,327,500)	-	2,327,500	-	-	-
Replacement reserve expenditures	-	-	1,657,534	(1,657,534)	-	-	-
Rental housing fund transfers	(135,082)	149,836	(14,754)	-	-	-	-
	(135,082)	(7,269,670)	6,734,786	669,966	-	-	-
Unrealized gain (loss) on investments	-	-	-	-	351,582	351,582	45,576
Net assets, end of year	$ 659,315	$ 3,115,041	$ 21,351,990	$ 5,934,450	$ 135,966	$ 31,196,762	$ 29,093,603

See accompanying notes to the financial statements.

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Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	**$ 1,751,577**	$ 7,329,853
Items not involving cash:		
Amortization	**6,228,560**	6,266,923
Changes in non-cash assets and liabilities:		
(Increase) in accounts receivable	**(159,732)**	(223,470)
Decrease (increase) in due from Capital Regional Hospital District	**80,726**	(80,726)
(Increase) in inventory and prepaid expenses	**(149,502)**	(155,228)
Increase (decrease) in accounts payable and accrued liabilities	**(1,670,210)**	1,585,256
Increase (decrease) in accrued mortgage interest	**(19,860)**	72,789
Increase in deferred revenue	**33,193**	37,488
Increase in security deposits	**158,667**	113,106
Increase (decrease) due to Capital Regional District	**82,915**	(145,996)
Net change in cash from operating activities	**6,336,334**	14,799,995
Investing activities:		
Decrease in restricted cash and cash equivalents	**12,424**	199,256
Capital activities:		
Acquisition of capital assets	**(67,379,039)**	(47,445,874)
Net change in cash from capital activities	**(67,379,039)**	(47,445,874)
Financing activities:		
Repayment of mortgages payable	**(5,092,006)**	(5,193,349)
Proceeds from short term debt	**61,277,457**	2,344,958
Proceeds from long term debt	**5,028,128**	35,499,184
	61,213,579	32,650,793
Net change in cash and cash equivalents	**183,298**	204,170
Cash and cash equivalents, beginning of year	**6,778,570**	6,574,400
Cash and cash equivalents, end of year	**$ 6,961,868**	$ 6,778,570

See accompanying notes to the financial statements.

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General

The Capital Region Housing Corporation (the “Corporation”) is incorporated under the laws of British Columbia and its principal activity is the provision of rental accommodation. As a wholly owned subsidiary of the Capital Regional District ("CRD"), the Corporation is exempt from taxation under the Income Tax Act and is regarded as a municipality for GST purposes.

1. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

a. Revenue Recognition

The Corporation follows the restricted fund balance method of accounting for contributions. Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year to which the funding relates. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable.

b. Fund Accounting

i. Operating Funds

The Operating Funds reflect the Corporation’s assets, liabilities and transactions relating to the ongoing rental and non-rental operations (“Corporation”). In accordance with the agreements with British Columbia Housing Management Commission (BCHMC), a Portfolio Stabilization Reserve has been established for each portfolio’s accumulated operating surplus. The Corporation has also established a reserve for the No Operating Agreement portfolio. These reserves are used in the event that annual rental revenues and government subsidies are inadequate to meet the portfolio’s mortgage payments and operating costs. The Corporation can also contribute funds from these reserves to the Replacement Reserve Fund, if required. At the discretion of the Board, the unrestricted Corporate Stabilization Reserve provides funding for administration and special projects.

ii. Capital Fund

The Capital Fund reflects the Corporation’s investment in capital assets and related financial activities.

iii. Replacement Reserve Fund

In accordance with the agreements with BCHMC, a Replacement Reserve Fund has been established for each building to pay for the replacement of worn-out capital equipment and other approved items. The Replacement Reserves are funded by an annual transfer from the Rental Housing Operating Fund. Capital expenditures made from the reserve are transferred to the Capital Fund.

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1. Significant Accounting Policies (continued)

c. Capital Assets

Land, buildings, equipment and vehicles are stated at cost. Amortization over their estimated useful lives is provided on the straight-line basis at the following rates:

Asset	Rate
Prepaid leases	29-60 Years
Buildings	35 Years
Equipment	10 Years
Vehicles	5 Years

All transfers from the Replacement Reserve Fund and office equipment are stated at cost and amortization is provided on the declining balance basis at 20% per annum.

Amortization is charged upon the asset becoming available for productive use in the year of acquisition.

Capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

d. Debt Retirement

Payment of principal on long-term debt is funded by a transfer from the Rental Housing Operating Fund to the Capital Fund.

e. Operating Agreements

i. Umbrella

Effective April 1, 2012, the Corporation signed a thirty-three month Interim Umbrella Operating Agreement (the “Umbrella Agreement”) with BCHMC to consolidate three operating agreements to reduce administrative duplication, allow the Corporation more flexibility to determine priorities for the portfolio maintenance and management and create a stable and predictable funding stream for the Corporation. In addition, the parties agreed to work together to develop a long-range capital planning tool to enable the Corporation and BCHMC to determine the capital replacement needs of the portfolio for the next thirty years and to negotiate on the transfer of the land ownership of the BCHMC projects from the Provincial Rental Housing Corporation to the Corporation. The final agreement was signed on December 2, 2014 with an effective date of January 1, 2015, for a five year term, and was renewed in December 2019 for an additional five year term ending 2024.

Effective August 17, 2020, the Umbrella Agreement was modified to remove three properties, Portage Place, Campus View Court, and Royal Oak Square, whose mortgages had matured and

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1. Significant Accounting Policies (continued)

e. Operating Agreements (continued)

i. Umbrella (continued)

which were originally part of the CMHC Agreement described below. The properties were moved to the CRHC No Operating Agrement portfolio and their corresponding Replacement Reserve balances were moved to the CRHC No Operating Agreement Replacement Reserve. No transfers were made between Portfolio Stabilization Reserves. As a result of this change, the Umbrella Agreement now contains 39 buildings and 1,142 units.

Except as modified by the Umbrella Agreement, all provisions of the original three operating agreements with CMHC, BCHMC and Homes BC will continue to apply to each project in the portfolio.

a) CMHC

Prior to April 1, 2012 the Corporation had entered into agreements with CMHC pursuant to Section 95 (formerly Section 56.1) of the National Housing Act whereby CMHC will provide mortgage assistance grants to the Corporation that reduce interest costs to not less than 2% on all mortgages payable. As of January 1, 2005 when a mortgage loan is renewed the mortgage assistance grants shall increase or decrease by the same dollar amount as the monthly loan payment of principal and interest changes.

b) BCHMC

Prior to April 1, 2012 the Corporation had entered into agreements with BCHMC whereby BCHMC, on behalf of the Provincial and Federal governments, will provide rent subsidy assistance equal to the BCHMC approved difference between tenant rent contributions and BCHMC defined economic rents.

c) Homes BC Program

Prior to April 1, 2012 the Corporation had entered into agreements with BCHMC under the unilaterally funded Homes BC Program. The Provincial Government agrees to provide rent subsidy assistance for Rent Geared to Income (RGI) units (approximately 60% of total units) based on the difference between the tenant rent contribution and the approved economic rents. The Province also agrees to provide Repayable Assistance equal to the difference between the economic and the approved low-end of market rents for the remaining units.

ii. Independent Living BC II Program

The Corporation has entered into an agreement with BCHMC under the unilaterally funded Independent Living BC II Program. The Provincial Government agrees to provide subsidy assistance for shelter and defined hospitality costs based on the difference between seventy percent (70%) of the residents' net income and the approved operating budget.

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1. Significant Accounting Policies (continued)

e. Operating Agreements (continued)

iii. Regional Housing First Program

The Regional Housing First Program (RHFP) is a partnership between the Provincial and Federal governments and the CRD to provide capital funding to affordable housing projects in the region. The Corporation has entered into a 40-year agreement with BCHMC on behalf of the RHFP whereby the Corporation provides shelter-rate and affordable rents to low and moderate income tenants.

iv. Investment in Housing Innovation Program

The Corporation has entered into a 40-year agreement with BCHMC under the Investment in Housing Innovation (IHI) program. Capital funding was provided in the form of a forgivable loan to facilitate the construction of the Westview building. No other financial contribution will be received to subsidize the ongoing operation of the building.

v. CRHC No Operating Agreement

This category includes buildings that receive no mortgage assistance or rent subsidy assistance. Tenant rent contributions are determined by the Corporation.

f. Allocation of Investment Income

Funds available for investment are pooled and interest revenue is allocated to restricted funds at the rate of average prime minus 0.11% (2019: average prime minus 0.45%).

g. Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Derivative instruments, bonds and equity instruments that are quoted in an active market are subsequently reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Corporation has not elected to carry any other such financial instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

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1. Significant Accounting Policies (continued)

g. Financial Instruments (continued)

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

h. Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant estimates and assumptions include amortization of capital assets. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Cash and cash equivalents have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments. Included in cash and cash equivalents are investments in the Municipal Finance Authority of British Columbia (MFA) Short Term Bond and Money Market Funds. See Schedule A for details of cash and cash equivalents restricted for replacement reserve.

3. Capital Assets

December 31, 2020	**Cost**	**Accumulated Amortization**	**Net Book Value**
Land	$ 9,496,053	$ -	$ 9,496,053
Prepaid leases	109,499,053	7,233,959	102,265,094
Buildings	122,362,585	81,567,634	40,794,951
Equipment and other	38,956,747	30,427,497	8,529,250
	$ 280,314,438	$ 119,229,090	$ 161,085,348

December 31, 2019	Cost	Accumulated Amortization	Net Book Value
Land	$ 9,496,053	$ -	$ 9,496,053
Prepaid leases	48,030,167	6,331,754	41,698,413
Buildings	118,109,960	78,387,702	39,722,258
Equipment and other	37,299,219	28,281,074	9,018,145
	$ 212,935,399	$ 113,000,530	$ 99,934,869

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4. Mortgages Payable

Pursuant to Section 5 of the National Housing Act, CMHC has undertaken to insure all mortgages payable by the Corporation except the mortgages on Village on the Green and Vergo. As additional security, the mortgagors hold chattel mortgages and assignments of rent.

Principal due within each of the next five years on these mortgages is approximately as follows:		**Assuming no mortgage renewal**	**Assuming mortgage renewal**
	2021	$ 8,018,514	$ 4,901,224
	2022	7,926,882	4,872,303
	2023	5,410,602	4,927,348
	2024	12,068,342	4,745,516
	2025	$ 6,425,327	$ 4,291,919

Interest on mortgages ranges from 0.68% to 3.50% with renewal dates February 1, 2021 to September 1, 2030 and maturity dates from February 1, 2021 to September 1, 2055.

5. Capital Stock

Authorized capital: 2,000 shares with par value of $1 each

Issued capital: 1 share of $1 par value, owned by the Capital Regional District.

6. Invested in Capital Assets

Investment in capital assets is calculated as follows:

	December 31, 2020	December 31, 2019
Capital assets	$ 161,085,348	$ 99,934,869
Accounts receivable	454,156	202,254
Interfund due (to)/from rental housing operating fund	953,353	151,610
Restricted cash	-	478,892
Mortgages payable	(79,863,410)	(77,582,330)
Short-term loan	(61,277,457)	(2,344,958)
	$ 21,351,990	$ 20,840,337

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7. Restricted Net Assets

Externally restricted net assets:

	December 31, 2020	December 31, 2019
Replacement reserve fund	$ 5,934,450	$ 5,116,400
CMHC/BCHMC/Homes BC operating agreements	(3,949)	(3,948)
Portfolio stabilization reserve - umbrella agreement	2,588,625	2,472,613
Portfolio stabilization reserve - ILBC2 agreement	(38,827)	(80,509)
Portfolio stabilization reserve - RHFP agreement	(13,589)	38
Portfolio stabilization reserve - IHI	120,592	-
	$ 8,587,302	$ 7,504,594

Internally restricted net assets:

	December 31, 2020	December 31, 2019
Portfolio stabilization reserve - no operating agreement	$ 462,189	$ 137,744
Guest suite surplus	36,425	38,199
Vehicle replacement reserve	94,584	92,142
Equipment replacement reserve	30,184	37,979
	$ 623,382	$ 306,064

Rental housing operating fund balance:

	December 31, 2020	December 31, 2019
Portfolio stabilization reserve - umbrella agreement	$ 2,588,625	$ 2,472,613
Portfolio stabilization reserve - ILBC2 agreement	(38,827)	(80,509)
Portfolio stabilization reserve - RHFP agreement	(13,589)	38
Portfolio stabilization reserve - IHI	120,592	-
Portfolio stabilization reserve - no operating agreement	462,189	137,744
CMHC/BCHMC/Homes BC operating agreements	(3,949)	(3,948)
	$ 3,115,041	$ 2,525,938

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8. Unrestricted Net Assets

Unrestricted net assets - corporation stabilization reserve:

	December 31, 2020	December 31, 2019
Operating net assets, ending balance	$ 659,315	$ 826,544
Less: Internally restricted net assets		
Guest suite surplus	(36,425)	(38,199)
Vehicle replacement reserve	(94,584)	(92,142)
Equipment replacement reserve	(30,184)	(37,979)
	$ 498,122	$ 658,224

9. Commitments and Contingencies

a. Related Party Transactions

The Corporation is a wholly owned subsidiary of the Capital Regional District (CRD). In 1997, the Corporation committed to a sixty year prepaid land lease at 625 Superior Street from the CRD at the agreed upon price of $525,000 which was recognized as an acquisition in the Corporation Capital Fund. In 2017, the Corporation committed to a sixty year land lease at 3816 Carey Road from the CRD for one dollar, with the land use restricted to affordable housing.

In 2018, a RHFP project management office was created to support the delivery of the Program. During the year the Corporation contributed $63,520 (2019: $62,275) to the CRD, to cost share in administrative support and project management services.

On January 25, 2019, as part of the RHFP, the CRD purchased Millstream Ridge and entered into a 60-year prepaid lease in the amount of $33,250,194 and a 35-year operator agreement with the Corporation. The Corporation secured 35-year mortgage financing to fund the prepaid lease.

On November 2, 2020, as part of the RHFP, the CRD purchased West Park and entered into a 60-year prepaid lease in the amount of $29,430,822 and a 35-year operator agreement with the Corporation. The CRD's Regional Housing Trust Fund provided a capital grant to the Corporation in the amount of $660,000 for this project. The Corporation secured short-term capital financing from BCHMC to fund the prepaid lease. This short-term financing was converted to a 35-year mortgage subsequent to year-end for a 10-year term at 1.519% interest.

On November 20, 2020, as part of the RHFP, the CRD purchased Spencer Close and entered into a 60-year prepaid lease in the amount of $28,419,513 and a 35-year operator agreement with the Corporation. The Corporation secured short-term capital financing from BCHMC to fund the prepaid lease. This short-term financing was converted to a 35-year mortgage subsequent to year-end for a 10-year term at 1.519% interest.

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9. Commitments and Contingencies (continued)

b. Sublease of Kings Place Housing Development

The Corporation entered into agreement with the Cridge Housing Society and the Provincial Rental Housing Corporation to sublease the land and improvements at 1070 Kings Road, Victoria for a term of thirty years commencing August 1, 1997. The Homes BC Program Operating Agreement was assigned to the Corporation from the Cridge Housing Society with the approval of the BCHMC. Current annual lease payments amount to $231,000 and are based on the annual mortgage payments.

c. Building Envelope Remediation (BER)

Prior to the signing of the Umbrella Agreement in 2012, BCHMC provided funding for building envelope failure remediation for BCHMC and Homes BC buildings. BCHMC may require repayment of certain BER subsidies. Repayment would be funded by second mortgages. Funding for future BER for all buildings except No Operating Agreement buildings, Village on the Green and Vergo, is subject to future negotiations with BCHMC. In 2014, BCHMC entered into an agreement with the Corporation to fund the Heathers BER with a 35 year forgivable mortgage of $1,258,358.

10. Pension Liability

The Corporation and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula.

As at December 31, 2019, the Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 32 contributors from the Corporation.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the 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.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018 indicated a $2,866 million funding surplus for basic pension benefits on a going concern basis.

The Corporation's employer contributions to the Plan for the fiscal year ended December 31, 2020 is $222,396 (2019: $183,804). The next valuation will be as at December 31, 2021, with results available in 2022.

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.

11. Financial risks and concentration of risk

a. Credit risk

Credit risk refers to the risk that a counter party may default on its contractual obligations resulting in a financial loss. The Corporation is exposed to credit risk with respect to the accounts receivable, cash, and cash equivalents. The Corporation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Corporation at December 31, 2020 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations. The balance of the allowance for doubtful accounts at December 31, 2020 is $0 (2019: $0). There have been no significant changes to the credit risk exposure from 2019.

b. Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice. The contractual maturities of mortgages payable are disclosed in Note 4. There have been no significant changes to the liquidity risk exposure from 2019.

c. Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

i. Foreign exchange risk:

The Corporation does not enter into foreign exchange transactions and therefore is not exposed to foreign exchange risk. There have been no significant changes to foreign exchange risk exposure from 2019.

ii. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

The Corporation holds cash equivalents in MFA Short Term Bond and Money Market Funds where changes in fair value have parallel changes in unrealized gains or losses until realized on disposal.

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11. Financial risks and concentration of risk (continued)

c. Market risk: (continued)

The Corporation's mortgage interest rates are fixed and are subject to interest rate risk upon renewal. The interest rate risk is mitigated by the subsidy assistance received for most properties from BCHMC and CMHC, which is based on mortgage principal and interest payments. At December 31, 2020, there are four properties which do not receive subsidy assistance based on mortgage interest rates: Village on the Green, Vergo, Millstream Ridge, and Westview. The Corporation entered into a fixed rate 10-year mortgage for Millstream Ridge in 2019 which will be subject to unsubsidized interest rate risk upon renewal.

12. Subsequent Events

Subsequent to December 31, 2020, the short-term capital financing provided by BCHMC to acquire the prepaid leases of West Park and Spencer Close was converted to 35-year mortgage financing at a fixed rate for a 10-year term at 1.519% interest.

On March 22, 2021, the Corporation obtained short-term financing from BCHMC and entered into a prepaid lease of Hockley House from the CRD in the amount of $23.8 million. The financing will be converted to a 35-year mortgage after being placed with a lender by BCHMC.

On April 14, 2021, the Corporation's Board authorized staff to enter into a pre-paid lease agreement with the CRD in the amount of $10.1 million for an affordable housing project in the region.

13. COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian federal and provincial governments enacting emergency measures to combat the spread of the virus. The economic conditions and the Corporation's response to the pandemic did not have a material impact on the Corporation's operating results and financial position in 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Corporation is not known at this time.

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Changes in Replacement Reserve Fund

For the year ended December 31, 2020

	Balance at December 31 2019	Transfer from Rental Operating Fund	Contribution from UOA Stabilization Reserve	Contribution from Capital Trust Account	Interest	Transfer to Capital Fund	2020
Umbrella Agreement							
Oakwinds	$ 742,608	$ 89,454	$ -	$ -	$ 19,938	$ (69,941)	$ 782,059
James Yates Gardens	119,434	14,313	-	-	3,350	(375)	136,722
Pinehurst	404,624	35,782	-	-	11,069	(9,597)	441,878
The Brambles	135,687	32,203	-	-	3,934	(6,645)	165,179
The Terraces	496,814	35,782	-	-	13,595	(3,357)	542,834
Michigan Square	360,602	-	-	-	9,437	(9,015)	361,024
Olympic View	165,189	107,345	-	-	3,144	(199,928)	75,750
Swanlea	125,914	25,047	-	-	3,650	(1,381)	153,230
Firgrove	4,561	57,251	-	-	780	(7,480)	55,112
Beechwood Park	(51,378)	85,876	-	-	-	(40,811)	(6,313)
Grey Oak Square	(19,013)	42,938	-	-	-	(8,756)	15,169
Willowdene	2,932	26,836	-	-	403	(2,249)	27,922
Rosewood	59,919	78,720	-	-	2,228	(29,917)	110,950
Gladstone	31,279	25,047	-	-	969	(14,475)	42,820
Camosun Place	73,466	14,313	-	-	1,763	(28,174)	61,368
Parkview	99,636	46,516	-	-	2,769	(36,836)	112,085
Carey Lane	17,087	39,360	-	-	225	(56,580)	92
Colquitz Green	(20,849)	35,782	-	-	-	(45,288)	(30,355)
Springtide	21,566	85,876	-	-	1,565	(10,260)	98,747
Greenlea	19,730	37,571	-	-	357	(50,073)	7,585
Arbutus View	(5,509)	41,149	-	-	-	(39,533)	(3,893)
Amberlea	228,217	78,720	-	-	6,000	(82,327)	230,610
Cloverhurst	38,512	17,891	-	-	1,228	(2,211)	55,420
Hamlet	(485)	17,891	-	-	-	(38,882)	(21,476)
Viewmont	119,254	64,407	-	-	2,937	(73,684)	112,914
Creekside	5,657	42,938	-	-	-	(62,115)	(13,520)
The Birches	23,925	100,188	-	-	1,406	(41,942)	83,577
Caledonia	16,802	-	-	-	445	-	17,247
The Heathers	136,991	46,516	-	-	3,691	(41,930)	145,268
Heron Cove	89,060	42,938	-	-	2,572	(26,939)	107,631
Castanea Place	370,261	105,556	-	-	9,419	(134,390)	350,846
Leblond Place	(79,845)	76,930	-	-	-	(75,569)	(78,484)
Rotary House	7,371	73,352	-	-	862	(23,040)	58,545
Cairns Park	11,127	10,734	-	-	39	(30,017)	(8,117)
Kings Place	17,676	62,618	-	-	956	(25,815)	55,435
Carillon Place	19,919	26,836	-	-	565	(24,053)	23,267
Brock Place	132	53,672	-	-	-	(53,902)	(98)
Harbour Lane	189,407	50,094	-	-	5,378	(22,991)	221,888
Tillicum Station	220,397	71,560	-	-	5,975	(61,400)	236,532
ILBC2 Agreement							
Parry Place	101,705	16,600	-	-	2,507	(3,287)	117,525
No Operating Agreement							
Village on the Green	312,419	78,719	-	-	8,467	(64,570)	335,035
Vergo	33,707	37,288	-	-	1,329	(4,419)	67,905
Portage Place	122,702	35,217	-	-	3,666	(3,928)	157,657
Campus View Court	126,804	24,859	-	-	3,474	(16,277)	138,860
Royal Oak Square	138,774	78,719	-	-	4,112	(45,901)	175,704
RHFP Agreement							
Millstream Ridge	81,612	114,048	-	-	3,374	(23,385)	175,649
IHI Agreement							
Westview	-	42,048	-	-	506	(3,889)	38,665
	$ 5,116,400	$ 2,327,500	$ -	$ -	$ 148,084	$ (1,657,534)	$ 5,934,450

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Changes in Portfolio Stabilization Reserves

For the year ended December 31, 2020

	Balance at December 31, 2019	Reimburse BCHMC	Transfer (to) Replacement Reserve Fund (Schedule A)	Transfer from/(to) Rental Operating Fund (Schedule E)	Transfer (to) Capital Fund	Balance at December 31, 2020
Umbrella Agreement						
CMHC	$ 3,978,668	$ -	$ -	$ 1,121,581	$ -	$ 5,100,249
BCHMC	(1,464,774)	-	-	(924,026)	-	(2,388,800)
Homes BC	(41,281)	-	-	(81,543)	-	(122,824)
	2,472,613	-	-	116,012	-	2,588,625
ILBC2 Agreement						
Parry Place	(80,509)	-	-	41,682	-	(38,827)
RHFP Agreement						
Millstream Ridge	38	-	-	(24,418)	-	(24,380)
Spencer Close	-	-	-	10,791	-	10,791
West Park	-	-	-	-	-	-
	38	-	-	(13,627)	-	(13,589)
IHI Agreement						
Westview	-	-	-	120,592	-	120,592
No Operating Agreement						
Portage Place	-	-	-	86,140	-	86,140
Campus View Court	-	-	-	58,149	-	58,149
Royal Oak Square	-	-	-	227,697	-	227,697
Village on the Green	583,734	-	-	46,280	-	630,014
Vergo	(445,990)	-	-	(93,821)	-	(539,811)
	137,744	-	-	324,445	-	462,189
	$ 2,529,886	$ -	$ -	$ 589,104	$ -	$ 3,118,990

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Capital Assets

For the year ended December 31, 2020

	Completed	Land	Prepaid Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2020	2019
In Operation										
Umbrella Agreement										
Oakwinds	Feb/85	$ -	$ 830,075	$ 2,835,407	$ 1,449,152	$ 69,941	$ 5,184,575	$ (4,776,238)	**$ 408,337**	$ 435,420
James Yates Gardens	Oct/84	103,200	-	387,934	285,944	375	777,453	(607,347)	**170,106**	186,459
Pinehurst	Feb/85	277,692	-	1,188,811	660,916	9,597	2,137,016	(1,739,255)	**397,761**	452,147
The Brambles	Jun/85	275,975	-	1,048,104	737,519	6,645	2,068,243	(1,679,764)	**388,479**	409,961
The Terraces	May/85	356,532	-	1,087,668	861,279	3,357	2,308,836	(1,821,889)	**486,947**	516,194
Michigan Square	Sep/85	784,763	-	3,154,222	2,485,008	9,015	6,433,008	(5,381,795)	**1,051,213**	1,108,811
Olympic View	Apr/86	900,000	-	3,288,908	2,045,415	199,928	6,434,251	(4,984,526)	**1,449,725**	1,481,198
Swanlea	Dec/85	230,215	-	746,556	451,510	1,381	1,429,662	(1,126,319)	**303,343**	320,244
Firgrove	Feb/86	480,000	-	1,763,183	1,147,074	7,480	3,397,737	(2,756,555)	**641,182**	724,374
Beechwood Park	Feb/86	888,000	-	2,317,623	2,988,251	40,811	6,234,685	(4,812,566)	**1,422,119**	1,581,057
Grey Oak Square	Apr/86	409,015	-	1,290,394	942,375	8,756	2,650,540	(2,045,066)	**605,474**	682,700
Willowdene	Sep/87	-	-	884,186	650,139	2,249	1,536,574	(1,381,491)	**155,083**	204,235
Rosewood	Oct/88	-	255,000	1,864,715	787,119	29,917	2,936,751	(2,553,619)	**383,132**	451,202
Gladstone	Jan/89	-	197,000	912,600	480,483	14,475	1,604,558	(1,358,499)	**246,059**	279,916
Camosun Place	Mar/89	-	108,000	489,700	195,585	28,174	821,459	(680,295)	**141,164**	140,978
Parkview	May/89	-	283,250	1,795,567	877,127	36,836	2,992,780	(2,544,574)	**448,206**	507,923
Carey Lane	Aug/89	-	283,250	1,443,751	860,411	56,580	2,643,992	(2,206,230)	**437,762**	472,608
Colquitz Green	Nov/89	-	160,250	1,504,000	738,220	45,288	2,447,758	(2,072,579)	**375,179**	418,402
Springtide	May/90	-	324,500	2,519,309	866,820	10,260	3,720,889	(3,121,895)	**598,994**	704,680
Greenlea	Feb/90	-	305,750	1,560,300	788,168	50,073	2,704,291	(2,215,852)	**488,439**	528,627
Arbutus View	Jul/90	-	370,250	1,592,750	924,257	39,533	2,926,790	(2,320,654)	**606,136**	679,562
Amberlea	May/90	-	447,501	2,578,479	781,907	82,327	3,890,214	(3,171,364)	**718,850**	769,620
Cloverhurst	May/90	-	197,000	651,500	235,714	2,211	1,086,425	(873,588)	**212,837**	243,314
Hamlet	Oct/90	-	152,000	803,000	360,812	38,882	1,354,694	(1,088,304)	**266,390**	278,273
Viewmont	Aug/91	-	402,140	2,378,046	737,657	73,684	3,591,527	(2,864,552)	**726,975**	774,484
Creekside	Apr/92	-	388,250	2,363,830	878,085	62,115	3,692,280	(2,897,628)	**794,652**	853,754
The Birches	Aug/92	-	675,000	3,684,874	847,918	41,942	5,249,734	(4,092,359)	**1,157,375**	1,276,198
Caledonia	Apr/93	-	403,473	1,452,777	439,163	-	2,295,413	(1,729,557)	**565,856**	629,118
The Heathers	Apr/93	-	436,279	1,974,683	388,764	41,930	2,841,656	(2,122,030)	**719,626**	764,389
Heron Cove	Oct/93	-	270,000	2,274,691	504,560	26,939	3,076,190	(2,340,964)	**735,226**	811,851
Castanea Place	Feb/95	-	1,277,000	4,841,879	987,008	134,390	7,240,277	(4,959,212)	**2,281,065**	2,384,390
Leblond Place	Sep/96	-	900,000	4,506,231	1,139,539	75,569	6,621,339	(4,263,598)	**2,357,741**	2,562,240
Rotary House	Nov/06	-	556,600	2,994,000	581,051	23,040	4,154,691	(2,532,119)	**1,622,572**	1,777,552
Cairns Park	Dec/96	-	240,000	415,314	162,140	30,017	847,471	(518,550)	**328,921**	332,336
Kings Place	N/A	-	-	-	653,812	25,815	679,627	(510,218)	**169,409**	185,948

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Capital Assets continued

	Completed	Land	Prepaid Lease	Buildings	Equipment and Other	Transfer from Replacement Reserve Fund	Total	Accumulated Amortization	2020	2019
Carillon Place	Jul/98	-	525,000	1,280,389	689,270	24,053	2,518,712	(1,500,885)	**1,017,827**	1,102,878
Brock Place	Jan/00	-	840,000	3,465,836	1,040,995	53,902	5,400,733	(3,081,536)	**2,319,197**	2,475,035
Harbour Lane	Oct/01	-	825,000	3,607,266	309,371	22,991	4,764,628	(2,585,995)	**2,178,633**	2,293,124
Tillicum Station	Jul/02	-	948,750	4,300,764	501,799	61,400	5,812,713	(3,036,433)	**2,776,280**	2,894,049
Building Envelope Remediation										
Amberlea	2008	-	-	2,367,415	-	-	2,367,415	(1,846,264)	**521,151**	651,439
Cloverhurst	2008	-	-	1,105,204	-	-	1,105,204	(863,417)	**241,787**	302,234
The Birches	2006			1,635,610			1,635,610	(1,175,435)	**460,175**	536,871
Heron Cove	2007	-	-	1,756,374	-	-	1,756,374	(1,197,203)	**559,171**	639,053
Castanea Place	2007	-	-	2,531,350	-	-	2,531,350	(1,551,839)	**979,511**	1,088,345
Leblond Place	2009	-	-	3,337,941	-	-	3,337,941	(1,875,017)	**1,462,924**	1,609,216
The Heathers	2016	-	-	1,258,358	-	-	1,258,358	(521,149)	**737,209**	842,524
ILBC2 Agreement										
Parry Place	Jun/08	1,400,000	-	4,794,268	226,793	3,287	6,424,348	(1,900,551)	**4,523,797**	4,677,834
RHFP Agreement										
Millstream Ridge	Feb/19	-	35,428,849	-	12,769	23,385	35,465,003	(1,190,236)	**34,274,767**	34,848,583
Spencer Close	Nov/20	-	30,218,969	-	-	-	30,218,969	(41,972)	**30,176,997**	-
West Park	Nov/20	-	31,249,917	-	-	-	31,249,917	(43,403)	**31,206,514**	-
IHI Agreement										
Westview	May/20	-	-	14,844,032	-	3,889	14,847,921	(247,400)	**14,600,521**	11,293,916
No Operating Agreement										
Village on the Green	May/84	910,171	-	2,002,921	903,639	64,570	3,881,301	(2,757,282)	**1,124,019**	1,112,911
Vergo	May/12	1,144,327	-	4,226,787	78,334	4,419	5,453,867	(1,143,782)	**4,310,085**	4,435,629
Portage Place	Aug/83	328,659	-	965,774	698,343	3,928	1,996,704	(1,480,988)	**515,716**	558,552
Campus View Court	Sep/83	341,224	-	688,111	576,313	16,277	1,621,925	(1,158,447)	**463,478**	477,763
Royal Oak Square	Mar/84	666,280	-	2,051,834	1,744,272	45,901	4,508,287	(3,318,270)	**1,190,017**	1,275,050
Buildings Under Construction		-	-	-	-	-	-	-	**-**	-
Redevelopment Sites		-	-	1,547,359	-	-	1,547,359	-	**1,547,359**	844,850
Office Equipment		-	-	-	535,869	-	535,869	(499,991)	**35,878**	44,848
Vehicles		-	-	-	60,544	-	60,544	(60,544)	**-**	-
		$ 9,496,053	$ 109,499,053	$ 122,362,585	$ 37,299,213	$ 1,657,534	$ 280,314,438	$ (119,229,090)	**$ 161,085,348**	$ 99,934,869

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Capital Fund: Mortgages Payable

For the year ended December 31, 2020

Rental Property	Interest Rate	Renewal Date	Maturity Date	2020	2019
Umbrella Agreement					
Oakwinds	1.390%		February 1, 2020	**$ -**	$ 38,790
Pinehurst	1.390%		March 1, 2020	**-**	22,859
The Brambles	1.040%		June 1, 2020	**-**	40,334
The Terraces	1.040%		May 1, 2020	**-**	36,746
Michigan Square	1.020%		September 1, 2020	**-**	181,257
Olympic View	2.930%		April 1, 2021	**88,571**	349,002
Swanlea	3.430%		December 1, 2020	**-**	62,817
Firgrove	3.150%		February 1, 2021	**23,899**	164,373
Beechwood Park	3.150%		February 1, 2021	**34,235**	235,461
Grey Oak Square	3.150%		March 1, 2021	**27,083**	133,150
Willowdene	2.580%		September 1, 2022	**90,076**	139,761
Rosewood	2.610%		November 1, 2023	**342,135**	453,603
Gladstone	2.610%		January 1, 2024	**189,340**	247,565
Camosun Place	1.860%		March 1, 2024	**101,074**	130,967
Parkview	1.690%		May 1, 2024	**396,503**	508,304
Carey Lane	1.690%		August 1, 2024	**351,189**	443,266
Colquitz Green	1.730%		November 1, 2024	**363,422**	451,699
Springtide	0.680%		May 1, 2025	**689,317**	834,317
Greenlea	0.690%		March 1, 2025	**443,747**	542,704
Arbutus View	0.680%		July 1, 2025	**485,329**	583,483
Amberlea	0.680%		May 1, 2025	**736,384**	891,285
Cloverhurst	0.680%		May 1, 2025	**205,717**	248,990
Hamlet	3.430%	February 1, 2021	October 1, 2025	**253,602**	301,086
Viewmont	2.490%	October 1, 2021	August 1, 2026	**803,591**	934,059
Creekside	2.600%	April 1, 2027	April 1, 2027	**862,697**	986,452
The Birches	2.550%	August 1, 2027	August 1, 2032	**1,406,451**	1,597,662
Caledonia	2.500%	April 1, 2028	April 1, 2033	**652,595**	732,716
The Heathers	2.600%	April 1, 2028	April 1, 2033	**836,379**	938,629
Heron Cove	2.610%	October 1, 2028	October 1, 2033	**929,292**	1,034,901
Castanea Place	0.690%		February 1, 2030	**2,681,978**	2,945,716
Leblond Place - 1st mortgage	2.490%	October 1, 2021	September 1, 2031	**2,104,815**	2,273,605
Leblond Place - 2nd mortgage	2.150%	March 1, 2025	March 1, 2045	**2,522,835**	2,601,372
Rotary House	2.510%	March 1, 2028	March 1, 2033	**1,327,521**	1,492,469
Cairns Park	1.698%	December 1, 2021	December 1, 2031	**317,549**	343,595
Carillon Place	3.220%	June 1, 2024	July 1, 2033	**967,327**	1,028,796
Brock Place	2.840%		January 1, 2035	**2,643,524**	2,899,890
Harbour Lane	2.200%	October 1, 2026	October 1, 2036	**2,655,676**	2,794,500
Tillicum Station	3.270%	July 1, 2024	July 1, 2037	**3,456,281**	3,611,010
ILBC2 Agreement					
Parry Place	3.480%	May 1, 2024	May 1, 2043	**3,462,633**	3,562,711
RHFP Agreement					
Millstream Ridge	2.860%	February 1, 2029	March 1, 2054	**34,441,936**	35,053,436
IHI Agreement					
Westview	1.631%	September 1, 2030	September 1, 2055	**7,440,758**	-
CRHC No Operating Agreement					
Village on the Green	3.500%	October 1, 2021	October 1, 2039	**1,857,077**	1,925,741
Vergo	3.450%	August 1, 2022	August 1, 2042	**3,670,872**	3,783,251
				79,863,410	77,582,330
Principal Current Portion				**(4,828,667)**	(4,568,934)
Principal Renewal Portion				**(3,189,847)**	(8,840,245)
				$ 71,844,896	$ 64,173,151

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Operating Fund: Rental Operations

For the year ended December 31, 2020

		Revenues					Expenditures and Interfund Transfers						
	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers	Total	Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves
Umbrella Agreement													
CMHC													
Oakwinds	50	$ 654,602	$ -	$ 4,811	$ 2,907	$ 662,320	$ 280,399	$ 89,454	$ 38,913	$ -	$ 408,766	$ 253,554	$ (253,554)
James Yates Gardens	8	76,410	-	-	169	76,579	42,276	14,313	-	-	56,589	19,990	(19,990)
Pinehurst	20	285,635	-	3,865	1,898	291,398	99,603	35,782	23,086	-	158,471	132,927	(132,927)
The Brambles	18	239,249	-	7,500	1,901	248,650	112,785	32,203	40,521	-	185,509	63,141	(63,141)
The Terraces	20	254,063	-	6,627	1,912	262,602	112,215	35,782	36,808	-	184,805	77,797	(77,797)
Michigan Square	62	420,737	-	35,171	5,875	461,783	221,590	-	181,971	-	403,561	58,222	(58,222)
Olympic View	60	800,126	-	70,610	4,512	875,248	335,023	107,345	266,496	-	708,864	166,384	(166,384)
Swanlea	14	197,193	-	16,605	1,126	214,924	74,880	25,047	63,900	-	163,827	51,097	(51,097)
Firgrove	32	402,886	-	37,102	2,551	442,539	151,536	57,251	143,243	-	352,030	90,509	(90,509)
Beechwood Park	48	612,810	-	53,052	7,413	673,275	246,532	85,876	205,192	-	537,600	135,675	(135,675)
Grey Oak Square	24	321,885	-	27,979	2,459	352,323	128,659	42,938	108,441	-	280,038	72,285	(72,285)
	356	4,265,596	-	263,322	32,723	4,561,641	1,805,498	525,991	1,108,571	-	3,440,060	1,121,581	(1,121,581)
BCHMC													
Willowdene	15	109,018	-	56,415	454	165,887	137,717	26,836	52,691	-	217,244	(51,357)	51,357
Rosewood	44	245,916	-	83,724	2,921	332,561	221,726	78,720	121,926	-	422,372	(89,811)	89,811
Gladstone	14	124,914	-	63,368	228	188,510	77,441	25,047	63,964	-	166,452	22,058	(22,058)
Camosun Place	8	74,714	-	33,432	133	108,279	49,300	14,313	32,068	-	95,681	12,598	(12,598)
Parkview	26	185,590	-	114,811	898	301,299	125,730	46,516	119,503	-	291,749	9,550	(9,550)
Carey Lane	22	188,975	-	83,364	1,200	273,539	115,202	39,360	98,835	-	253,397	20,142	(20,142)
Colquitz Green	20	171,282	-	76,241	992	248,515	113,126	35,782	96,371	-	245,279	3,236	(3,236)
Springtide	48	260,135	-	118,997	2,725	381,857	244,156	85,876	165,287	-	495,319	(113,462)	113,462
Greenlea	21	161,043	-	44,624	1,045	206,712	115,603	37,571	108,912	-	262,086	(55,374)	55,374

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	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers	Total	Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves
Arbutus View	23	183,661	-	53,476	627	237,764	106,483	41,149	112,373	-	260,005	(22,241)	22,241
Amberlea	44	287,367	-	119,408	2,768	409,543	233,682	78,720	176,573	-	488,975	(79,432)	79,432
Cloverhurst	10	64,827	-	42,920	133	107,880	50,596	17,891	49,327	-	117,814	(9,934)	9,934
Hamlet	10	100,935	-	53,091	233	154,259	58,050	17,891	57,004	-	132,945	21,314	(21,314)
Viewmont	36	175,090	-	166,536	2,555	344,181	176,634	64,407	152,138	-	393,179	(48,998)	48,998
Creekside	24	207,604	-	111,686	1,200	320,490	129,221	42,938	147,813	-	319,972	518	(518)
The Birches	56	292,515	-	163,537	3,048	459,100	222,212	100,188	229,534	-	551,934	(92,834)	92,834
Caledonia	18	25,586	-	79,981	556	106,123	95,459	-	97,439	-	192,898	(86,775)	86,775
The Heathers	26	141,578	-	108,372	1,822	251,772	130,239	46,516	125,324	-	302,079	(50,307)	50,307
Heron Cove	24	182,963	-	63,582	818	247,363	103,293	42,938	131,230	-	277,461	(30,098)	30,098
Castanea Place	59	376,237	-	196,456	3,112	575,805	304,680	105,556	319,154	-	729,390	(153,585)	153,585
Leblond Place	43	254,618	-	342,600	3,534	600,752	267,020	76,930	356,669	-	700,619	(99,867)	99,867
Rotary House	41	246,477	-	216,649	1,467	464,593	220,263	73,352	200,345	-	493,960	(29,367)	29,367
	632	4,061,045	-	2,393,270	32,469	6,486,784	3,297,833	1,098,497	3,014,480	-	7,410,810	(924,026)	924,026
Homes BC													
Cairns Park	6	50,941	-	22,315	240	73,496	36,768	10,734	31,658	-	79,160	(5,664)	5,664
Kings Place	35	381,346	-	152,041	2,118	535,505	474,156	62,618	-	-	536,774	(1,269)	1,269
Carillon Place	15	184,052	-	33,478	542	218,072	92,882	26,836	93,480	-	213,198	4,874	(4,874)
Brock Place	30	332,593	-	69,892	3,838	406,323	165,824	53,672	227,708	-	447,204	(40,881)	40,881
Harbour Lane	28	287,804	-	88,749	3,115	379,668	155,880	50,094	198,635	-	404,609	(24,941)	24,941
Tillicum Station	40	471,994	-	95,884	1,884	569,762	242,141	71,560	269,723	-	583,424	(13,662)	13,662
	154	1,708,730	-	462,359	11,737	2,182,826	1,167,651	275,514	821,204	-	2,264,369	(81,543)	81,543
	1,142	10,035,371	-	3,118,951	76,929	13,231,251	6,270,982	1,900,002	4,944,255	-	13,115,239	116,012	(116,012)

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Operating Fund: Rental Operations continued

		Revenues					Expenditures and Interfund Transfers						
	Number of units	Tenant rent contributions	BCHMC Rental Subsidy	BCHMC fixed funding	Other	Total	Operating costs	Transfer to Replacement Reserve	Debt charges	Other Interfund Transfers	Total	Surplus (Deficit) from operations after interfund transfers	Allocation from/(to) Portfolio Stabilization Reserves
ILBC2 Agreement													
Parry Place	21	299,038	359,792	-	861	659,691	379,813	16,600	221,596	-	618,009	41,682	(41,682)
RHFP Agreement													
Millstream Ridge	132	2,087,297	-	-	38,791	2,126,088	571,821	114,048	1,599,719	(135,082)	2,150,506	(24,418)	24,418
Spencer Close	130	36,806	-	-	210	37,016	26,225	-	-	-	26,225	10,791	(10,791)
West Park	152	29,429	-	-	480	29,909	44,663	-	-	(14,754)	29,909	-	-
	414	2,153,532	-	-	39,481	2,193,013	642,709	114,048	1,599,719	(149,836)	2,206,640	(13,627)	13,627
IHI Agreement													
Westview	73	398,793	-	-	10,504	409,297	166,478	42,048	80,179	-	288,705	120,592	(120,592)
No Operating Agreement													
Portage Place	17	222,685	-	-	925	223,610	102,253	35,217	-	-	137,470	86,140	(86,140)
Campus View Court	12	150,291	-	-	1,688	151,979	68,971	24,859	-	-	93,830	58,149	(58,149)
Royal Oak Square	38	507,018	-	-	2,716	509,734	203,318	78,719	-	-	282,037	227,697	(227,697)
Village on the Green	38	443,096	-	-	4,376	447,472	188,183	78,719	134,290	-	401,192	46,280	(46,280)
Vergo	18	273,322	-	-	146	273,468	90,105	37,288	239,896	-	367,289	(93,821)	93,821
	123	1,596,412	-	-	9,851	1,606,263	652,830	254,802	374,186	-	1,281,818	324,445	(324,445)
	1,773	$ 14,483,146	$ 359,792	$ 3,118,951	$ 137,626	$18,099,515	$ 8,112,812	$ 2,327,500	$ 7,219,935	$ (149,836)	$17,510,411	$ 589,104	$ (589,104)

DRAFT



Westview

Capital Region Housing Corporation

CRD | CRHC

2020 ANNUAL REPORT

Message from the Board Chair



Lisa Helps, CRHC Board Chair

For the Capital Region Housing Corporation (CRHC), 2020 was about determination, momentum, perseverance and delivery.

At its core, the CRHC mandate is to create and deliver more affordable housing across the region, and when faced with a global pandemic, this mandate could have been significantly affected. But through the resourcefulness, professionalism and focus of staff, in 2020 the CRHC delivered more affordable new homes to a community in crisis than it has since its inception. This significant achievement, and the positive impacts the new housing is already having for those in need, remains an incredible accomplishment and will go a long way to supporting a healthy and thriving region into the future.

Under the Regional Housing First Program (RHFP), the CRHC opened two new mixed-market buildings in 2020, Spencer Close in Langford and West Park in View Royal. It has taken immense efforts to build the variety of housing options our community needs.

I'm grateful for the level of deep collaboration and agility that has exemplified the work of the CRHC Board and staff through 2020. Those attributes will support our work as we continue to address our mandate to create much needed housing and build our economy into 2021. I'm also grateful for the contributions and leadership of the members of the Tenant Advisory Committee who are helping to shape each of the CRHC sites into stronger communities.

Message from the Chief Administrative Officer



Robert Lapham, CRD CAO

2020 was a year like no other and the CRHC's response to the COVID-19 pandemic is an accomplishment to be proud of. Increasing support for tenants during a time of uncertainty and taking appropriate precautions throughout our properties to keep people safe remains our top priority.

Affordable housing is a key component of the CRD's Strategic Plan, and the dedicated staff of the CRHC advanced this commitment through the continued planning and development of nine projects under the RHFP. The CRHC opened 355 new homes in 2020, and when Hockley House opens in the spring of 2021, it will be the CRHC's fourth building to open in a 12-month period.

This has required significant leadership to navigate the corporation through unprecedented times. My thanks go to the Board and administration of the CRD and CRHC, and our municipal, provincial and federal government partners that are essential to this success.

I am exceptionally proud of how the CRHC has adjusted and sustained operations throughout the past year. As we move forward into 2021, our key focus remains supporting our tenants while continuing efforts to increase affordable housing options in the region.



Staff inspecting Spencer Close

Supporting Tenants Through COVID-19

It has been said that in 2020 we were navigating uncharted territory. That is exactly what CRHC staff were faced with when a provincial state of emergency was declared in March. Operationally, their attention was focused on how to continue to deliver services safely in the face of an unfolding global pandemic to more than 3,500 tenants in almost 1,800 homes across the region.

In the midst of constant change, CRHC staff and management remained resilient, and through their dedication were able to ensure our buildings were well maintained and the needs of our tenant population responded to. Tenant engagement continued with regular updates including COVID-19 safety protocols and compassion for those in delicate circumstances that were adversely impacted financially.

The pandemic struck at a time of the most rapid change the corporation has seen, both in adding capacity to the CRHC team and to the number of completed affordable housing units. The year presented difficult challenges, but tremendous opportunities and progress for the CRHC, and 2021 will continue on a positive track as the corporation provides even more homes for those in our community that desperately need them.

Kevin Lorette, General Manager, Planning and Protective Services
Don Elliott, Senior Manager, Regional Housing

CRHC Vision

As leaders in non-profit housing in the capital region, the CRHC delivers affordable, attractive, inclusive, sustainable housing.

CRHC Mission

The CRHC's mission is to develop and manage affordable housing within the capital region for low to moderate income households.

COMPLETED



WEST PARK — *completed*

West Park opened in View Royal near Thetis Lake under the RHFP, with 152 units of mixed-market housing including 20 accessible units. West Park consists of two six-storey buildings with studio, 1 and 2 bedroom apartments.



SPENCER CLOSE — *completed*

Spencer Close opened in Langford under the RHFP, with 130 units of mixed-market housing including 13 accessible units. Spencer Close is a six-storey building with 1 bedroom, 1 bedroom plus den, 2 bedroom and 2 bedroom plus den apartments.



WESTVIEW — *completed*

Westview opened in Saanich with 73 affordable new homes for low-to moderate-income families, individuals, seniors and adults with disabilities. Westview is a four-storey building with studio and 1, 2 and 3 bedroom apartments.

UNDER DEVELOPMENT



HOCKLEY HOUSE — *opening Spring 2021*

Hockley House, the fourth building to open under the RHFP, is a six-storey rental building in downtown Langford comprised of studios and 1 and 2 bedroom apartments. The property includes 12 accessible units and will be managed by the CRHC.



CALEDONIA — *under development*

A redevelopment in Fernwood that is proposed to create 158 new affordable rental housing units within 2 apartments and 3 townhouse buildings.



MICHIGAN SQUARE — *under development*

A redevelopment in James Bay under the RHFP that will provide a mix of rental options in 2 four-storey apartment buildings with 97 new mixed-market units ranging in size from studio to 3 bedrooms.



DRAKE ROAD — *under development*

An affordable housing project on Salt Spring Island with potential for 80 new housing units.

We envision that residents have access to affordable housing that enhances community wellbeing.

Regional Housing First Program (RHFP)

The RHFP is an equal partnership agreement between the CRD, the Government of BC through BC Housing and the Government of Canada through the Canada Mortgage and Housing Corporation (CMHC).

In 2020, the partners reached agreement to expand the program by contributing additional matching grants of $10 million each, for a total contribution of $120 million to this $600 million initiative. This will ensure the program reaches its target number of homes for people experiencing chronic homelessness who are ready to live independently with supports.

The RHFP currently includes nine projects, which have created, or are in the process of creating, 960 units of affordable housing. In December, the program opened West Park in View Royal and Spencer Close in Langford, providing 282 new affordable rental homes on the Westshore for families and single people with mixed incomes. Hockley House opens in Spring 2021 with an additional 120 units of mixed-market housing in downtown Langford.

CRHC Overview*

Properties

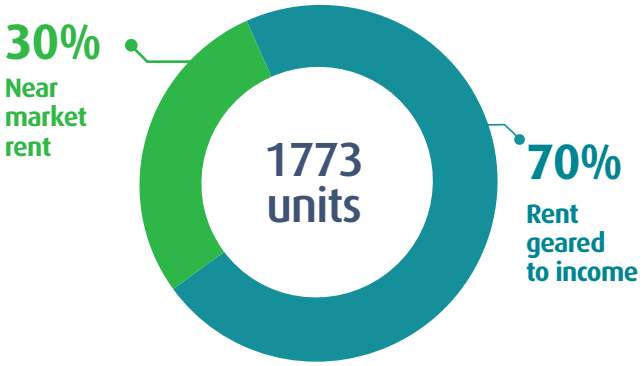
7
Municipalities

49
Complexes

$430M
Insured Value

1773
Units

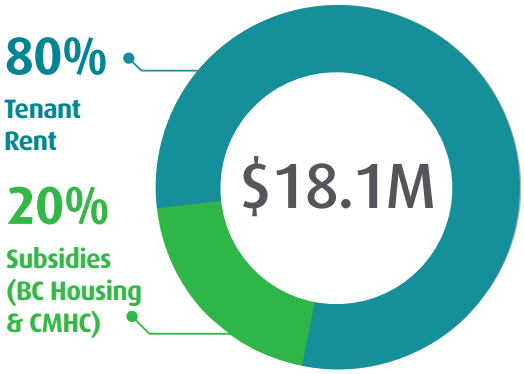
CRHC Rental Rates



*Excludes Hockley

Financial Highlights

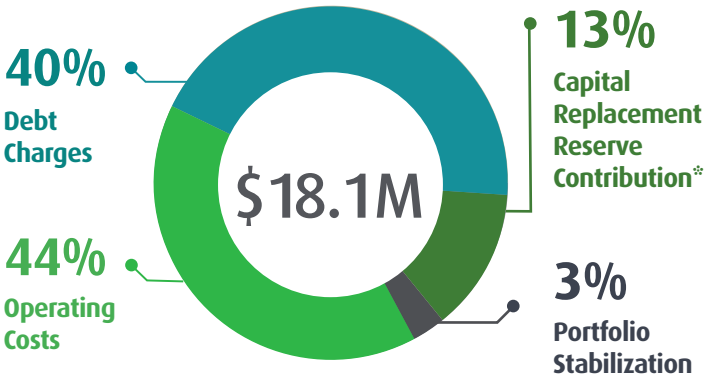
Operating Income



0% Requisition: self-sustaining model

*Based on 2020 Audited Financial Statements

Operating Expenses



* For transfers to capital replacement reserve and equity contributions to future redevelopment projects

Annual Routine Capital Improvements

$1.7M

$1.1M

Unit Improvements

Includes replacing items such as appliances, flooring, heating, paint, cabinets, bathroom fixtures and window coverings

$0.6M

Building Improvements

Includes replacing items such as roofing, exterior paint, fencing, mechanical, common area flooring and paint



Laura Reid and family

Tenant Profile Laura Reid

If you had told Laura Reid 10 years ago that one day she would live in social housing and later become co-chair of the Tenant Advisory Committee (TAC) of the organization she rented from, she probably would not have believed you.

Up until 2012, Laura had been a homeowner, never needing to work outside of the home and was content raising her two adopted children, both with levels of learning challenges. But a sudden break-up left them with nothing and on the verge of becoming homeless.

"I had no income, we had nowhere to live - and there certainly wasn't anywhere to live that was 'affordable,'" she recalls.

Laura made calls to her local MLA and eventually filled out an application with BC Housing. The CRHC rented the family a three bedroom townhouse and the safety, security and confidence that came along with their affordable shelter is something Laura says simply can't be understated.

"My mandate was to find a decent, safe, stable place...a home that no one could take away from my children, where they would be secure," she says. "When you are not under the whim of a landlord who is going to raise your rent beyond what you can afford, or kick you out on the street, it allows you to build the kinds of emotional and physical supports your family needs - there's just nothing more important than stable housing."

Her children Michael, 19, and Emma, 18, have benefitted from this stability, and Laura says she never thought living in social housing would have such a profound effect on all of their lives, even leading her to seek out the co-chair role on the TAC.

"Social housing has allowed me to re-invent myself, twice, allowing me to go back to school and provide for my family," she says. "Now I can bring that experience to the TAC along with the many different groups of people who know no one will take their home away and make them homeless."

Tenant Advisory Committee

The Tenant Advisory Committee (TAC) reports through the CRD's Hospitals and Housing Committee to advise the CRHC Board of Directors on tenant policies and programs and may include up to eight tenant representatives. The purpose of the TAC is to promote effective communication, engagement and collaboration between the CRHC and its tenants, and provide information and advice regarding tenant-related policies and programs to support healthier and more livable communities.

CRHC
Capital Region Housing Corporation

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Capital Regional District

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REPORT TO THE CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **Bylaw No. 4372 Development Cost Charges Transfer to Capital Reserve**

ISSUE SUMMARY

To abandon Bylaw No. 4372 and enact the repayment of debt through a transfer of funds from Development Cost Charges (DCC) Reserve to Capital Reserve for the Saanich Peninsula Wastewater Service through a Board motion.

BACKGROUND

On November 18, 2020, the Board approved the recommended "Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020". On seeking Ministry approval for the bylaw, staff were notified that the transferring of development cost charge funds by bylaw is meant for the permanent transfer and wind-up of DCC reserve funds only, and not for transfers to fulfill the purpose of the DCC fund.

This transfer of funds from the DCC Reserve to the Capital Reserve for the Saanich Peninsula Wastewater service is required to repay additional capacity already built into the wastewater facility which is the basis of the DCC program. The total value of the capital cost to be recovered by way of DCC program is $9.205 million. The transfer of $1.7 million contemplated in Bylaw No. 4372 constitutes only a partial repayment of the additional capacity at this time. The transfer amount was included in the financial plan and is therefore authorized.

At the October 15, 2020, meeting, the Saanich Peninsula Wastewater Commission made a recommendation to the Board "that Bylaw No. 4372 cited as 'Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020' be introduced and read a first, second, and a third time". As there are no changes to the Commission's recommendation, the transfer of funds can be completed by abandoning the bylaw and passing a Board motion.

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4372, cited as "Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020", be abandoned; and
2. That the transfer of development cost charge funds be approved in the amount of $1.7 million from the Saanich Peninsula Water and Wastewater Development Cost Charge fund, under Bylaw No. 3208, to the Saanich Peninsula Wastewater Capital Reserve Fund, established under Bylaw No. 2760, to be used to fund capital improvements and capital debt servicing for projects covered by the DCC program.

Alternative 2

1. That abandonment of Bylaw No. 4372 be deferred to a future meeting pending receipt of further information.

IMPLICATIONS

Transferring the available balance from the DCC Reserve to the Capital Reserve allows for the use of funds as planned in the 2021 five-year Capital Plan. Future transfers are anticipated with continued collections of DCC and ongoing capital requirements in delivering wastewater treatment in the Saanich Peninsula.

CONCLUSION

Staff are seeking to abandon Bylaw No. 4372 and enact the repayment of debt through a transfer of funds from DCC Reserve to Capital Reserve for the Saanich Peninsula Wastewater Service through a Board motion.

RECOMMENDATION

1. That Bylaw No. 4372 cited as "Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020" be abandoned.
2. That the transfer of development cost charge funds be approved in the amount of $1.7 million from the Saanich Peninsula Water and Wastewater Development Cost Charge fund, under Bylaw No. 3208, to the Saanich Peninsula Wastewater Capital Reserve Fund, established under Bylaw No. 2760, to be used to fund capital improvements and capital debt servicing for projects covered by the DCC program.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Staff Report on Bylaw No. 4372, October 15, 2020

Making a difference...together

SPWWC 20-04

REPORT TO SAANICH PENINSULA WASTEWATER COMMISSION
MEETING OF THURSDAY, OCTOBER 15, 2020

SUBJECT **Bylaw No. 4372, Transfer of Funds from Development Cost Charges Reserve to Related Capital Reserve**

ISSUE SUMMARY

A bylaw is required to transfer funds from the Saanich Peninsula Wastewater Development Cost Charge (DCC) reserve to its related capital reserve fund.

BACKGROUND

The Capital Regional District (CRD) established a combined water and wastewater development cost charges program with the intent of funding growth and capacity related improvements to the CRD Saanich Peninsula water and wastewater systems, initially under, now-repealed, *Bylaw No. 2569, Capital Regional District Sewage Facilities Development Cost Charge Bylaw No 1, 1998* and its current successor, *Bylaw No. 3208, Saanich Peninsula Water and Wastewater Development Cost Charges Bylaw No. 1, 2004*.

The current Saanich Peninsula Wastewater (SPWW) system was constructed in 1999 and included spare capacity to accommodate future growth. The justification for establishment of the wastewater DCC program was to collect funds from development to pay for the additional capacity and capital cost that was built into the SPWW system. The total value of the additional capacity and capital cost is $9.205 million.

In July 2018, the Saanich Peninsula Wastewater Commission received a DCC Program Review Report prepared by Kerr Wood Leidal Associates (KWL) which applied updated growth projections to 2037. The result of the report was a DCC rate update, and a DCC capital program covering 2018 to 2037. This capital program totals $0.73 million and includes a strategic plan update in 2019, a replacement of the Turgoose Pump Station in 2019, and a subsequent DCC update in 2023. KWL recommended that remaining funds left over in the DCC reserve fund be transferred into the SPWW capital reserve fund to pay for the additional capacity and capital cost built into the system.

The SPWWC service has completed its strategic plan update and is finalizing the Turgoose Pump Station replacement project. Combined, these project make up $0.68 million of the DCC eligible project to 2037. The DCC reserve fund opening balance in 2020 is $1.5 million. The only project left in the DCC capital program is the DCC update in 2023 estimated at $50,000. Following the recommendations in the 2018 DCC program review and, consistent with the objective of the DCC initiation, the attached DCC's transfer bylaw (Appendix A) will establish the authority to transfer funds and requires approval by the Inspector of Municipalities.

IMPLICATIONS

Financial Implications

As detailed in the fund continuity schedule below, staff recommend an initial transfer of $1.7 million to be completed in 2020. Until such time as the capital cost of the additional capacity is covered by DCC fund transfers to capital reserve, staff will put forward additional bylaws to transfer funds as the DCC capital program allows. Without the recommended transfer, the service would have to borrow funds to maintain current capital project spending.

Figure 1: Development Cost Charges Reserve Continuity

DCC Portion	Estimate	Budget				
Fund: 1012 Fund Center: 101356	2020	2021	2022	2023	2024	2025
Beginning Balance	1,534,961	35,004	205,004	375,004	545,004	65,004
Planned Capital Expenditure (Based on Capital Plan)	-	-	-	-	(50,000)	-
Transfer OUT - To Capital Reserve	(1,700,000)	-	-	-	(600,000)	(200,000)
Transfer IN - DCC Funding	170,000	170,000	170,000	170,000	170,000	170,000
Interest Income	30,043	-	-	-	-	-
Ending Balance $	**35,004**	**205,004**	**375,004**	**545,004**	**65,004**	**35,004**

RECOMMENDATION

That the Saanich Peninsula Wastewater Commission recommends to the Capital Regional District Board:

1. That Bylaw No. 4372 cited as "Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020" be introduced and read a first, second, and a third time.

2. That Bylaw No. 4372 be referred to the Inspector of Municipalities for review as required by the *Local Government Act* and *Community Charter*.

Submitted by:	Ted Robbins, B. Sc., C. Tech., General Manager, Integrated Water Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 4372

Appendix A to Oct. 2020 staff report.

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4372

****

A BYLAW TO AUTHORIZE FUND TRANSFERS FROM SAANICH PENISULA WASTEWATER DEVELOPMENT COST CHARGE RESERVE TO THE SAANICH PENISULA WASTEWATER CAPITAL RESERVE

****

WHEREAS:

A. By Supplementary Letters Patent, Division VII dated December 28, 1967, the Capital Regional District was granted the function of acquisition, design, construction, operation, maintenance, renewal and administration of trunk sewers and sewage disposal facilities within all member municipalities of the Regional District, except the then electoral areas of Sooke and Outer Gulf Islands;

B. Under Bylaw No. 2569, Capital Regional District Sewage Facilities Development Cost Charge Bylaw No 1, 1998, and its successor Bylaw No. 3208, Saanich Peninsula Water and Wastewater Development Cost Charges Bylaw No. 1, 2004, the Regional District imposed development cost charges for the Saanich Peninsula Wastewater System, and under Bylaw No. 2760, Saanich Peninsula Wastewater System Capital Reserve Fund Bylaw No. 1, 2000, established a capital reserve fund to hold the development cost charge monies for wastewater system upgrades and other related capital expenses;

C. Pursuant to sections 377 and 559 of the *Local Government Act* and section 189 of the *Community Charter*, the Regional District desires to transfer monies to the capital reserve fund.

NOW THEREFORE, the Board of the Capital Regional District enacts as follows:

1. One million seven hundred thousand dollars ($1.7 million) shall be transferred from the Saanich Peninsula Wastewater System Development Cost Charge reserve fund established by Saanich Peninsula Water and Wastewater Development Cost Charges Bylaw No. 1, 2004 (Bylaw No. 3208) to the Saanich Peninsula Wastewater System Capital reserve fund established by Saanich Peninsula Wastewater System Capital Reserve Fund Bylaw No. 1, 2000 (Bylaw No. 2760);

2. This bylaw may be cited as the “Saanich Peninsula Water and Wastewater Development Cost Charges Transfer to Capital Reserve Bylaw No. 1, 2020”.

READ A FIRST TIME THIS	__	day of	2020
READ A SECOND TIME THIS	__	day of	2020
READ A THIRD TIME THIS	__	day of	2020
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	__	day of	2020
ADOPTED THIS	__	day of	2020

_____ _____

CHAIR CORPORATE OFFICER

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EEP 21-18

REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **CRD Bylaw No. 4397 to Amend Ticket Information Authorization Bylaw No. 1857 – Saanich Peninsula Stormwater Source Control Bylaw**

ISSUE SUMMARY

The Capital Regional District (CRD) Ticket Information Authorization Bylaw requires an amendment to allow for the offences and fines related to the Saanich Peninsula Stormwater Source Control Bylaw.

BACKGROUND

The CRD Board adopted Bylaw No. 4168, "A Bylaw to Regulate Stormwater Discharges to the Municipal Drainage System of the District of Central Saanich, District of North Saanich and the Town of Sidney" (Saanich Peninsula Stormwater Source Control Bylaw) on July 14, 2017. The Board also adopted Bylaw No. 4228, which added the ticketing provisions for the Saanich Peninsula Stormwater Source Control Bylaw to Bylaw No. 1857, "Capital Regional District Ticket Information Authorization Bylaw, 1990", on February 13, 2019.

While staff work proactively and cooperatively with businesses and residents to obtain voluntary compliance with the bylaw, under some circumstances offences and fines are required to ensure bylaw compliance. Bylaw No. 1857, "Capital Regional District Ticket Information Authorization Bylaw, 1990", defines offences and fines and provides for the enforcement of bylaws through ticketing by designated bylaw enforcement officers.

Bylaw No. 4228, "Capital Regional District Ticket Information Authorization Bylaw, 1990, Amendment Bylaw No. 64, 2019" contained errors related to the section numbers in Bylaw No. 1857 and also lacked an entry that referenced Designated Bylaw Enforcement Officers. Bylaw No. 4397 (Appendix A) corrects these errors and omissions. There are no changes to the offences and fines from Bylaw No. 4228.

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4397, "Capital Regional District Ticket Information Authorization Bylaw, 1990, Amendment Bylaw No. 69, 2021" be introduced, and read a first, second and third time; and
2. That Bylaw No. 4397 be adopted.

Alternative 2

That Bylaw No. 4397 be referred back to staff for further review.

IMPLICATIONS

Service Delivery Implications

The amendment to the CRD Municipal Ticketing Information Bylaw will allow CRD Bylaw Enforcement Officers, Stormwater Control Officers and the Stormwater Control Manager to enforce Bylaw No. 4168 when proactive and cooperative measures to achieve voluntary bylaw compliance are not sufficient.

Environmental Implications

Prevention of the release of contamination and enforcement of the Saanich Peninsula Stormwater Source Control Bylaw are tools for the protection of watercourses and the marine environment from contamination carried by stormwater from residential, industrial, commercial and institutional properties on the Saanich Peninsula.

CONCLUSION

The Capital Regional District Ticket Information Authorization Bylaw requires an amendment to allow for the offences and fines related to the Saanich Peninsula Stormwater Source Control Bylaw. While staff will continue to work proactively and collaboratively with stormwater dischargers on the Saanich Peninsula to obtain voluntary compliance with the bylaw, this change provides for the bylaw enforcement necessary to ensure protection of watercourses and the marine environment from contamination carried by stormwater from commercial, industrial, institutional and residential properties.

RECOMMENDATION

1. That Bylaw No. 4397, "Capital Regional District Ticket Information Authorization Bylaw, 1990, Amendment Bylaw No. 69, 2021" be introduced, and read a first, second and third time; and
2. That Bylaw No. 4397 be adopted.

Submitted by:	Glenn Harris, Ph.D., R.P.Bio., Senior Manager, Environmental Protection
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: A Bylaw to Amend the Capital Regional District Ticket Information Authorization Bylaw, 1990 (Bylaw No. 4397)

CAPITAL REGIONAL DISTRICT
BYLAW NO. 4397

****

A BYLAW TO AMEND BYLAW NO. 1857, CAPITAL REGIONAL DISTRICT TICKET INFORMATION AUTHORIZATION BYLAW, 1990

****

The Board of the Capital Regional District in open meeting assembled enacts as follows:

1. Bylaw No. 4228, Capital Regional District Ticket Information Authorization Bylaw, 1990, Amendment Bylaw No. 64, 2019, is hereby repealed.

2. Bylaw No. 1857, Capital Regional District Ticket Information Authorization Bylaw, 1990, is amended as follows:

   (a) Sections 3 and 4 of the Capital Regional District Ticket Information Authorization Bylaw, 1990 are amended by deleting the words “Schedules 2 to 37” wherever they appear and substituting “Schedules 2 to 39”.

   (b) Schedule “1” to Bylaw No. 1857 is amended by renumbering Section 38 as 37, and inserting Section 38 as follows:

“38.	Saanich Peninsula Stormwater Source Control Bylaw, No. 1, 2017	Bylaw Enforcement Officer Municipal Stormwater Control Officer Stormwater Control Manager”

   (c) by adding Schedule “39” attached as Appendix 1 to this Bylaw.

3. This Bylaw may be cited for all purposes as "Capital Regional District Ticket Information Authorization Bylaw 1990, Amendment Bylaw No. 69, 2021".

READ A FIRST TIME THIS	DAY OF	2021
READ A SECOND TIME THIS	DAY OF	2021
READ A THIRD TIME THIS	DAY OF	2021
ADOPTED THIS	DAY OF	2021

_____ _____

CHAIR CORPORATE OFFICER

APPENDIX 1

SCHEDULE 39 TO BYLAW 1857

CAPITAL REGIONAL DISTRICT
BYLAW NO. 4168

SAANICH PENINSULA STORMWATER SOURCE CONTROL BYLAW No. 1, 2017

WORD OR EXPRESSIONS DESIGNATING OFFENCE	SECTION	FINE
1. Discharge of domestic waste	2.1(a)	$1000
2. Discharge of business waste	2.1(b)	$1000
3. Discharge of prohibited waste	2.1(c)	$1000
4. Fail to operate in accordance with applicable code of practice	3.1	$750
5. Fail to prepare spill response plan within 180 days	4.1	$500
6. Fail to prepare spill response plan within 90 days	4.2	$500
7. Fail to specify response for containment and cleanup	4.3(a)	$250
8. Fail to define roles and responsibilities of operations personnel	4.3(b)	$250
9. Fail to include contact names and telephone numbers	4.3(c)	$250
10. Fail to provide checklist of spill response equipment and supplies	4.3(d)	$250
11. Fail to stock and maintain spill response equipment and supplies	4.4	$250
12. Spill response plan not readily accessible for inspection	4.5	$250
13. Fail to implement provisions of spill response plan	4.6	$250
14. Fail to prevent or discontinue spill to municipal drainage system	4.7	$750
15. Fail to inspect treatment works for spilled material within four hours	4.8	$250
16. Fail to clean out treatment works within 24 hours after spill	4.9	$500
17. Fail to record date of spill	5.1(a)	$150
18. Fail to record type of material spilled	5.1(b)	$150
19. Fail to record quantity of material spilled	5.1(c)	$150
20. Fail to record spill response action	5.1(d)	$150
21. Fail to maintain complete records, date of inspection or maintenance	5.2(a)	$250
22. Fail to maintain complete records, maintenance conducted	5.2(b)	$250
23. Fail to maintain complete records, material removed	5.2(c)	$250
24. Fail to maintain complete records, name and address of disposal company	5.2(d)	$250
25. Fail to maintain complete records, names of personnel	5.2(e)	$250
26. Fail to retain records for inspection by Manager or Officer	5.3	$250
27. Hinder/prevent inspection	9.1	$500
28. Fail to take immediate steps to cease discharge of prohibited waste	Sch. C, 2.2	$250
29. Accumulation of excessive oil and grease	Sch. C, 2.3(a)	$250
30. Accumulation of excessive solids	Sch. C, 2.3(b)	$250
31. Fail to measure accumulated solids and oils in treatment works	Sch. C, 2.3(c)	$250

APPENDIX 1

32. Fail to maintain storm rehabilitation unit	Sch. C, 2.3(d)	$250
33. Discharge of accumulated materials to municipal drainage system	Sch. C, 2.4	$250
34. Facilitate passage of oil and grease, solids, or materials through treatment works	Sch. C, 2.5	$250
35. Fail to correctly install sampling point	Sch. C, 2.6(a)	$250
36. Inaccessible sampling point	Sch. C, 2.6(b)	$250
37. Fail to maintain design information of treatment works	Sch. C, 2.7	$250
38. Fail to indicate sampling point, point of connection	Sch. C, 2.8	$250
39. Fail to prepare spill response plan within 180 days	Sch. C, 3.1	$250
40. Fail to prepare spill response plan within 90 days	Sch. C, 3.2	$250
41. Fail to specify response for containment and cleanup	Sch. C, 3.3(a)	$250
42. Fail to define roles and responsibilities of operations personnel	Sch. C, 3.3(b)	$250
43. Fail to include contact names and telephone numbers	Sch. C, 3.3(c)	$250
44. Fail to provide checklist of spill response equipment and supplies	Sch. C, 3.3(d)	$250
45. Fail to stock and maintain spill response equipment and supplies	Sch. C, 3.4	$250
46. Spill response plan not accessible for inspection	Sch. C, 3.5	$250
47. Fail to implement provisions of spill response plan	Sch. C, 3.6	$250
48. Fail to prevent or discontinue spill to municipal drainage system	Sch. C, 3.7	$250
49. Fail to inspect treatment works for spilled material within four hours	Sch. C, 3.8	$250
50. Fail to clean out treatment works after spill within 24 hours	Sch. C, 3.9	$250
51. Fail to record date of spill	Sch. C, 4.1(a)	$150
52. Fail to record type of material spilled	Sch. C, 4.1(b)	$150
53. Fail to record quantity of material spilled	Sch. C, 4.1(c)	$150
54. Fail to record spill response action	Sch. C, 4.1(d)	$150
55. Fail to maintain complete records, date of inspection or maintenance	Sch. C, 4.2(a)	$150
56. Fail to maintain complete records, maintenance conducted	Sch. C, 4.2(b)	$150
57. Fail to maintain complete records, material removed	Sch. C, 4.2(c)	$150
58. Fail to maintain complete records, name and address of disposal company	Sch. C, 4.2(d)	$150
59. Fail to maintain complete records, names of personnel	Sch. C, 4.2(e)	$150
60. Fail to retain records for inspection by Manager or Officer	Sch. C, 4.3	$250
61. Discharge of water from spill containment	Sch. D, 2.2(a)	$250
62. Discharge of untreated wash and rinse water	Sch. D, 2.2(b)	$250
63. Discharge of fluids and fuels from vehicles, machinery or equipment	Sch. D, 2.2(c)	$250
64. Discharge of water from fuel storage tank	Sch. D, 2.2(d)	$250
65. Discharge of rinse water, solvent wash	Sch. D, 2.2(e)	$250
66. Fail to take immediate steps to cease discharge of prohibited waste	Sch. D, 2.3	$250
67. Accumulation of excessive oil and grease	Sch. D, 2.4(a)	$250
68. Accumulation of excessive solids	Sch. D, 2.4(b)	$250

69. Fail to measure accumulated solids and oils in treatment works	Sch. D, 2.4(c)	$250
70. Fail to maintain stormwater rehabilitation unit at prescribed intervals	Sch. D, 2.4(d)	$250
71. Discharge of accumulated materials to municipal drainage system	Sch. D, 2.5	$250
72. Facilitate passage of oil and grease, solids, or materials through treatment works	Sch. D, 2.6	$250
73. Fail to correctly install sampling point	Sch. D, 2.7(a)	$250
74. Inaccessible sampling point	Sch. D, 2.7(b)	$250
75. Fail to maintain design information of treatment works	Sch. D, 2.8	$250
76. Fail to indicate sampling point, point of connection	Sch. D, 2.9	$250
77. Fail to install spill containment, hazardous materials	Sch. D, 3.1	$250
78. Fail to prepare spill response plan within 180 days	Sch. D, 4.1	$250
79. Fail to prepare spill response plan within 90 days	Sch. D, 4.2	$250
80. Fail to specify response for containment and cleanup	Sch. D, 4.3(a)	$250
81. Fail to define roles and responsibilities of operations personnel	Sch. D, 4.3(b)	$250
82. Fail to include contact names and telephone numbers	Sch. D, 4.3(c)	$250
83. Fail to provide checklist of spill response equipment and supplies	Sch. D, 4.3(d)	$250
84. Fail to stock and maintain spill response equipment and supplies	Sch. D, 4.4	$250
85. Spill response plan not readily accessible for inspection	Sch. D, 4.5	$250
86. Fail to implement provisions of spill response plan	Sch. D, 4.6	$250
87. Fail to prevent or discontinue spill to municipal drainage system	Sch. D, 4.7	$250
88. Fail to inspect treatment works for spilled material within four hours	Sch. D, 4.8	$250
89. Fail to clean out treatment works after spill within 24 hours	Sch. D, 4.9	$250
90. Fail to record date of spill	Sch. D, 5.1(a)	$150
91. Fail to record type of material spilled	Sch. D, 5.1(b)	$150
92. Fail to record quantity of material spilled	Sch. D, 5.1(c)	$150
93. Fail to record spill response action	Sch. D, 5.1(d)	$150
94. Fail to maintain complete records, date of inspection or maintenance	Sch. D, 5.2(a)	$150
95. Fail to maintain complete records, maintenance conducted	Sch. D, 5.2(b)	$150
96. Fail to maintain complete records, material removed	Sch. D, 5.2(c)	$150
97. Fail to maintain complete records, name and address of disposal company	Sch. D, 5.2(d)	$150
98. Fail to maintain complete records, names of personnel	Sch. D, 5.2(e)	$150
99. Fail to retain records for inspection by manager or officer	Sch. D, 5.3	$250

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REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **AAP for Bylaws 4393 and 4394 – Florence Lake Improvement District Conversion to CRD Service**

ISSUE SUMMARY

To conduct an Alternate Approval Process for Bylaw No. 4393 and 4394 by confirming the deadline to receive elector responses, establish the total number of electors, and approve the Notice of Alternative Approval Process and the Electoral Response Form.

BACKGROUND

At its meeting held December 9, 2020, the CRD Board gave three readings to the following bylaws attached as Appendix A:

- Bylaw No. 4393, "Florence Lake Water System Local Service Establishment Bylaw No. 1, 2020" to establish a water system local service in the area formerly serviced by Florence Lake Improvement District; and
- Bylaw No. 4394, "Florence Lake Water System Local Service Loan Authorization Bylaw No. 1, 2020" to authorize the borrowing of three hundred thousand dollars ($300,000) for the Florence Lake water system upgrade.

The bylaws obtained Inspector of Municipalities approval on December 23, 2020. The next step prior to adopting the bylaw is to obtain elector assent. The CRD Board directed elector assent be obtained via alternate approval process (AAP) for the electors within the Florence Lake Improvement District. The Florence Lake Improvement District is comprised of properties with an odd-numbered street address ranging between 2601 and 2649 Savory Road within the municipal boundary of Langford. The boundaries of the service area are shown in Schedule "A" to Bylaw 4393 (Appendix A).

In order to conduct the AAP, the attached Notice (Appendix B) and Elector Response Form (Appendix C) have been prepared in accordance with the applicable sections of the *Local Government Act* and the *Community Charter*. With an AAP, the Board may proceed with adopting the bylaw unless more than 10% of electors indicate that the Board must obtain the assent of the electors by way of assent voting (referendum). The proposed deadline to receive elector responses is July 5, 2021.

The total number of registered resident electors and registered non-resident property electors is determined to be 32, of which 10% is 4 electors.

ALTERNATIVES

Alternative 1

1) That in accordance with section 86(3) of the *Community Charter*, the date of July 5, 2021 be confirmed as the deadline by which electoral response, under the Alternate Approval

process for CRD Bylaw No. 4393 and 4394, must be submitted to the Capital Regional District by qualified electors within the Florence Lake Improvement District;
2) That the attached Notice of Alternative Approval Process (Appendix B) and the Elector Response Form (Appendix C) be approved; and
3) That the total number of registered electors within the service area is 32 and that 10% of that number is 4 electors.

Alternative 2
That this report be referred back to staff for additional information.

CONCLUSION

The CRD Board has previously approved obtaining elector approval for an Alternative Approval Process for Bylaw No. 4393 and 4394 for converting the Florence Lake Improvement District to a CRD service. To conduct the Alternative Approval Process, the Board has to confirm the deadline to receive elector responses, establish the number of electors, and approve the Notice of Alternative Approval Process and the Elector Response Form.

RECOMMENDATION

1) That in accordance with section 86(3) of the *Community Charter*, the date of July 5, 2021 be confirmed as the deadline by which electoral response, under the Alternate Approval process for CRD Bylaw No. 4393 and 4394, must be submitted to the Capital Regional District by qualified electors within the Florence Lake Improvement District;
2) That the attached Notice of Alternative Approval Process (Appendix B) and the Elector Response Form (Appendix C) be approved; and
3) That the total number of registered electors within the service area is 32 and that 10% of that number is 4 electors.

Submitted by:	Marlene Lagoa, MPA, Manager, Legislative Services & Deputy Corporate Officer
Concurrence:	Steve Carey, Manager, Legal Services, Corporate Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., General Manager, Integrated Water Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Bylaws No. 4393 and 4394 at Third Reading
Appendix B: Notice of Alternative Approval Process
Appendix C: Elector Response Form

CAPITAL REGIONAL DISTRICT
BYLAW NO. 4393

****

A BYLAW TO ESTABLISH THE FLORENCE LAKE WATER SYSTEM LOCAL SERVICE AREA

****

WHEREAS:

A. The Capital Regional District may, under Section 263(1)(a) of the *Local Government Act*, establish and provide any service that the Board considers necessary or desirable for all or part of the Capital Regional District;

B. The Board of the Capital Regional District wishes to establish a water distribution local service of the regional district (the "Service"), in the area formerly serviced by the Florence Lake Improvement District, in order to fund upgrades to the water system, while the former water supply service provided by the Florence Lake Improvement District will be taken on by the Juan De Fuca Water Distribution Service and Commission, respectively;

C. Participating area approval is required and assent of the electors has been obtained pursuant to Section 342(2)(b) of the *Local Government Act*; and

D. The approval of the Inspector of Municipalities has been obtained under Section 343(1)(a) of the *Local Government Act*.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

Service

1. The Service established by this Bylaw is for the purposes of upgrading the existing Florence Lake Water System, the operation of a water utility, and assuming responsibility for the administration, operation, and maintenance of the infrastructure providing water to the residences of Savory Road, Langford BC, in the area formerly known as the Florence Lake Improvement District.

Boundaries

2. The boundaries of the Service Area are shown in heavy outline on the Plan attached as Schedule "A" to this Bylaw, which are within the City of Langford.

Participating Area

3. Only the City of Langford includes a participating area for this service.

Cost Recovery

4. As provided in Section 378 of the *Local Government Act*, the annual costs of providing the Service may be recovered by one or more of the following:

a) parcel taxes imposed in accordance with Division 2 of Part 11 of the *Local Government Act;*

b) fees and charges imposed under Section 397 of the *Local Government Act*;

c) revenues raised by other means authorized under the *Local Government Act* or another Act;

d) revenues received by agreement, enterprise, gift, grant or otherwise.

Maximum Requisition

5. In accordance with Section 339(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:

a) Seventy five thousand ($75,000); or

b) An amount equal to the amount that could be raised by a property value tax rate of $6.3298 per One Thousand Dollars ($1,000) that, when applied to the net taxable value of land and improvements in the Service Area, will yield the maximum amount that may be requisitioned for the Service.

Citation

6. This Bylaw may be cited as the "Florence Lake Water System Local Service Establishment Bylaw No. 1, 2020".

READ A FIRST TIME THIS 9th day of December 2020

READ A SECOND TIME THIS 9th day of December 2020

READ A THIRD TIME THIS 9th day of December 2020

APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS 23rd day of December 2020

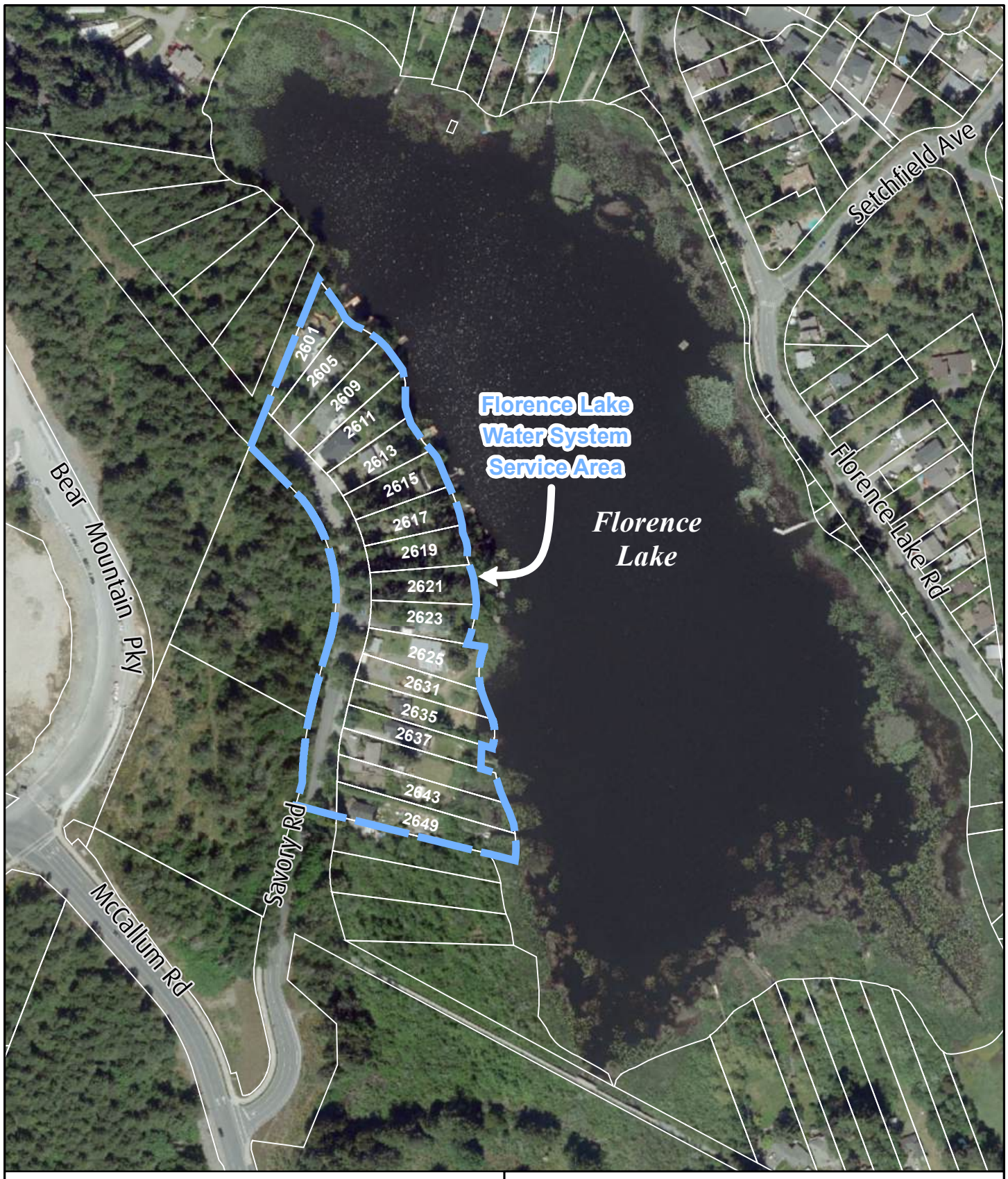
RECEIVED PARTICIPATING AREA APPROVAL UNDER SECTION 342(2)(b) OF THE *LOCAL GOVERNMENT ACT* THIS day of

ADOPTED THIS day of

CHAIR CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS day of

Schedule "A"



Metres
0 25 50 100 150
UTM Zone 10N NAD 1983

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W E
S

Proposed Florence Lake Water Debt Service Area

Schedule "A"

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August 2019 | FlorenceLakeWaterSystem.mxd | helpdesk@crd.bc.ca

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4394

****

A BYLAW TO AUTHORIZE THE BORROWING OF THREE HUNDRED THOUSAND DOLLARS ($300,000) FOR THE FLORENCE LAKE WATER SYSTEM UPGRADE

****

WHEREAS:

A. Under Bylaw No. 4393, Florence Lake Water System Local Service Establishment Bylaw No. 1, 2020, the Capital Regional District established a local service for the payment of upgrades to the former Florence Lake Improvement District water distribution service;

B. The Board of the Capital Regional District wishes to upgrade the existing Florence Lake Water System in connection with the Service (the "**Project**") to facilitate integration with the Juan de Fuca Water Distribution Service;

C. The estimated cost of the Project, including expenses incidental thereto to be funded by debt servicing, is the sum of Three Hundred Thousand Dollars ($300,000), which is the amount of debt intended to be authorized by this bylaw;

D. Pursuant to Section 342, 348 and 351 of the *Local Government Act*, participating area approval is required and shall be obtained by assent of the electors under Section 342(2)(b) of the *Local Government Act*;

E. The approval of the Inspector of Municipalities is required under Section 403 of the *Local Government Act*; and

F. It is proposed that the financing of the Project is to be undertaken by the Municipal Finance Authority of British Columbia pursuant to proposed agreements between that Authority and the Capital Regional District.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled, enacts as follows:

1. The Board is hereby empowered and authorized to undertake and carry out or cause to be carried out the planning, study, design and construction of works for the provision of the facilities and equipment for the purpose of the Project in connection with the Service and to do all things necessary in connection with the Project and without limiting the generality of the foregoing:

   (a) to borrow upon the credit of the Capital Regional District a sum not exceeding Three Hundred Thousand Dollars ($300,000);

   (b) to acquire all such real property, easements, rights-of-way, leases, licenses, rights or authorities as may be requisite or desirable for or in connection with the Project.

2. The maximum term for which debentures may be issued to secure the debt intended to be created by this bylaw is fifteen years.

3. This Bylaw may be cited as the “Florence Lake Water System Local Service Loan Authorization Bylaw No. 1, 2020”.

READ A FIRST TIME THIS 9th day of December 2020

READ A SECOND TIME THIS 9th day of December 2020

READ A THIRD TIME THIS 9th day of December 2020

APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS 23rd day of December 2020

RECEIVED PARTICIPATING AREA APPROVAL UNDER SECTION 342(2) OF THE *LOCAL GOVERNMENT ACT* THIS day of

ADOPTED THIS day of

CHAIR

CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS day of

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NOTICE TO ELECTORS
WITHIN THE FLORENCE LAKE IMPROVEMENT DISTRICT

Alternative Approval Process for Bylaws No. 4393 ad 4394
Florence Lake Water System Local Service Area

Notice is hereby given that the Board of Directors of the Capital Regional District ("CRD") proposes to adopt:

- Bylaw No. 4393, “Florence Lake Water System Local Service Establishment Bylaw No. 1, 2020” to establish a water system local service in the area formerly serviced by Florence Lake Improvement District; and
- Bylaw No. 4394, “Florence Lake Water System Local Service Loan Authorization Bylaw No. 1, 2020” to authorize the borrowing of three hundred thousand dollars ($300,000) for the Florence Lake water system upgrade.

The intent of Bylaw No. 4393 is to establish a water system local service in the area formerly serviced by Florence Lake Improvement District and requisition annually for the cost of the service. Adoption of Bylaw No. 4394 is also required to authorize the borrowing of $300,000 over 15 years to fund upgrades to the Florence Lake water system.

Take further notice that the CRD may proceed with Bylaws No. 4393 and 4394 unless at least 4 electors within the Florence Lake Improvement District area indicate, by signing the elector response form, that the Board must obtain the assent of the electors by way of an assent vote (referendum) before proceeding to adopt Bylaws No. 4393 and 4394.

The elector response must be in the form as established by the CRD and is available from the CRD on request or from the CRD website. The only persons entitled to sign elector response forms are electors of the area to which the alternative approval process opportunity applies. The Alternative Approval Process opportunity applies to electors within the Florence Lake Improvement District, comprised of properties with an odd-numbered street address ranging between 2601 and 2649 Savory Road, in the City of Langford, BC in the Capital Regional District.

The deadline for delivering the original signed elector response forms, in relation to Bylaws No. 4393 and 4394, to the CRD is **4:00 pm on Monday, July 5, 2021**. Forms must be received by the deadline to be counted.

The CRD has determined that the total number of electors within the service area is 32 and that 10% of that number or 4 electors must submit elector response forms to prevent the CRD from enacting Bylaws No. 4393 and 4394 without the assent of the electors by referendum.

Questions regarding the proposed Florence Lake Water System Local Service Area may be directed to Joseph Marr, Manager, Water Distribution Engineering and Planning, 479 Island Hwy, Victoria, BC, 250.474.9656, jmarr@crd.bc.ca, from 8:30 am to 4:30 pm, Monday to Friday (excluding statutory holidays) from the date of this notice until July 5, 2021.

Qualifications for Resident and Non-Resident Property Electors

Resident Elector*:* You are entitled to submit an elector response form as a Resident Elector if you are 18 years or older on the date of submission of the elector response form, are a Canadian citizen, have

resided in British Columbia for 6 months and at a property located within the Florence Lake Improvement District in Langford, BC for at least 30 days prior to signing the elector response form.

***Non-Resident Property Elector**:* You may submit an elector response form as a Non-Resident Property Elector if you are 18 years or older on the date of submission of the elector response form, are a Canadian citizen, have resided in British Columbia for 6 months, have owned and held registered title to property within the Florence Lake Improvement District in Langford, BC for 30 days and do NOT qualify as a Resident Elector. If there is more than one registered owner of the property (either as joint tenants or tenants in common) only one individual may, with the written consent of the majority, submit an elector response form.

To obtain an elector response form, or for questions about the alternative approval process, contact CRD Legislative Services, PO Box 1000, 625 Fisgard Street, 5th Floor, Victoria, BC V8W 2S6, email legserv@crd.bc.ca, telephone 250.360.3127 or toll free 1.800.663.4425 local 3127 from 8:30 am to 4:30 pm, Monday to Friday (excluding statutory holidays).

A copy of the elector response form may be downloaded from: www.crd.bc.ca/florencelakeAAP

Elector response forms, a copy of Bylaws No. 4393 and 4394, and a copy of this Notice may be inspected during regular office hours, 8:30 am to 4:30 pm, Monday to Friday (excluding statutory holidays) from the date of this notice until July 5, 2021 at the following CRD locations:

- CRD headquarters, 625 Fisgard Street, Victoria
- on the CRD website: www.crd.bc.ca/florencelakeAAP

Given under my hand at Victoria, BC this th day of May, 2021

Kristen Morley
Corporate Officer

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ELECTOR RESPONSE FORM

Appendix C

Alternative Approval Process for Bylaws No. 4393 and 4394 – to establish a water system local service and authorize borrowing in the area formerly serviced by Florence Lake Improvement District

By completing this elector response form I, the undersigned elector, residing or owning real property within the Florence Lake Improvement District, as defined below, of the Capital Regional District ("CRD"), do hereby present my name on this elector response form for purposes of **OPPOSING** the CRD adopting Bylaw No. 4393, to establish a water system local service in the area formerly serviced by Florence Lake Improvement District and requisition annually for the cost of the service, and Bylaw No. 4394 to authorize the borrowing of $300,000 over 15 years to fund upgrades to the Florence Lake water system, unless a vote is held.

I acknowledge that I am a person who would otherwise be entitled to register and vote in respect of this matter, had the assent of the electors by voting been required. I hereby certify that:

1. I am 18 years of age or older;
2. I am a Canadian citizen;
3. I have lived in British Columbia for at least 6 months immediately before signing this elector response form;
4. I have lived in the Florence Lake Improvement District as defined below for at least 30 days before signing this elector response form;
5. In the case of a Non-Resident Property Elector:
   a) I am not entitled to vote as a Resident Elector in the CRD for purposes of this matter;
   b) I have been a registered owner of real property in the Florence Lake Improvement District as defined below for at least 30 days before signing this elector response form;
   c) I acknowledge that I may sign this elector response form on behalf of only one property that I own in the Regional District;
   d) If there is more than one individual who is the registered owner of the property, only one of those individuals may sign this elector response form in relation to the property, assuming the Non-Resident Property Elector has the written consent of the number of individuals who, together with the person signing this elector response form constitutes a majority of the registered owners.
   e) The only persons who are registered owners of the real property are individuals who do not hold the property in trust for a corporation or another trust.
6. I am not disqualified from voting under the *Local Government Act* or any other enactment or otherwise disqualified by law from voting.

The proposed local service area is comprised of the Florence Lake Improvement District, consisting of properties with an odd-numbered street address ranging between 2601 and 2649 Savory Road, in the City of Langford, BC in the Capital Regional District.

I understand and acknowledge that I may not sign an elector response form against Bylaws No. 4393 and 4394 more than once and may not withdraw my name from an elector response form after **July 5, 2021.** I understand and acknowledge that this elector response form must be received by the CRD no later than **4:00 pm on July 5, 2021.** In an effort to obtain signatures with respect to this matter, I declare that I have not knowingly made any false or misleading statements to another person with respect to this elector response form, action or other matter to which this elector response form relates.

Signed original elector response forms must be returned to the CRD, from 8:30 am to 4:30 pm, Monday to Friday (excluding statutory holidays), on or before 4:00 pm on Monday, July 5, 2021 at the following CRD office location: Legislative Services, 625 Fisgard Street, 5th Floor, PO Box 1000, Victoria, BC, V8W 2S6.

FULL NAME OF ELECTOR (please print):	
FULL RESIDENTIAL ADDRESS OF ELECTOR Street Address including Town/City **(please print):**	
FOR NON-RESDIENT PROPERTY ELECTOR Address of Property in CRD service area **(please print):**	
SIGNATURE OF ELECTOR:	

Section 86(7) of the Community Charter requires the elector's full name and residential address or the address of the property in relation to which the person is entitled to register as a Non-Resident Property Elector in order for this response form to be counted.

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REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, MAY 12, 2021

SUBJECT **City of Langford Request to Withdraw; Bylaw No. 3854**

ISSUE SUMMARY

The City of Langford has requested to withdraw from participation in Bylaw No. 3854 which authorizes the emergency communication dispatch services specific to fire dispatch services contracted by the Capital Regional District (CRD).

BACKGROUND

Bylaw No. 3854, "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012", was first established in December 2012 to guide the collaboration of City of Langford, the District of Highlands, the District of Metchosin, the District of Sooke, and the Directors of the Electoral Areas of Juan de Fuca, Salt Spring Island, and the Southern Gulf Islands for the delivery of fire dispatch services for the fire services of those areas.

On April 22, 2021, the City of Langford sent a letter to the CRD requesting a Service Review of the Regional Service established pursuant to Bylaw No. 3854. An attached letter to the Bylaw No. 3854 participants indicated that the City of Langford wished to withdraw from the service pursuant to section 349 of the *Local Government Act* as of December 31, 2021. These letters are attached as Appendix A.

Service withdrawal either requires two-thirds consent of the other service participants to amend the service establishment bylaw to let a participant out of a service, along with the approval of the Inspector of Municipalities; or the undertaking of a formal service review and withdrawal process. Clarification was sought from the City of Langford as to their intent and staff were informed that Langford wished to withdraw from the service and, if prevented from doing so, would then pursue the Service Review of the Regional Service consistent with Bylaw No. 3854.

For the City of Langford to withdraw from the service as a participant requires support from the participant councils in the form of a motion in conjunction with support from the CRD Board, a written notice to the Inspector of Municipalities seeking approval for the City's withdrawal, and that Bylaw No. 3854 be amended to reflect the departure of the participant.

In order to facilitate the withdrawal process, the CRD Board will have to amend the current Bylaw to reflect the change in participants (Appendix B).

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4426, "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012, Amendment Bylaw No. 1, 2021", be introduced and read a first, second, and third time; and
2. That elector approval for Bylaw No. 4426 be obtained via municipal consent and electoral area director consent, as applicable, and if successful, referred to the Inspector of Municipalities for approval.

Alternative 2

That the City of Langford Request to Withdraw from Bylaw No. 3854: A Bylaw to Establish an Emergency Communication Dispatch Service report be referred back to staff for additional information based on Capital Regional District Board direction.

IMPLICATIONS

Financial Implications

The CRD is required to follow approved procurement policies to contract a provider to deliver fire dispatch services to the participants of Bylaw No.3854. The CRD is currently undertaking a Request for Proposals (RFP) to procure Fire Dispatch services for the Bylaw participants at the end of the current contract which expires at the end of 2021. Based on a high level assessment of potential fire dispatch providers, it is expected that a new contractor can deliver Next Generation 911 (NG911) and National Fire Protection Association (NFPA) compliant fire dispatch services at half the cost of the present model and the departure of the City of Langford from the Bylaw will not negatively impact the financial health of the remaining participants.

Service Delivery Implications

The City of Langford currently provides Fire Dispatch services for the Bylaw participants under contract which expires on December 31, 2021. The City of Langford's departure from the Bylaw will have no negative impact on the delivery of fire dispatch services to the remaining participants as they will be transitioning to the successful fire dispatch contractor that will be determined through the RFP process.

Legal Implications

A service establishing bylaw may be amended by two-thirds consent of the participants and approval of the Inspector of Municipalities. Consent for a municipality may be by municipal council approval, alternative approval process, or referendum; consent for an electoral area may be by Electoral Area Director consent on behalf, alternative approval process, or referendum. The most appropriate method in this case is consent on behalf by municipal councils and electoral area directors. Any other method would increase costs and complexity.

CONCLUSION

The City of Langford has requested to withdraw from participation in Bylaw No. 3854 as of December 31, 2021. This withdrawal will not produce a negative impact on the remaining participants from a financial or service delivery perspective.

RECOMMENDATION

1. That Bylaw No. 4426, "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012, Amendment Bylaw No. 1, 2021", be introduced and read a first, second, and third time; and
2. That elector approval for Bylaw No. 4426 be obtained via municipal consent and electoral area director consent, as applicable, and if successful, referred to the Inspector of Municipalities for approval.

Submitted by:	Shawn Carby CD, BHSc, MAL Sr. Manager Protective Services
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

Appendix A: City of Langford Service Review and Withdrawal Letter of April 22, 2021
Appendix B: Bylaw No. 4426, "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012, Amendment Bylaw No. 1, 2021"

City of Langford

April 22, 2021

E-Mail: crdboard@crd.bc.ca

Capital Regional District
625 Fisgard Street
Victoria, BC V8W 1R7

To: The Board of Directors of the Capital Regional District

Re: **Service Review of the Regional Service established pursuant to CRD Bylaw 3854 "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012".**

The City of Langford hereby provides formal notice of its request for a service review of the CRD emergency communication dispatch service of which the City of Langford is a participating area. This service was previously provided pursuant to a contract for services. In 2012, the service was established to replace those contracted services.

Dispatch services are currently provided by the City of Langford Fire Dispatch under a services agreement as provided for in the bylaw. Effective December 31, 2021, the services agreement will expire and is not being renewed. This has provided Langford with the opportunity to review its options with respect to the regional service, the City's changing needs and whether or not continuing in the service is in the best interests of the City's constituents. It also provides the other participating areas the opportunity to reevaluate their dispatch needs to determine if remaining in the service is the right choice or if they would be better positioned to enter into service agreements directly with a dispatch provider.

The City of Langford works closely with its neighbouring municipalities of Colwood, View Royal and Esquimalt in delivering the highest level of support and assistance with respect to fire and rescue operations. We share mutual and automatic aid agreements, including through sharing specialized expertise between the departments. As Langford and these other West Shore communities continue to grow rapidly, it becomes increasingly important to build and maintain interoperability and a collaborative relationship with these Fire Departments. As all three of these partner communities receive their dispatching services through an agreement with Surrey, the City of Langford is of the view that being a part of that same dispatch service may provide the most seamless and timely response between our departments. Currently we experience some delay as coordination of shared services is a manual rather than an automatic process, thereby potentially impacting life-safety in situations where every second counts.

Further, it is important to the City of Langford that the cost for all services should be the lowest possible while still receiving the highest level of service. If, as has been proposed, a new contract is awarded without going to a Request for Proposals, the City can never be certain that this objective has been

achieved. While we respect the desire for a local response service, it is our sincere belief that given the vast technology available today this is no longer the critical criteria that it may once have been (something that is demonstrated daily by other fire departments within the CRD boundaries).

With respect to the future plans for this service, the City of Langford has concerns with the lack of substantive communication and the intention to sole source a new provider. These factors will have a significant impact on the City of Langford.

As the largest participating area in this service, the City of Langford is most affected by any proposed changes. Moreover, Langford is the only urban fire department in the CRD that does not have the ability to independently select their own fire dispatch provider that best meets their needs. Therefore, we respectfully request that the CRD initiate a service review pursuant to section 357 of the *Local Government Act*. As required, notice will be provided concurrently to the remaining participating areas and to the Minister.

Sincerely,

Mayor Stewart Young

Attachments: Letter to Participating Communities

CC: District of Metchosin
Town of Sooke
District of Highlands
Director – Juan de Fuca Electoral Area
Director – Salt Spring Island Electoral Area
Director – Southern Gulf Islands Electoral Area
Ministry of Municipal Affairs

City of Langford

April 22, 2021

E-Mail: gholman@crd.bc.ca

Mr. Gary Holman, Director
Salt Spring Island Electoral Area
#108-121 McPhillips Ave
Salt Spring Island, BC V8K 2T6

Re: Fire Dispatch Service

As you are aware, the CRD is currently providing Emergency Dispatch Communication Services to our communities pursuant to CRD Establishing Bylaw 3854. Prior to the establishment of the service area, Fire Dispatch was provided by the Langford Fire Department for decades through agreements. This service was initiated in 2012 in response to a desire for increased services from those provided under contract.

After the service was established, dispatch services continued to be provided out of the Langford Fire Hall by way of a service agreement between the CRD and the City of Langford, as contemplated in the bylaw. The service agreement is due to expire on December 31 of this year and is not going to be renewed, making this the ideal time for all of us to reevaluate whether the service is still the best option for us. Should the service be dissolved, each participating area would be in a position to negotiate, either individually or collectively, an agreement that meets their specific needs.

The City of Langford is focused on ensuring that any new service provider meets our needs from a cost perspective, but more importantly from an operational perspective. We have partnered with other fire departments in our area to share specialized services and believe it is critical that we are operating from the same dispatch platform to minimize response times, maximize utilization of manpower and equipment, and enhance fire-fighter safety. As such, we have sent the attached letter to the CRD Board requesting a service review of the regional service established pursuant to CRD Bylaw 3854 "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012."

The City of Langford would prefer to forgo the service review and is seeking your support to amend the CRD Bylaw to permit Langford to withdraw from the service, as contemplated in section 349 of the *Local Government Act.* This would require the consent of 2/3 of the participating areas. Should you be willing to provide that consent now, we would proceed with the withdrawal from the service to be effective December 31, 2021. Further, should you also wish to withdraw from the service, the City of Langford would be prepared to support your Fire Department in issuing a Request for Proposals to find the most cost effective and operationally best fire dispatch provider for each of your communities.

City of Langford

Given the importance of issuing a Request for Proposals and selecting the best service provider in advance of the expiring of the existing contract on December 31, 2021, I respectfully request a response from your local area on this matter by May 21, 2021.

Sincerely,



Mayor Stewart Young

t 250.478.7882
e hello@langford.ca

2nd Floor, 877 Goldstream Avenue
Langford, BC V9B 2X8

Appendix B

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4426

****

A BYLAW TO AMEND THE PARTICIPANTS UNDER "EMERGENCY COMMUNICATION DISPATCH SERVICE ESTABLISHMENT BYLAW NO. 1, 2012" (BYLAW NO. 3854)

****

WHEREAS:

A. The Capital Regional District operates an emergency communication dispatch service for the areas of the City of Langford, the District of Highlands, the District of Metchosin, the District of Sooke, and the Salt Spring Island, Southern Gulf Islands, and the Juan de Fuca Electoral Areas;

B. The City of Langford no longer desires to be part of the service, with its last full day being December 31, 2021, and the participants may amend the service by two-thirds consent of the participants and approval of the Inspector of Municipalities;

NOW THEREFORE, the Capital Regional District Board in open meeting assembled enacts as follows:

1. Bylaw No. 3854 "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012," is amended as follows, effective January 1, 2022:

   (a) In Section 2, Boundaries, by removing the "City of Langford";

   (b) In Section 3, Participating Area, by removing the "City of Langford";

2. This Bylaw may be cited for all purposes as "Emergency Communication Dispatch Service Establishment Bylaw No. 1, 2012, Amendment Bylaw No. 1, 2021".

READ A FIRST TIME THIS	__	day of	May	2021
READ A SECOND TIME THIS	__	day of	May	2021
READ A THIRD TIME THIS	__	day of	May	2021
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	__	day of	_____	202_
CONSENTED TO BY TWO-THIRDS OF PARTICIPANTS	__	day of	_____	202_
ADOPTED THIS	__	day of	_____	202_

Chair

Corporate Officer

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ERM 21-13

REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, APRIL 21, 2021

SUBJECT **Finalizing the Solid Waste Management Plan**

ISSUE SUMMARY

To present the results of phase two consultation and the final draft Solid Waste Management Plan (SWMP), and to recommend next steps for adoption, regulatory approval and implementation.

BACKGROUND

The Capital Regional District (CRD) has completed the second phase of consultation as part of the multi-phase public engagement process to develop a new SWMP. The SWMP seeks to reduce how much material is sent to Hartland Landfill and guide how the region's waste is managed in a safe, secure and sustainable way now and in the future, with a focused planning horizon of 10-years. The SWMP is a "living document" that may be amended to reflect new considerations, technologies and issues as they arise. Development of a SWMP is a regulatory requirement under the Environmental Management Act.

Work on revising the SWMP was substantially initiated in 2011, put on hold in 2014 to investigate integrated resource management alternatives, and re-initiated in 2018. The CRD is now in phase four of the 4-step solid waste management planning process identified by the Province of BC.

Throughout the planning process, the Solid Waste Advisory Committee has provided feedback on the development of the draft SWMP, including the plan goals, targets and strategies which were endorsed by the Environmental Services Committee and CRD Board. Public engagement has been a key part of developing the plan, and staff have coordinated two rounds of public consultation. Results from this engagement have been incorporated into the final draft Plan (Appendix A), proposed plan revisions are summarized in Appendix B. If the final draft SWMP is approved by the CRD Board, it will be forwarded to the Ministry of Environment and Climate Change Strategy for their review and approval.

ALTERNATIVES

Alternative 1

The Environmental Services Committee recommends to the Capital Regional District Board:

1. That the final draft Solid Waste Management Plan be approved, that the final draft plan be submitted to the Ministry of Environment and Climate Change Strategy for regulatory approval, that staff immediately begin implementing the Solid Waste Management Plan, and that the Solid Waste Advisory Committee begins to function as the Plan Monitoring Advisory Committee;

2. That staff work with the W̱SÁNEĆ Leadership Council to implement recommendations from their February 9, 2021 letter, including establishing a W̱SÁNEĆ Leadership Council/Capital Regional District negotiation table and related meeting schedule, and providing information regarding the Solid Waste Management Plan; and,

3. That staff prepare a package of Hartland area road access mitigation options costing up to $4 million funded by the Capital Regional District's Environmental Resource Management division, review these options with District of Saanich staff and area residents, and return to the CRD Board for direction on next steps.

Alternative 2

That the final draft Solid Waste Management Plan not be approved and alternate direction be provided.

IMPLICATIONS

Intergovernmental Implications

Staff reached out to electoral areas and municipalities inviting feedback on the draft plan, offering presentations and requesting letters of support. CRD staff provided presentations to Victoria, Central Saanich, Saanich, Oak Bay, Esquimalt, Highlands and Colwood. All municipalities that received presentations formally provided expressions of support for the plan, except for Highlands and Colwood, which provided neither support nor opposition. Municipalities not listed above provided no response.

Specific feedback received, along with copies of letters of response are included in Appendix C. A summary of feedback is as follows:

- There was support for the draft Plan and its focus on the 5R pollution prevention hierarchy;
- Desire was expressed for the CRD to maximize the use of municipal authorities to reduce waste and provide the necessary resources to support municipalities;
- Desire was expressed for the CRD to provide bold leadership and facilitate accelerated regional collaboration on actions that achieve waste disposal targets;
- It was identified that *Zero Waste Victoria* plan is aligned with the SWMP, and a desire to prioritize actions within the SWMP to support implementation of *Zero Waste Victoria;*
- It was requested to add a section to the Plan regarding integrated resource management and gasification;
- It was requested that the Plan reference the additional benefits of a regional organics processing facility associated with the greenhouse gas emissions savings from the reduced transportation of organics outside of the region;
- It was requested that the CRD work with local governments to advocate for flow control to regulate the export of solid waste.
- There was no formal opposition to the plan expressed by any municipality or electrical area;

A summary of all feedback received by municipalities, cross referenced against the draft Plan, along with how this feedback is addressed in the final draft Plan is found in Appendix D.

Staff reached out to all First Nations communities located within the CRD region inviting feedback on the draft plan, offering a presentation and requesting letters of support. CRD staff met with W̱SÁNEĆ Leadership Council (W̱LC) and delivered a presentation. W̱LC expressed desire for the CRD to educate First Nation communities about the Plan and waste reduction principles as well as establish an ongoing W̱LC/CRD negotiation table and associated meeting schedule regarding impact benefit and partnership agreements. Esquimalt First Nation also received a presentation. Further information about the First Nation engagement process, and copies of the letters of response received are included within Appendix C.

The CRD reached out by letter to neighbouring regional districts inviting feedback and requesting letters of support. The Regional District of Cowichan Valley provided formal written support of the Plan. Regional District of Nanaimo reciprocated the CRD's invitation with a presentation of their own SWMP. Further information on neighbouring regional district responses is included in Appendix C.

Social Implications

Phase two consultation occurred between November 18, 2020 and February 15, 2021, and adhered to the Provincial guidance provided in the *Guide to Solid Waste Management Planning*. A high-level summary of what was heard through the phase two consultation process is provided in the 'implications' sections, below. An in depth report documenting the consultation approach, summary results, along with verbatim results of consultation are included as Appendix C.

At its April 9, 2021 meeting, the Solid Waste Advisory Committee reviewed this staff report and provided comments in support of the finalized Solid Waste Management Plan, and expressed their desire to move forward with the plan as drafted. The Solid Waste Advisory Committee passed two motions (Appendix F) supporting ongoing plan management through active implementation and monitoring of the Solid Waste Management Plan. The Solid Waste Advisory Committee Chair, thanked the Committee members for their commitment and participation in advising the CRD during the development of this plan.

Feedback was solicited from the general public through a variety of media including a media release, social medial (paid and earned), print media, emails to a resident database and an online public information session. Feedback sentiment was a mix of supportive, critical and neutral. Similar reoccurring themes emerged. The three most commonly occurring 'supportive' themes included:

- That the plan reflects ambitious reduction goals;
- That the plan is based on rational analysis;
- That the plan reflects a well thought out multi-pronged approach.

'Critical' feedback focused on four key issues of concern:

- Strong opposition to removal of trees (this was the most frequently heard comment);
- Desire for more aggressive waste reduction initiatives rather than landfill expansion (zero-waste);
- Negative impact the plan will have on park/mountain bike trails;
- Feeling that the plan is not in alignment with addressing the climate emergency.

Other reoccurring feedback themes included:

- Desire for the exploration of gasification and incineration options as a means to eliminate expansion requirements; also desire to avoid thermally combusting waste and opposition to gasification and incineration;
- Looking for additional incentives or penalties to encourage/enforce reduction of waste.

Much of the phase two public consultation was conducted with community associations in proximity to Hartland Landfill including the Prospect Lake Community Association, Willis Point Community Association and Highlands Community Association. Consultation activities included small-group site tours, focused community input meetings, direct neighborhood outreach and through receipt of and staff responses to letters and emails.

While vocal opposition was expressed to elements of the draft Plan, conversations were productive with both concerns and mitigation opportunities raised. Key areas of concern include:

- Strong opposition to any full build-out of the Hartland property and strong support for more aggressive waste reduction targets;
- Strong opposition to tree removal and destruction of natural habitat;
- Concerns around illegal dumping;
- Concerns around loss of peaceful parkland and impact on bike trails;
- Concern that a reliance on tipping fees to fund Hartland operations is counter-intuitive to zero-waste.

Proposed mitigation suggestions include:

- Postpone a final decision on the full build-of out of the Hartland property until after waste diversion rates are known;
- Provide unmet funding to secure the 49-acre Mountain Road Forest as parkland to offset the future impact of using forested areas of the Hartland property for landfilling;
- Continue to build and enhance the mountain biking trails on Mount Work, specifically ensuring a sustainable multi-use trail network through the entire park;
- Increase bylaw enforcement for dumping, illegal truck traffic and unsecured loads;
- Develop of transfer station serving the Westshore community;
- Invest in the playground at Hamsterly Beach.

To meet operational requirements, the CRD will need to shift the commercial Hartland Landfill vehicle access to Willis Point Road in 2023. While this topic is out of scope of the SWMP, it was identified by the community as a primary area of concern. A traffic study was commissioned and placed on the CRD rethink waste website for reference and comment, and focused community input meetings were held to gather input. Primary feedback included strong concerns around traffic and traffic safety, including vehicle, cycling and pedestrian safety at key intersections; concern that slow-moving commercial traffic will impede the traffic flow on Willis Point Road; and concern that moving the Hartland Access to Willis Point Road will reduce property values on the road. Conversely, other residents expressed strong support for moving the commercial traffic access, and the view that this shift will improve overall traffic safety in the area.

Through this discussion, the community suggested a variety of road access mitigation and community benefit options including:

- addition of a new parking lot near the Hartland North Entrance and Durrance Lake/Mount Work;
- trailhead improvements at Interurban Trail terminus;
- addition of uphill passing lane or uphill vehicle pull outs;
- intersection improvements at the Willis Point/Wallace Road intersection and the Wallace Road/West Saanich Road intersection;
- addition of bike lanes on Willis Point Road;
- electronic signaling to control commercial vehicle flow on Willis Point Road; and
- changing the name of Willis Point Road between West Saanich Road and Durrance Lake.

Further information on road access mitigation and community benefit options is included in Appendix E. While the CRD's jurisdiction over these activities is limited (other than the addition of the parking lot), the CRD could provide funding in support of a package of road access improvements. Staff have initiated preliminary conversations with District of Saanich staff (jurisdictional authority) which has indicated initial support for intersection improvements, and

identified that further engineering analysis is required to determine if improvements would result in increased safety.

Two advocacy organizations provided feedback to the plan: Zero Waste BC, and the Mount-Work Coalition. Specific feedback received are included in Appendix C. A review of this feedback cross referenced against the draft Plan, along with how this feedback is addressed in the final draft Plan is found in Appendix D.

Financial Implications

The strategies and actions outlined in the final draft SWMP are intended to decrease community waste generation from 380kg per capita down to 250kg per capita over the 10 year planning horizon. The CRD currently spends approximately $5.8 million per year on diversion activities, net of the revenues received from extended producer responsibility, sale of recyclables, tip fees at the organics processing transfer station and recycling fees. The annual incremental cost to deliver the new strategies and actions in the final draft SWMP is $320,000 to $345,000. This is an increase of approximately 1% per year, and will fund activities including sustained and enhanced education programs, waste prevention, increasing residential and multi-family, industrial commercial and institutional and construction, renovation and demolition diversion, and enhancing public space waste management.

The 10-year operating and capital projections for the CRD's solid waste services, including the proposed SWMP investments, road access mitigation funding and resulting tonnage reductions, can be funded by tipping fees ($110/tonne), program revenues, reserve balances and other projected revenues (including renewable natural gas), without the need for tax requisition or external debt. Schedule D of the final draft Plan shows the estimated financial impact of the projected expenditures and decreasing per capita disposal including proposed spending of up to $4 million on a package of Hartland area road access mitigation alternatives.

Environmental & Climate Implications

In 2019, the CRD Board identified Climate Action & Environmental Stewardship as a priority for the region and approved a motion to declare a climate emergency. The goals and guiding principles of this plan build upon the 5R pollution prevention hierarchy, focusing first on strategies that promote zero waste and support a circular economy to reduce the greenhouse gas emissions associated with producing materials that eventually become waste. This plan also considers strategies to beneficially use waste as a resource and to manage the residual waste stream to minimize fugitive emissions.

Service Delivery Implications

The final draft SWMP includes an Implementation Schedule as Schedule C to the document. The schedule identifies actions that will be implemented in the short term (3- years) and medium term (5-years) timeframe. Once the final draft Plan is approved, staff will immediately begin implementation, and return to the Environmental Services Committee with an implementation update that considers the requests for prioritization of certain actions made by municipalities.

CONCLUSION

The CRD is now in phase four of the 4-step solid waste management planning process identified by the Province of BC. Throughout of planning process, the Solid Waste Advisory Committee has provided feedback on the development of the draft SWMP, including the plan goals, targets and

strategies which were endorsed by the Environmental Services Committee and CRD Board. Public engagement has been a key part of developing the plan, and staff have coordinated two rounds of public consultation. Results from this engagement have been incorporated into the final draft Plan. If the final draft SWMP is approved by the CRD Board, it will be forwarded to the Ministry of Environment and Climate Change Strategy for their review and approval, and staff will begin implementation.

RECOMMENDATION

The Environmental Services Committee recommends to the Capital Regional District Board:

1. That the final draft Solid Waste Management Plan be approved, that the final draft plan be submitted to the Ministry of Environment and Climate Change Strategy for regulatory approval, that staff immediately begin implementing the Solid Waste Management Plan, and that the Solid Waste Advisory Committee begins to function as the Plan Monitoring Advisory Committee;

2. That staff work with the W̱SÁNEĆ Leadership Council to implement recommendations from their February 9, 2021 letter, including establishing a W̱SÁNEĆ Leadership Council/Capital Regional District negotiation table and related meeting schedule, and providing information regarding the Solid Waste Management Plan; and,

3. That staff prepare a package of Hartland area road access mitigation options costing up to $4 million funded by the Capital Regional District's Environmental Resource Management division, review these options with District of Saanich staff and area residents, and return to the CRD Board for direction on next steps.

Submitted by:	Russ Smith, Senior Manager, Environmental Resource Management
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

Appendix A: Final Draft Solid Waste Management Plan
Appendix B: Proposed Plan Revisions
Appendix C: Phase Two Engagement Summary
Appendix D: Consultation Summary Table
Appendix E: Hartland Access Consultation
Appendix F: Solid Waste Advisory Committee April 9, 2021 Motions

APPENDIX A

Capital Regional District

Solid Waste Management Plan

Prepared by:
MWA Environmental Consultants Ltd.

Draft Report Date: *November 9, 2020*
Final Report Date: March 31, 2021
Date approved by Ministry of Environment: TBD

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Glossary

Advisory Committee	The Solid Waste Advisory Committee (see description below)
Disposal	Landfilling
Diversion	Activities that divert waste materials away from disposal as garbage to alternatives such as recycling or composting. Does not include combustion of garbage to produce energy.
Circular Economy	An economic system aimed at eliminating waste and the continual use of resources. Circular systems employ reuse, sharing, repair, refurbishment, remanufacturing and recycling to create a closed-loop system, minimizing the use of resource inputs and the creation of waste, pollution and carbon emissions
Controlled Waste	Selected waste materials that are not suitable for disposal on the active face of the landfill because of specific health and safety or environmental concerns associated with the physical or chemical properties of the waste. Items that are considered controlled waste include animal feces, sewage contaminated grit, catch basin waste and dead animals.
CRD	Capital Regional District
CR&D	Construction, renovation and demolition
EPR	Extended producer responsibility
(Waste) Generation	The sum of all materials discarded that require management as solid waste, including garbage, recycling and composting. Does not include organic waste composted at home.
ICI	Industrial, commercial and institutional (does not include heavy industry)
Ministry of Environment	BC Ministry of Environment & Climate Change Strategy
MSW	Based on BC's Environmental Management Act, municipal solid waste (MSW) is refuse that originates from residential, commercial, institutional, demolition, land clearing or construction sources, or refuse specified by a Ministry of Environment director to be included in a waste management plan
Organic Waste / Organics	Generally refers to kitchen scraps, food waste, yard and garden waste.
Plan	CRD's Solid Waste Management Plan
Producer Responsibility Organization	A "producer responsibility organization" (PRO), is usually a not-for-profit organization or an industry association, that is designated by a producer or producers to act on their behalf to administer an extended producer responsibility or product stewardship program (e.g. Encorp Pacific, Product Care Association, Recycle BC)
Recycle BC	Formerly MMBC (Multi-Material BC), the producer responsibility organization established to manage the residential packaging and paper products EPR program

Residuals / Residual Waste	Residual waste refers to discarded materials that are not diverted to reuse, recycling or composting and therefore require disposal
SWMP	Solid Waste Management Plan
Solid Waste Advisory Committee	A multi-stakeholder committee established to advise the CRD, and to provide input on matters related to solid waste management upon request by the CRD, including the development and implementation of the Solid Waste Management Plan.
Transfer Station	A site at which municipal solid waste or recyclable material is received from the general public and is sorted, compacted, consolidated or rearranged and stored for subsequent transfer off-site for further processing or final disposal.
Zero Waste	Zero waste is a philosophy and aspirational goal that envisions a point where nothing is wasted. It eliminates traditional concepts of managing waste materials and instead focuses on design for environment. It is intended as an approach to pursuing sustainability through circular economy and is aligned with the Pollution Prevention Hierarchy, seeking to move materials up the hierarchy from residual management through recovery, recycling, reuse and ultimately reduction.

1 Introduction

In British Columbia, regional districts develop solid waste management plans under the provincial Environmental Management Act that are high-level long term visions of how the regional district would like to manage its solid waste in accordance with the Pollution Prevention Hierarchy. This plan should ideally be renewed approximately every ten years to ensure that it reflects the current needs of the regional district, as well as current market conditions, technologies and regulations.

The Capital Regional District (CRD) initiated a process to update its 1995 Solid Waste Management Plan (SWMP) to identify goals and strategies for the next ten years. The SWMP update process considered existing solid waste management policies and programs; identified and evaluated options for reduction, diversion and residual management; and addressed system financing.

This draft document represents an update of the CRD's 1995 SWMP and once approved by the Province (along with any approval conditions), becomes a regulatory document for solid waste management in the CRD, and serves to guide solid waste management related activities and policy development. In conjunction with regulations and operational certificates that may apply, this plan regulates the operation of sites and facilities that make up the region's waste management system.

1.1 Guiding Principles

The principles guiding the development and implementation of this plan are a slightly modified version of those recommended in the BC Guide to Solid Waste Management Planning and were prepared by the CRD's Solid Waste Advisory Committee in June 2018 to enhance their clarity, and were subsequently approved by the CRD Board in October 2018. They are:

1. Promote zero waste approaches and influence others in support of a circular economy;
2. Promote the first 3Rs (Reduce, Reuse and Recycle);
3. Maximize beneficial use of waste materials and manage residuals appropriately;
4. Support polluter-pay and user-pay approaches and manage incentives to maximize positive behaviour outcomes;
5. Prevent organics, recyclables and hazardous household waste from going into the garbage wherever practical;
6. Collaborate with other jurisdictions wherever practical;
7. Develop collaborative partnerships with interested parties, both within and outside of the CRD, to achieve regional targets set in plans; and
8. Level the playing field within regions for private and public solid waste management facilities.

1.2 Plan Goals

The Province's guidelines for solid waste management planning require Solid Waste Management Plans to have goals and targets. Goals are the long-term aims to be achieved as an outcome of the plan. A goal may be achieved within the timeframe of this plan, but a goal may also be aspirational; something for the CRD to strive for beyond the timeframe of this plan. Targets (see section 1.3), on the other hand, are a way of measuring the plan's progress and have clear timelines.

The goals for this plan are:

1. To surpass the provincial per capita waste disposal target and aspire to achieve a disposal rate of 125 kg/capita/year;
2. To extend the life of Hartland Landfill to the year 2100 plus;
3. To have informed citizens that participate effectively in proper waste management practices; and
4. To ensure that the CRD's solid waste services are financially sustainable.

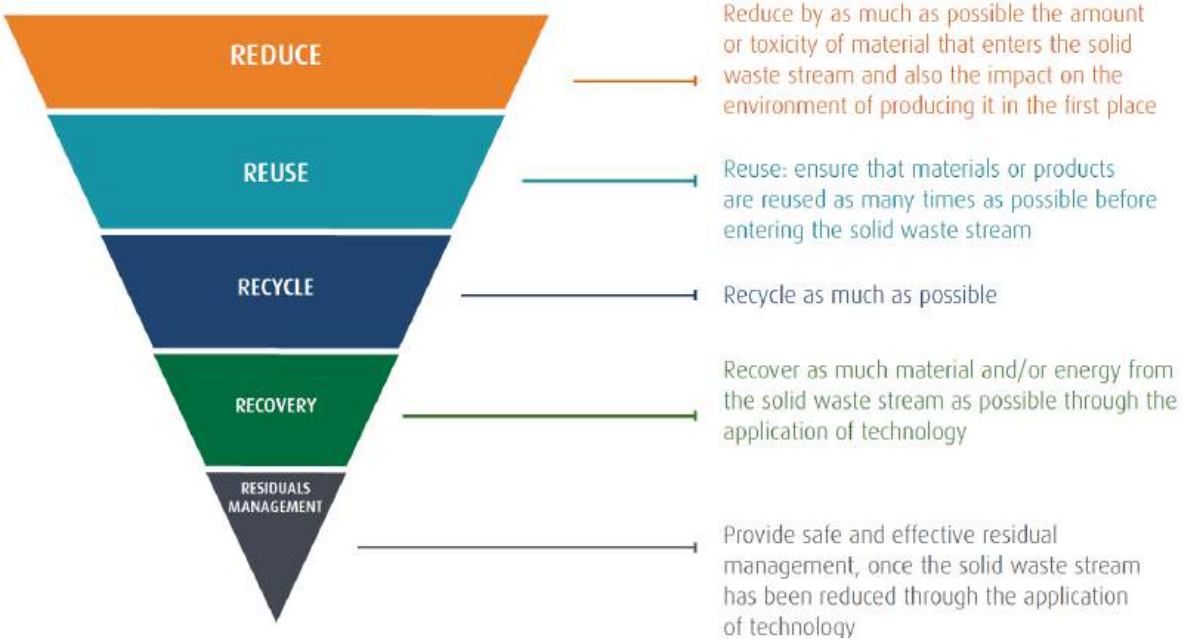
These goals were established by the Solid Waste Advisory Committee in 2018 based on a review of the Existing System Report, and a discussion of the challenges and opportunities presented by the current system. The first goal associated with reducing the amount of waste disposed was refined in 2020 based on further input from the Solid Waste Advisory Committee to include an aspirational disposal target of 125 kg per capita.

1.3 Pollution Prevention Hierarchy

This plan adopts the 5R Pollution Prevention Hierarchy (see Figure 1-1). Strategies to address each tier in the hierarchy are laid out in Section 5. Implementation of these strategies over the plan's 10-year timeframe is expected to contribute to the provincial disposal rate target of 350 kg per person (capita), and result in achievement of the following regional targets. These targets are discussed further in Section 8.

1. By the end of the 3rd year of this plan, the CRD's per capita disposal rate will be 340 kg or less.
2. By the end of the 5th year of this plan, the CRD's per capita disposal rate will be 285 kg or less.
3. By the end of the 10th+ year of this plan, the CRD's per capita disposal rate will be 250 kg or less.

Figure 1-1: 5R Pollution Prevention Hierarchy



1.4 Climate Change and the Solid Waste Management Plan

What we consume and how we dispose of it contributes to climate change. Greenhouse gas emissions are generated from the management of waste in the region—primarily from decomposing garbage, especially organic waste like food scraps and wood, but also from transportation and management.

We can reduce our collective emissions by decreasing the amount of waste we produce and by managing Hartland Landfill in a sustainable manner. By finding beneficial ways to use our waste materials, we can also displace other sources of greenhouse gas emissions in the region.

In 2019, the CRD Board identified Climate Action & Environmental Stewardship as a priority for the region and approved a motion to declare a climate emergency. The goals and guiding principles of this plan build upon the 5R Pollution Prevention Hierarchy, focusing first on strategies that promote zero waste and support a circular economy to reduce the greenhouse gas emissions associated with producing materials that eventually become waste. This plan also considers strategies to beneficially use waste as a resource and to manage the residual waste stream to minimize fugitive emissions.

Greenhouse gas emissions associated with the 5th R – residuals management, are generated from the disposal of residual waste in the region—primarily from decomposing garbage, especially organic waste like food scraps and wood, but also from transportation and management.

What we consume, the production of new products and extraction of raw materials and how we manage items at end-of-life all contribute to climate change. We can reduce our collective emissions by decreasing the amount of waste we produce, and managing Hartland Landfill in a sustainable manner. By finding beneficial ways to use our waste materials, we can also displace other sources of greenhouse gas emissions in the region.

1.4.1 Hartland Landfill's Contribution to Greenhouse Gas Emissions

When organic matter decomposes within the landfill, it produces gas which is mainly made up of carbon dioxide and methane, a very potent greenhouse gas. Landfills are typically one of the largest contributors of greenhouse gas emissions in the community. In 2020, the CRD completed a regional greenhouse gas emissions inventory based on a recognized global standard (called the GPC Basic+) to measure emissions generated locally from buildings, transportation and waste. Total regional emissions are approximately 1.7 million tonnes of carbon dioxide equivalents. Waste contributes approximately 5% of the region's greenhouse gas emissions, with Hartland Landfill accounting for the majority[1].

The CRD is actively working to improve landfill gas collection efficiency and produce renewable natural gas using captured methane from the historical waste decomposing in the landfill in addition to minimizing any fugitive emissions. Strategy 14, 'Optimize Landfill Gas Management', will support and accelerate this work.

1.5 Alignment with Other CRD Strategies and Plans

The SWMP is aligned with several other CRD strategies and plans. Figure 1-2 shows each of these strategies and plans and how they are linked with this plan.

[1] Source: Capital Regional District 2018, GPC BASIC+ Community Greenhouse Gas Emissions Inventory Report (Stantec, August 2020).

1.6 Alignment with Provincial Targets

The Province has two solid waste performance targets:

1. Lower the provincial municipal solid waste (MSW) disposal rate to 350 kg per capita; and
2. 75% of BC's population covered by organic waste disposal restrictions.

The CRD supports these two provincial goals through its current solid waste management system, which prohibits the disposal of both kitchen scraps and yard waste at Hartland Landfill, and through this SWMP which presents strategies that aim to reduce the per capita disposal rate to even less than 350 kg per capita.

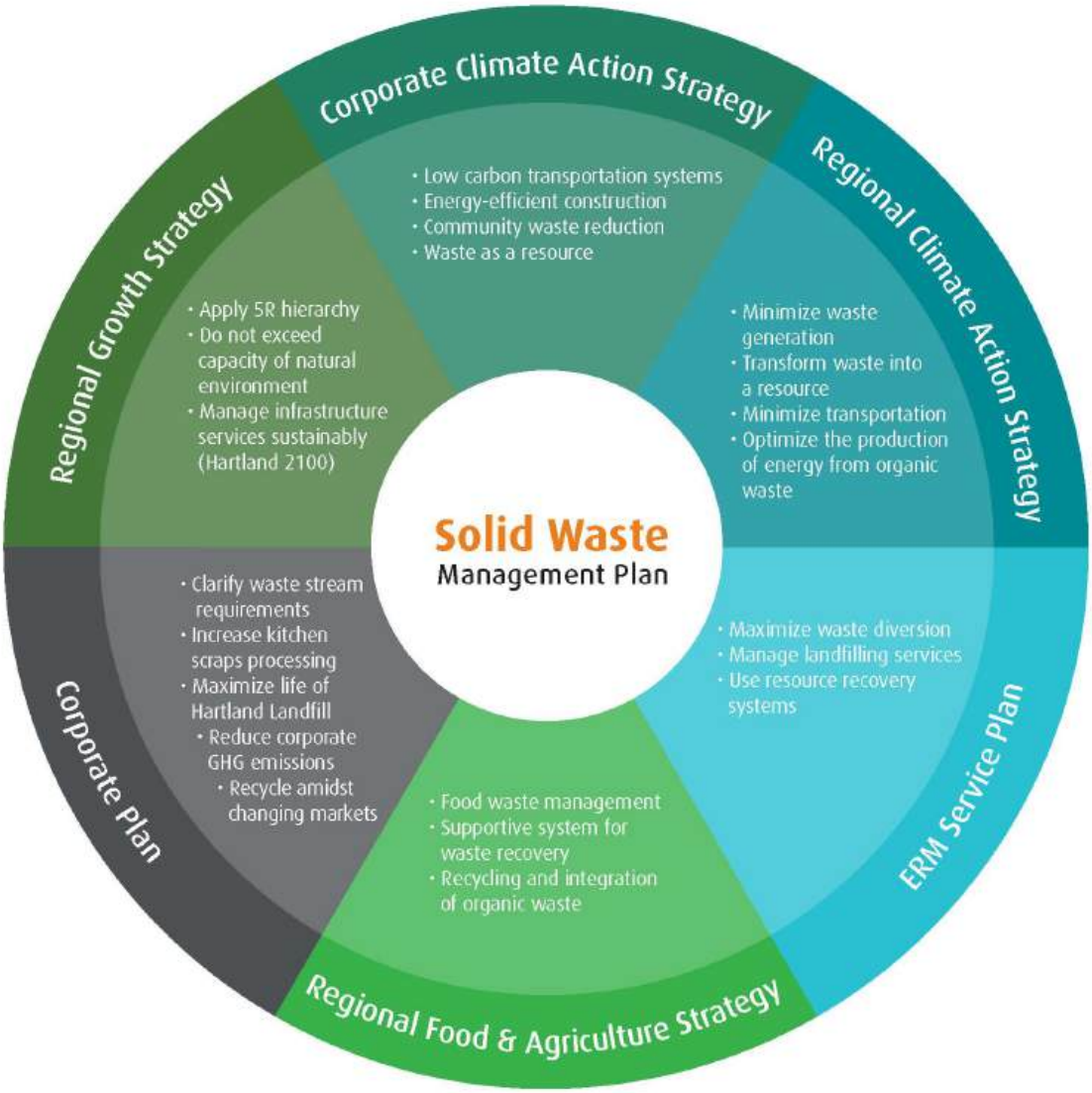


Figure 1-2 Alignment with CRD Strategies and Plans

2 Plan History and Development

The CRD's first SWMP was approved by the Province in 1989. It was updated in 1991, and again in 1995. Since 1995, eight amendments have been added to the Plan and most of the original goals have been achieved. The eight amendments are listed in Table 2-1.

Table 2-1: Plan Amendments

Amendment 1 (2005)
To allow the Capital Regional District (CRD) to regulate composting in the CRD through the adoption of a regulatory bylaw under Section 25 (3) of the *Environmental Management Act.*
Amendment 2 (2001)
To allow the Capital Regional District (CRD) to regulate transfer stations on Salt Spring Island through the adoption of a regulatory bylaw.
Amendment 3 (2004)
To modify the legal description of Hartland Landfill to include additional land that was acquired as a buffer strip.
Amendment 4 (2004)
Add a new Section 16.0 that outlines the CRD's public review process for solid waste related matters.
Amendment 5 (2004)
Establishes procedures for resolving conflicts associated with the Hartland Landfill.
Amendment 6 (2007)
Include the Highwest Waste Management Facility in the SWMP and set operating requirements (replaces Section 10.1.28 in the Plan). This section includes cessation of burning at the site by the end of 2009.
Amendment 7 (2007)
Replace Section 15.1 of the Plan with "Funding for all Hartland Capital Works will be borrowed through loan authorization bylaws or cash flow generated from solid waste operations in accordance with the CRD *Solid Waste Disposal Local Services Establishment Bylaws."*
Amendment 8 (2013)
To allow the siting, construction and operation of a biosolids treatment and resource recovery facility at Hartland Landfill for treatment, processing, storage and beneficial utilization of screenings and waste sludge.

2.1 Process to Update the Plan

In March 2011, the CRD Board passed a motion to undertake a process to update the CRD's 1995 SWMP. In 2012, the CRD embarked on the process to create a new plan that would reflect the changes that have been made since 1995, including the eight plan amendments and changes to the solid waste management system, such as the significant expansion of Extended Producer Responsibility as a means of managing solid waste. Updating the Plan would also allow for consideration of future options for solid waste management in the CRD within the current context and to create an updated vision.

In 2012, a Public and Technical Advisory Committee was formed to provide input into the development of an updated plan. This committee reviewed several reports prepared by consultants, including a 2012 Existing System Report and technical memorandum outlining options for consideration in the new plan.

The planning process, however, was put on hold in 2015 to investigate integrated resource management opportunities. In November 2017, the Board approved restarting the process to update the SWMP.

The process to update the SWMP was restarted in 2018, with the preparation of an updated Existing System report and the establishment of new multi-stakeholder committee, with a mandate of being an advisory committee to the CRD's Environmental Services Committee for the SWMP update process. This new committee is called the Solid Waste Advisory Committee and it also serves as an advisory body on current solid waste management initiatives in the CRD referred to it by the Environmental Services Committee. This committee will also be the Plan Monitoring Advisory Committee upon completion of the SWMP update process. Terms of Reference for the Solid Waste Advisory Committee are included as Schedule A.

The members of the Solid Waste Advisory Committee represent a diversity of backgrounds, interests and geographical locations and includes technical and non-technical members.

Table 2-2: Composition of the Solid Waste Advisory Committee

Representation	Number of Members
Regional district director (member of Environmental Services Committee)	1
Municipal engineering staff who are involved in solid waste collection	2
Electoral Area representative	1
First Nations	2
Environmental organizations	1
Business groups	1
Non-profit group with an interest in solid waste (e.g. reuse organization)	1
Large waste generators (industrial, commercial, institutional)	2
Owners/operators of private waste management facilities	2
Private sector industry collection service providers	2
Composting industry representative	1
Product stewardship agency	1
Community representative (representing Prospect Lake/Hartland area)	1
Public representatives, at large	3
Willis Point community representative	1
District of Highlands representative	1
Solid Waste Technology representative	1

In October 2018, the Board approved the guiding principles, objectives and goals developed by the Solid Waste Advisory Committee for the new plan. In September 2019, the Board reviewed the Solid Waste Advisory Committee's proposed strategies, actions and targets for the updated SWMP, and directed that these be taken out for public consultation.

The first phase of public consultation took place between October 18, 2019 and December 1, 2019, and included a media launch event, public open houses, stakeholder meetings and extensive social media outreach. A dedicated web page was created where people could sign up for project updates, review background information and submit their feedback through a survey. Overall, there was a high level of support for all plan elements. Some actions—particularly those associated with ensuring Hartland Landfill is used as effectively and efficiently as possible—generated important questions from the community.

The results of the consultation and an initial draft Plan were presented to the Solid Waste Advisory Committee in the summer of 2020. As a result of consultation and the Solid Waste Advisory Committee's input, the draft Plan was modified to improve clarity and the waste minimization goal was strengthened, however no changes were made to the draft Plan's strategies and actions.

3 Plan Area

The CRD is the regional government for 13 municipalities and three electoral areas, covering an area of 2,341 sq. km on the southern tip of Vancouver Island. A map showing the administrative boundaries of the CRD is provided in Figure 3-1.

Member municipalities include:

- District of Central Saanich
- City of Colwood
- Town of Esquimalt
- District of Highlands
- City of Langford
- District of Metchosin
- District of North Saanich
- District of Oak Bay
- District of Saanich
- Town of Sidney
- District of Sooke
- City of Victoria
- Town of View Royal

Unincorporated areas are organized into electoral areas. The three electoral areas in the CRD are:

- Salt Spring Island Electoral Area;
- Southern Gulf Islands Electoral Area, which includes Galiano Island, North Pender Island, South Pender Island, Saturna Island, Mayne Island, and smaller islands in the vicinity; and
- Juan de Fuca Electoral Area, which includes the areas of East Sooke, Jordan River, Malahat, Otter Point, Port Renfrew, Shirley, Willis Point, and inland rural areas.

First Nations communities located within the region include: Beecher Bay, Esquimalt, Malahat, Pacheedaht, Pauquachin, Penelakut, Songhees, Tsartlip, Tsawout, Tseycum and T'Sou-ke Bands. Each of these Bands has reserve lands within the boundaries of the CRD as shown in Figure 3-2.

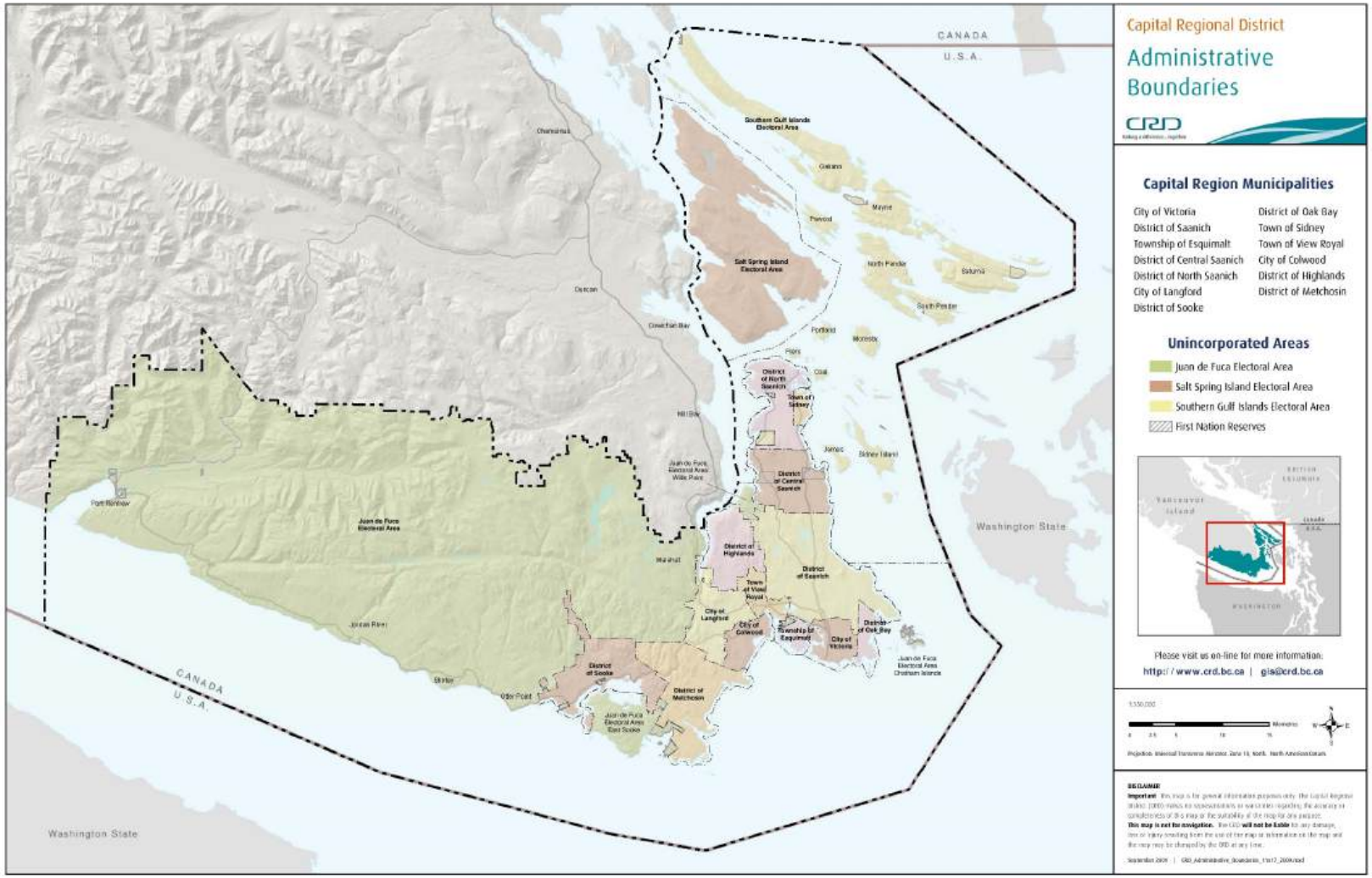


Figure 3-1: Map of Capital Regional District

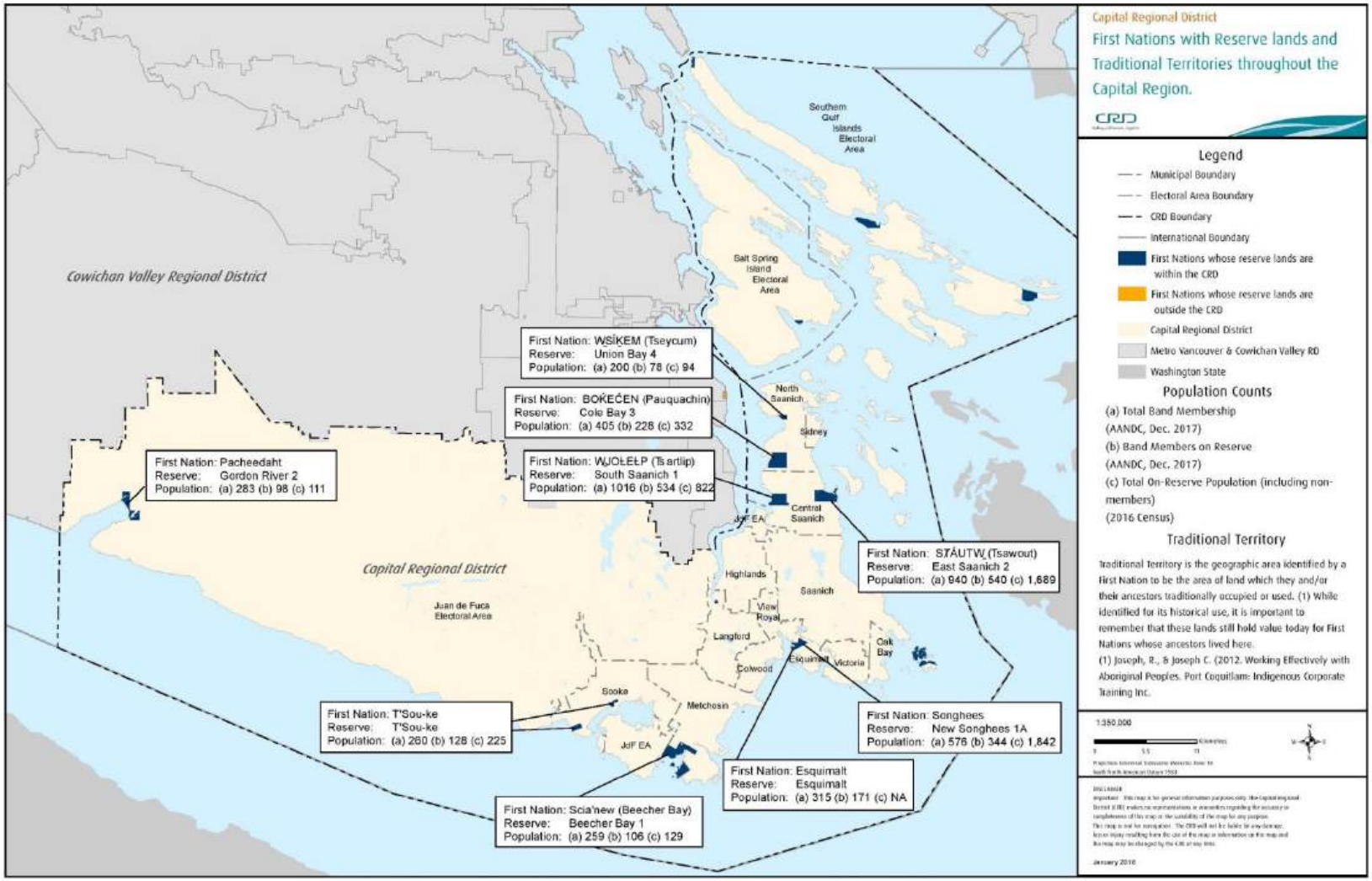


Figure 3-2: First Nations Reserves in the Region

3.1 Population

As shown in Table 3-1, the population of the CRD in 2019 was estimated at 418,414, including persons living on First Nations Reserves. Table 3-2 provides population projections to 2030, as supplied by BC Stats. Based on these estimates, the population of the region is expected to grow by 10% over the next decade

Table 3-1: Population, By Area (2019 estimate)[2]

Area	2017 Population	% of CRD total
CAPITAL REGION	**418,414**	
Central Saanich	18,089	4%
Colwood	18,867	5%
Esquimalt	18,716	4%
Highlands	2,481	1%
Langford	42,653	10%
Metchosin	5,168	1%
North Saanich	11,876	3%
Oak Bay	18,568	4%
Saanich	122,173	29%
Sidney	12,235	3%
Sooke	14,657	4%
Victoria	94,005	22%
View Royal	11,567	3%
Unincorporated Areas		
Juan De Fuca Electoral Area	5,427	1%
Salt Spring Island Electoral Area	11,247	3%
Southern Gulf Islands Electoral Area	5,072	1%
First Nation Reserves	5,613	1%

[2] CRD website: https://www.crd.bc.ca/docs/default-source/regional-planning-pdf/population/population-pdfs/2019_populationestimate.pdf?674c4fcc_2

Table 3-2: Capital Region Population Projections[3]

Year	Population Projection
2020	421,613
2021	426,029
2022	430,530
2023	435,114
2024	439,761
2025	444,330
2026	448,825
2027	453,249
2028	457,563
2029	461,765
2030	465,850

3.2 Housing

Table 3-3 provides a breakdown of the housing types in the region, based on 2016 Census data and building permits for residential structures.

Table 3-3: Housing in the Capital Region[4]

	#	%
Single Detached Houses	70,630	41.5%
Semi Detached Houses (includes flats, duplexes)	32,375	19.0%
Row Houses	10,380	6.1%
Apartments (all types)	54,775	32.2%
Mobile Homes	1,990	1.2%
Total	170,150	100.0

3.3 Economic Data

The CRD has a well-diversified economy. A large public sector comprised of the provincial government offices and military installations as well as universities and colleges are the key drivers of this area's economy.

The area also has a growing technology and health services sector, along with a vibrant tourism industry. Retirement living and residential expansion continue to shape the demographics of this community.

[3] Source: https://www.bcstats.gov.bc.ca/apps/PopulationProjections.aspx

[4] Data provided by the CRD. Does not include housing on First Nation Reserves.

Based on the 2016 census, the main employment sectors in the region are health care (13% of employment), public administration (12%), retail (11%), accommodation and food services (9%), and professional, scientific and technical services (8%).[5]

4 Existing System Overview

The following is a high-level overview of the current system for solid waste management in the region. A more detailed description is provided in the report *Existing Solid Waste Management System (2018)* which can be found on the CRD's website (https://www.crd.bc.ca/docs/default-source/recycling-waste-pdf/2018existingsystemsreport.pdf).

4.1 Disposal Data and Trends

Figure 4-1 shows how per capita disposal in the CRD has changed over the past two decades, incorporating the quantities of waste disposed at Hartland Landfill and the privately owned Highwest Landfill. In 2019, the per capita disposal rate was 382 kg per capita, a reduction of 43% since 1989.

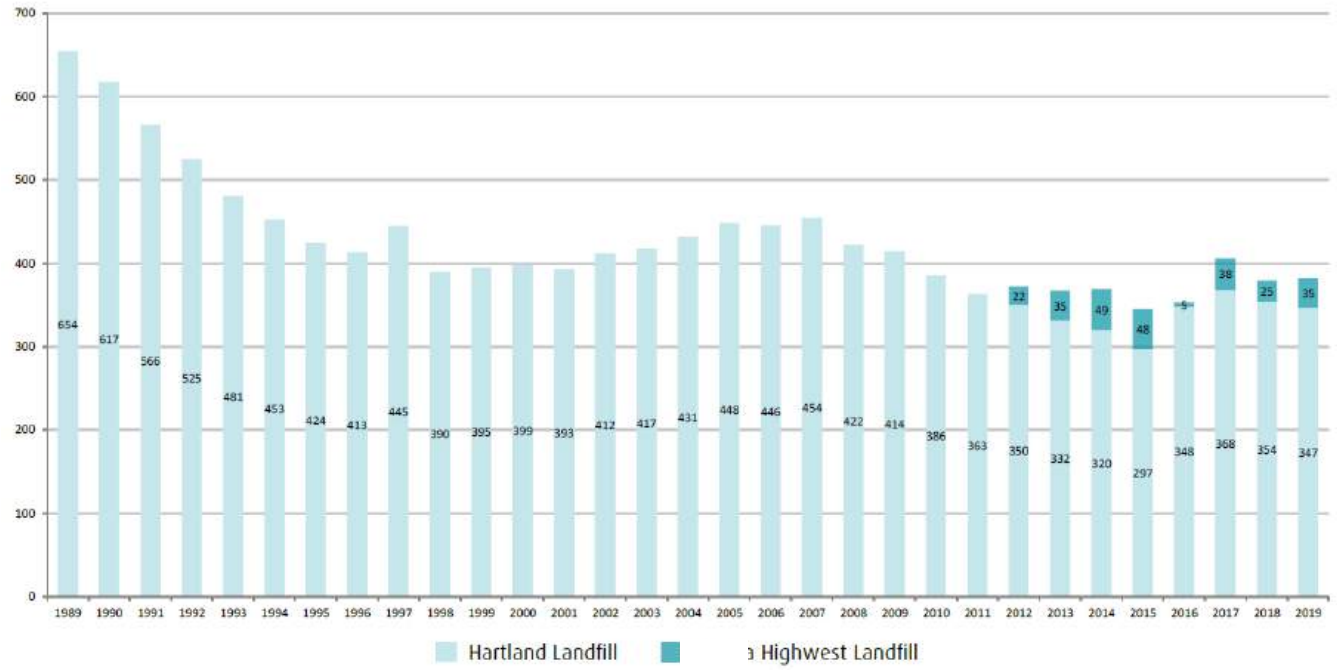


Figure 4-1: CRD Disposal (1989 – 2018)

[5] Source: 2016 Census Profile Statistics Canada

Figure 4-2 shows the estimated composition, by weight, of the waste landfilled at Hartland in 2016 (the last time a waste composition study was conducted at the site). The largest component of the garbage arriving at Hartland Landfill was compostable organics (21.1%), followed by wood and wood products (17.0%), paper (15.4%), and plastic (14.3%).

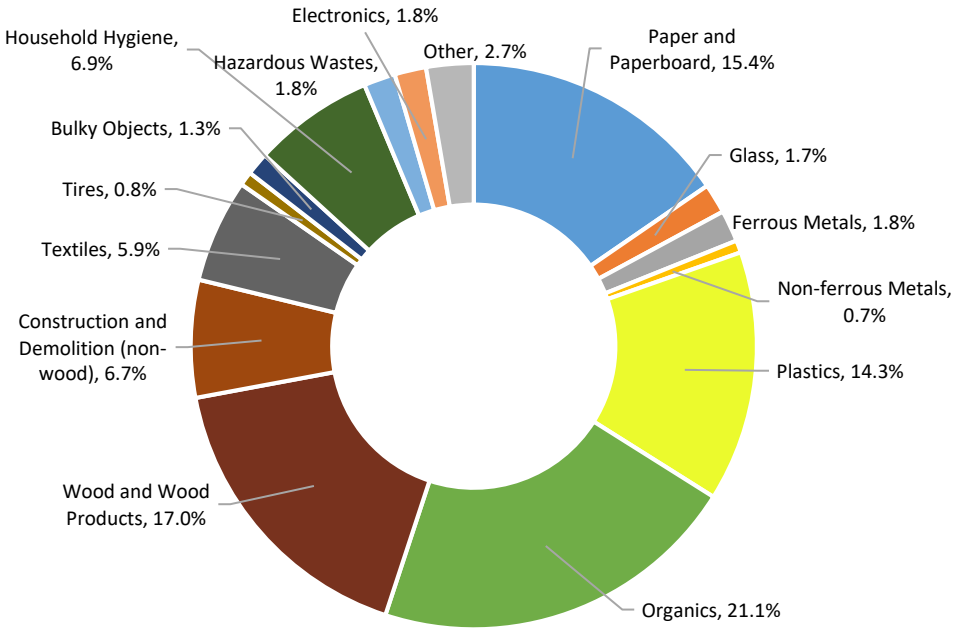


Figure 4-2: Estimated Composition of All Waste Landfilled at Hartland (By Weight), 2016

Figure 4-3 shows the proportion of waste sent to Hartland Landfill in 2019 from each sector. As shown, 41% comes from Industrial/Commercial/Institutional (ICI) activities, while 38% comes from residences (curbside residential plus multi-family).

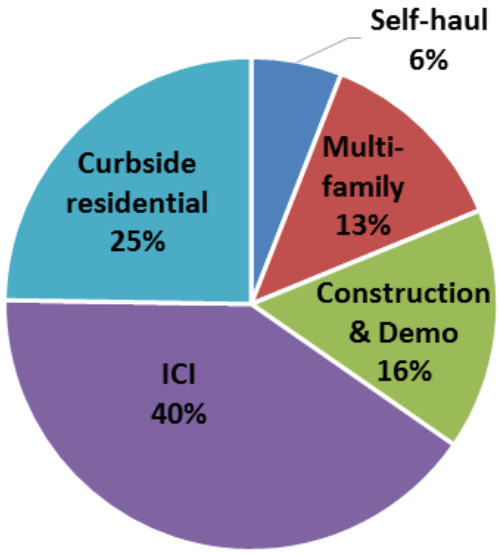


Figure 4-3: Sectors Contributing to Waste Disposed at Hartland (2019)

4.2 Existing System Description

This section provides an overview of the components that currently make up the system for managing solid waste in the region.

4.2.1 Solid Waste Management Facilities

Figure 4-4 is a map showing the location of solid waste management facilities operating in the region as of 2020; including CRD-operated sites (shown in yellow), private waste management operations such as recyclers, recycling depots and transfer stations (in red), non-profit second-hand stores (in green), municipal recycling and yard waste depots (in blue), and Gulf Island recycling depots (in purple).

The region is home to two landfills authorized by the Province of BC: Hartland and Highwest. Both landfills have Operating Certificates issued by the Ministry of Environment that define the activities permitted at these sites. The Highwest Landfill is expected to permanently close in 2021 (see next section for additional details). Additional information on these two facilities can be found in Section 4.3.1.

Future Facilities

This plan anticipates the potential addition of an organic waste processing facility located at the Hartland site. Additional information on this potential facility can be found in Sections 5.2 and 6.

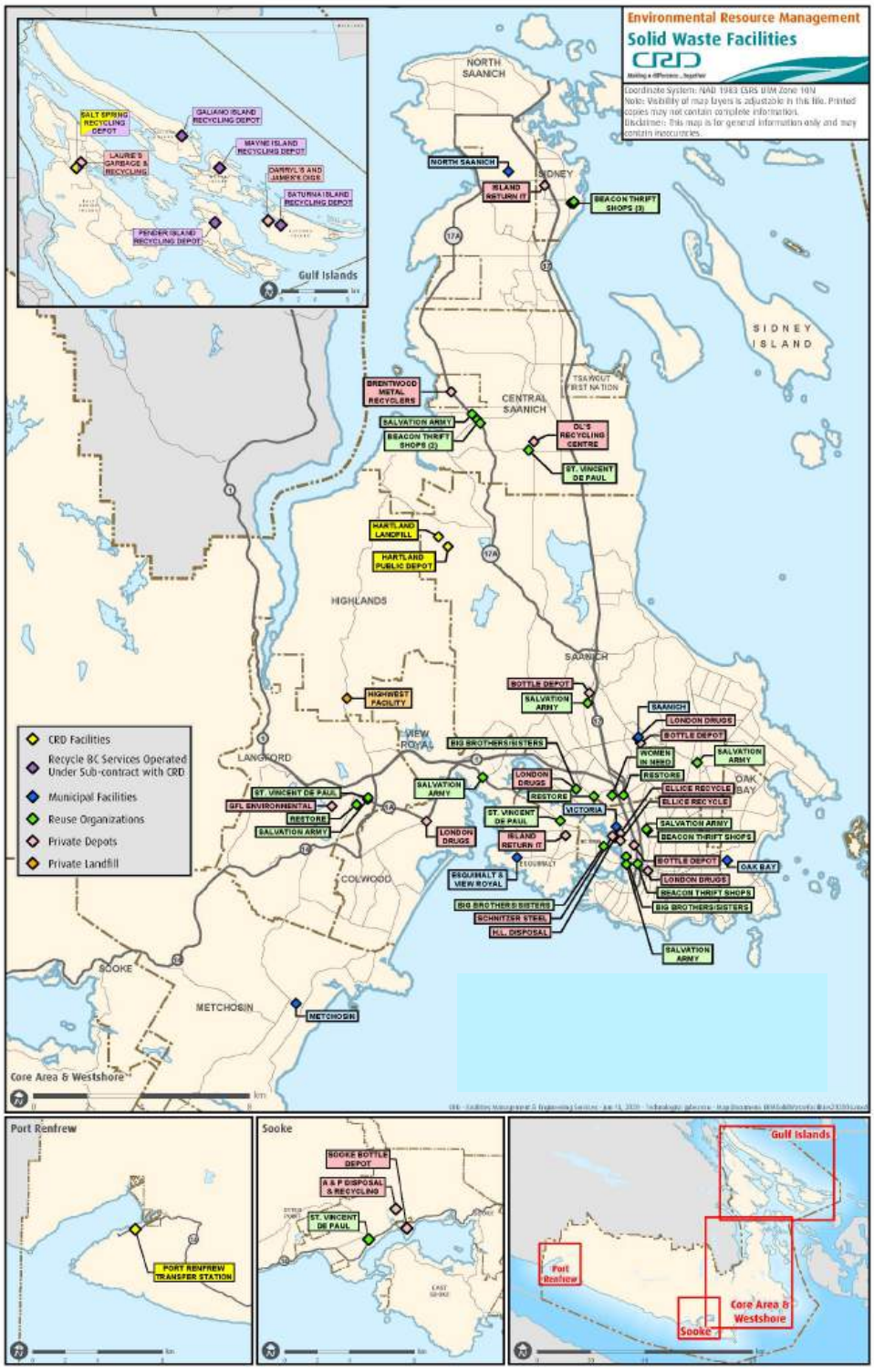


Figure 4-4: Map of Solid Waste Facilities

4.2.2 Solid Waste Disposal

4.2.2.1 Hartland Landfill

The CRD became responsible for solid waste disposal for the region in 1973 when, at the request of the CRD Board, the Province of British Columbia established solid waste disposal as a regional function of the CRD.

In 1975, the CRD acquired the Hartland Landfill site, which had been operating as a private facility since the 1950s. The facility continued to be managed by a private operator under contract to the CRD until 1985, when the CRD assumed direct operation of the site.

Lands surplus to the needs of the landfill operation were subsequently transferred to CRD Parks for public use. This included 210 hectares in 1994, and another 40 hectares in 2003. These areas formed a large portion of the land conserved within Mount Work Regional Park. An additional 29 hectares of land adjacent to the current landfill footprint was temporarily leased to CRD Parks until 2019.

Hartland Landfill is located 14 km northwest of Victoria and is the only sanitary landfill in the capital region. The 125-hectare site is owned by the CRD and operated by a combination of CRD staff and contractors. The landfill is operated under Operational Certificate # PR12659 issued under the Environmental Management Act and follows a detailed Operating Plan based on the Operational Certificate. Figure 4-5 shows the current property boundary of Hartland Landfill. In 2013, the CRD acquired additional land to the east of the site to increase the buffer around the landfill. Additional land acquisitions to further increase the buffer are under consideration and may be acquired during the lifespan of this SWMP. Additional buffer land acquisitions would be consolidated into a single parcel of land. The acquisition of any additional lands are to increase the buffer lands and operational flexibility at Hartland and not to expand the area for landfilling.

In 2013, the Minister of Environment approved Amendment No. 8 of the current SWMP that allows the siting of a biosolids treatment facility at Hartland. A Residuals Treatment Facility has been constructed at Hartland North.

The Hartland Landfill site is a multi-purpose facility that currently includes the following waste management functions:

- Disposal and landfill service for residential and non-residential customers;
- Disposal facility for controlled waste;
- Public drop-off depot for:
    - Recyclable materials;
    - Extended producer responsibility materials
    - Household hazardous waste materials;
    - Reusable goods;
    - Yard and garden material;
- Kitchen scraps transfer station;
- Leachate collection, treatment and disposal;
- Landfill gas collection, processing, conversion utilization and sale;
- Administration and weigh scale facilities; and
- Other solid waste disposal and diversion initiatives as approved by the CRD Board.

Over the years, the CRD has sought to ensure the conservation of landfill space. The practice of banning the disposal of specific wastes at Hartland Landfill when viable recycling alternatives are in place, has been used by the CRD since 1991. Current landfill bans include drywall (implemented in 1991), cardboard, directories, large appliances, tires (1993), scrap metal, fill, aggregate, concrete, asphalt, rubble and clean soil (1995), paper fibres (1998), yard and garden waste (2006), EPR materials (current and future) designated under BC's Recycling Regulation (2011), and kitchen scraps (2015).

The waste diversion and disposal services and policies at Hartland will continue to evolve as needed based on available recycling markets, changes to provincial regulations like BC's Recycling Regulation, and community need.

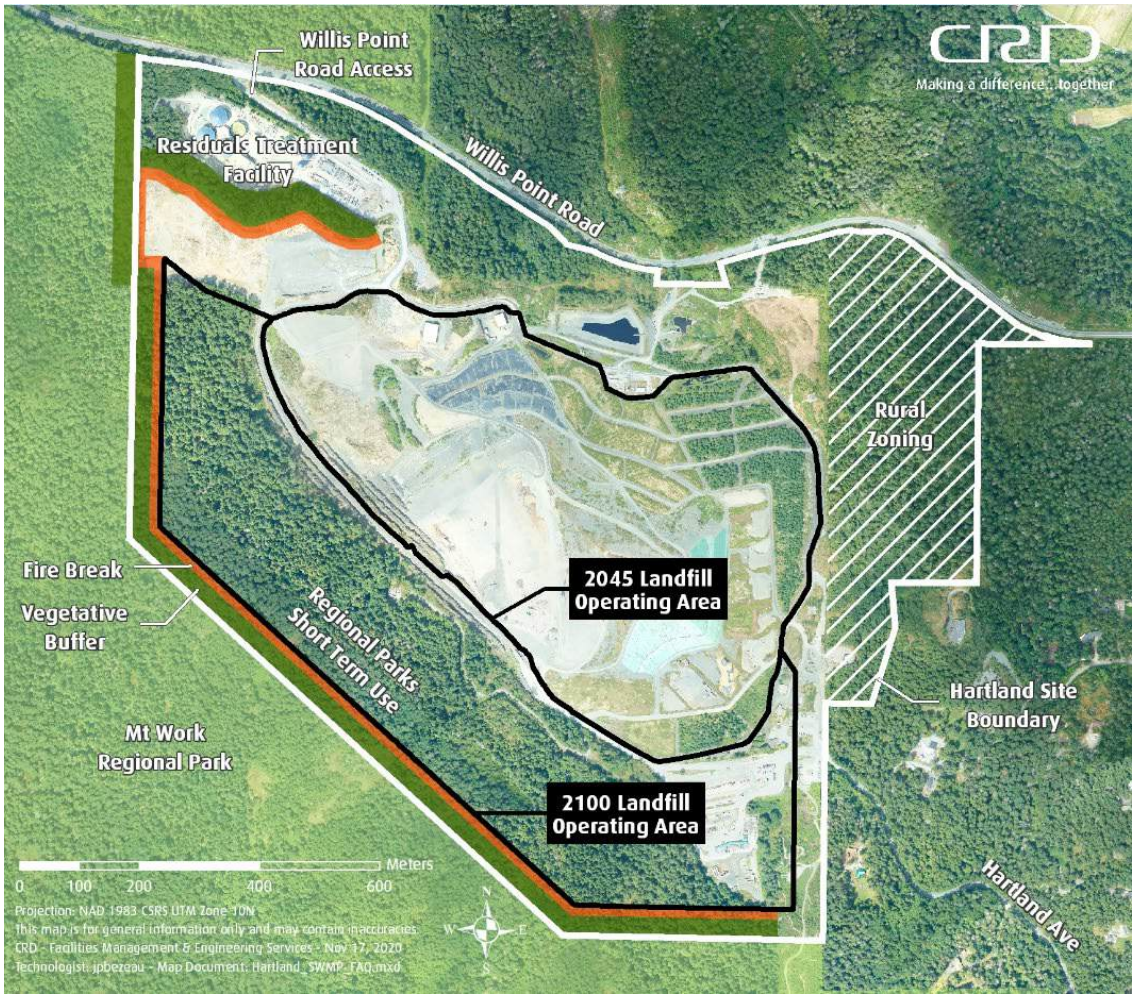


Figure 4-5: Hartland Landfill Boundaries

4.2.2.1.1 Phase 1 and Phase 2 History

Phase 1 is the original part of Hartland Landfill that was completely closed by 1998. This area was filled with approximately 4.5 million cubic metres of garbage. It is permanently covered with a specially designed durable plastic liner and soil cap.

The Final Closure design for Phase 1 was completed in 2010 which included a final cover complete with a new wetland sedimentation pond in addition to gas, leachate and road upgrades. More than 22,000 native trees and bushes have been planted over the Phase 1 area.

Phase 2 refers to the current active filling area which was officially opened on April 30, 1997. It consists of a system of liners, drains and collection pipes to provide for long-term engineered, environmentally secure waste disposal.

Phase 2 is designed to accept approximately 10.3 million cubic metres of solid waste. The most recent final closure was of the north face of Phase 2, Cell 1 in 2011. In 2016, progressive closure of the East and South Faces of Phase 2, Cell 2 was put in place and construction and initial filling of a new landfill cell (Phase 2, Cell 3) began.

4.2.2.1.2 Hartland Landfill Infrastructure

In addition to the landfill itself, the site has other infrastructure that supports its operation. This includes a staffed scale house that weighs all incoming and outgoing vehicles and an automatic scale for account holders. Weighing of vehicles allows the CRD to track the quantity of the waste received at the facility and to charge fees based on the weight of waste deposited at the site. Material collected at the depot and transfer station for subsequent transportation off site is also tracked using the scale system.

Other infrastructure is associated with pollution control and includes leachate and landfill gas management infrastructure, which are described below.

4.2.2.1.3 Gas Management

As garbage decomposes in the landfill, landfill gas is generated. Landfill gas is primarily methane but also includes other organic compounds. Methane is a powerful greenhouse gas – 20 to 30 times more potent than carbon dioxide. To minimize greenhouse gas impacts, reduce odours associated with landfill gas and reduce risk of fires associated with the buildup of methane, active collection and management of the landfill gas is a critical part of managing Hartland Landfill.

Landfill gas has been collected at Hartland for about 20 years. Prior to 2004, the collected gas was flared off and thermally destroyed. Since 2004, the gas is used for generation of electricity and only the excess gas above the generator's capacity is flared. The generator typically produces enough energy to power 1,600 homes annually. In 2013, the CRD purchased their private sector partner's portion of the power project which gives the CRD full control over the landfill gas.

A site specific Landfill Gas Management Plan was approved in 2012 which detailed a strategy for capturing landfill gas and meeting BC Ministry of Environment collection targets. The Plan includes installation, operation and maintenance of collection infrastructure and routine reporting. This has resulted in landfill gas collection increasing by nearly 40% since 2000 and reductions in greenhouse gas emissions by approximately 50% since 2010. Collection infrastructure continues to be installed in accordance with the Landfill Gas Management Plan. Strategy 14 of this plan seeks to optimize and maximise landfill gas collection for beneficial use.

4.2.2.1.4 Leachate Management

Water that has filtered through garbage is called leachate. To minimize the leachate generation area, impermeable covers are installed as cover on the landfill and perimeter ditches are lined to divert more clean surface water away from the landfill. The leachate generated in the landfill is collected, contained and conveyed via a micro-tunnel to two leachate storage lagoons. The leachate is tested on a once-a-month basis and managed through the sanitary sewer system.

4.2.2.1.5 Monitoring

An environmental monitoring, assessment and management program to identify potential impacts of landfill operations on groundwater, surface water and air, is in place in accordance with BC Ministry of Environment requirements. With over 40 years of engineered controls and continuous improvement, groundwater and surface water quality at Hartland Landfill has improved. Monitoring stations include a series of test wells both on and off the landfill site.

The 2016 landfill gas collection efficiencies were within estimated ranges in the Landfill Gas Management Plan, working effectively and reducing greenhouse gas emissions from closed areas of the landfill. New gas wells installed in Phase 2 as part of the long-term gas management plan resulted in gas infrastructure improvements.

The progressive closure of the East and South Faces of Phase 2, Cell 2 that occurred in 2016 significantly reduced the total leachate generation area of the landfill.

The newly constructed Phase 2 Cell 3 area included installation of new leachate containment with gravity flow conveyance piping that discharges into the upper leachate lagoon. Groundwater quality monitoring data obtained in 2016 indicated that landfill leachate is effectively contained and controlled on site.

Leachate quality monitoring, done at the point that it is discharged to the sewer system, confirms that leachate discharged from the site is in compliance with the CRD's Sewer Use Bylaw which regulates discharges to the sanitary sewer. Surface water monitoring in 2016 indicated that nearby surface water bodies are not impacted by leachate.

4.2.2.1.6 Estimated Lifespan

Based on current estimates and assuming no major changes to the volume of waste being disposed of in the near-term, Phase 2 of Hartland Landfill is expected to reach capacity around 2045.

Provincial legislation requires the CRD to provide a safe, secure and sustainable disposal option for regional solid waste in perpetuity. With this responsibility in mind, an additional 29 hectares of landfill property adjacent to the current Phase 2 footprint could be developed to extend the life of Hartland Landfill to 2100 and beyond.

This undeveloped landfill property was temporarily leased to CRD Parks until 2019 and is currently used for recreation by visitors to the adjacent Mount Work Regional Park, including hikers and mountain bikers. When regional demand requires the landfill to develop further, the recreational users of this portion of landfill property will be impacted by the loss of these temporary trails (see section 4.2.2.1.7 for details).

The vision for Hartland 2100 is to keep the landfill's footprint as small as possible. This property will need to be developed for future landfilling starting in approximately 2030 unless significantly more waste is diverted or a new technology for managing waste becomes available and economically feasible for the

CRD. With this planning horizon in mind, development of a Hartland 2100 design concept has been included in this Solid Waste Management Plan in Section 5.3, but its implementation will be phased in over the next 10 years in alignment with evolving regional demand and the landfill's Operational Certificate requirements. CRD staff will review and report out on regional demand as it relates to Hartland Landfill capacity as part of its annual progress report on this solid waste management plan.

Future development of landfill property, including the removal of second-growth trees, would be offset by the reforestation program already in place for all closed areas of the landfill, including 20 acres of reforested land now that will have grown to 50 acres by 2040. The Hartland 2100 design concept will also include a progressive reforestation plan that will reduce the greenhouse gas emissions generated by the landfill through carbon sequestration.

4.2.2.1.7 Community Benefits and Engagement

Based on current population growth and waste trends, the CRD anticipates needing to permanently close the existing biking trails on undeveloped Hartland Landfill property before the landfill reaches capacity in 2045. As CRD staff review and report out on regional demand as it relates to Hartland Landfill capacity and work towards phasing-in implementation of the Hartland 2100 design concept, staff will collaborate with the mountain biking community on alternative options.

There are also residents who live near Hartland Landfill, share the use of transportation routes in the area with landfill-bound traffic and feel impacted by the landfill's location. The CRD endeavours to operate and develop the landfill in a manner that recognizes the interests of the community (recreational and residential), while continuing to provide an essential regional service. The CRD has engaged and will continue to engage with these communities to ensure that their perspectives continue to be understood and that the ongoing development the Hartland site is done with these interests in mind.

4.2.2.2 Highwest Landfill

In addition to the Hartland Landfill, there is the privately owned and operated Highwest Landfill located at 1943 Millstream Road in the District of Highlands. This landfill receives construction and demolition waste and non-hazardous/non-putrescible ICI waste for disposal. This facility is expected to permanently close in 2021 once it reaches capacity. Highwest operates under an Operational Certificate #100193 issued by the Province of BC.

4.2.3 Transfer Stations

The CRD owns and operates a transfer station in Port Renfrew where garbage is received from local residents and transferred to Hartland Landfill. Source separated recyclables and kitchen scraps are also accepted at the site for recycling.

Additionally, there are several private transfer stations in operation in the CRD. Many of these sites offer recycling services as well.

Transfer stations on Salt Spring Island are subject to *Capital Regional District Bylaw 2810, a Bylaw to Regulate the Operation of Transfer Stations on Salt Spring Island* which requires all transfer stations to hold a license. This bylaw was put in place to ensure that all transfer stations on Salt Spring Island are operated at a standard that ensures the protection of environmental and community health.

4.2.4 Solid Waste Collection

Collection of residential and commercial garbage and kitchen scraps is conducted by the private sector, with the exception of single-family dwelling collection service offered by six of the region's municipalities.

The private sector also collects recycling from multi-family buildings, commercial buildings and institutions, and garbage and recycling from construction / demolition sites.

The CRD provides region-wide residential recycling service through a combination of single-family dwelling curbside collection and depot collection programs under contract to Recycle BC.

4.2.5 Streetscape Waste Management

Litter and recycling collection in public spaces such as urban streetscapes is a municipal service, as well as a responsibility of Recycle BC. Streetscape recycling is part of the Recycle BC's EPR program for packaging and printed papers. Encorp also provides streetscape recycling containers for beverage containers.

4.2.6 Reduce and Reuse

There are a broad range of rental and repair services throughout the region plus many opportunities for reuse of goods through private and non-profit retailers, online platforms (e.g. Used Victoria, Kijiji) and informal activities (e.g. garage sales, rummage sales). The CRD supports reuse through two main mechanisms:

- **Diversion Funding for Non-Profit Organizations**: Since 1992, the CRD has provided funding to non-profit organizations involved in recycling clothing and used household goods. The funding assists with their garbage disposal costs at Hartland, in recognition that some donated used goods are unusable and destined for the landfill. Ten organizations participated in the program in 2019.

- **Hartland Reusable Materials Program**: The CRD partners with five organizations for the management of donated items received in the Hartland depot. Goods such as textiles, household items, some building materials and bicycles are redistributed through a variety of networks operated by these non-profit associations.

4.2.7 Communications, Outreach and Education Programs

Environmental education is of paramount importance to the CRD's waste reduction strategies. The CRD provides a number of communications, education and outreach programs to support the 5R hierarchy and promote resident awareness and participation in waste reduction and disposal services, including:

- **School Outreach Programs:** Curriculum-linked educational workshops and tours for students from Kindergarten to Grade 12.

- **The Hartland Learning Centre**: Located at Hartland Landfill, this recycled building is the venue for school and community workshops, as well as the starting point for tours. Tours are provided to school groups, community groups, members of the public and technical groups.

- **Community Outreach and Events:** Displays are set up at fairs, festivals, community gatherings and other community events or locations. The displays often focus on ways to reduce and divert waste,

proper sorting techniques for recyclable materials or more specific topics such as how to prepare demolition waste and dispose of asbestos.

- **MyRecyclopedia.ca:** A comprehensive online listing of items including local recycling listings and tips on how to reduce and reuse.

- **Infoline**: This dedicated phone line and email address allows the CRD to respond to inquiries about waste reduction, waste management, recycling and Hartland Landfill.

- **Ready, Set, Sort!:** An online waste sorting game where residents can test their knowledge about local recycling opportunities.

- **CRD website**: The CRD's website has a range of information associated with the 5Rs and CRD's solid waste services.

- **Compost Education Centre:** Through a contract with the CRD, the centre offers organic waste diversion presentations, workshops, and educational demonstrations at on-site gardens and throughout the community.

- **Public Education Campaigns:** The CRD develops and implements a number of seasonal, multi-media public education campaigns to promote and provide information on a range of waste management subjects. In 2019, those subjects included:

    - end markets for recyclable materials
    - household hazardous waste
    - safe renovation waste disposal
    - avoidable food waste reduction
    - illegal dumping prevention
    - holiday season waste reduction
    - abandoned boat reporting and prevention

In addition to the above activities undertaken by the CRD, municipalities with waste management services, waste management companies, EPR organizations and many environment-oriented non-profit organizations provide their own communication and education services.

4.2.8 Recycling Depots

There are public and privately operated depots located throughout the region accepting recyclables of many types, kitchen scraps, yard waste, EPR products, and household hazardous waste. Some of these depots also receive garbage.

The public drop-off depot at Hartland receives garbage, reusable goods, recyclables and household hazardous waste. This area is intended for residential quantities and limits vehicle size to 5,500 kg gross vehicle weight.

Residents on Salt Spring Island and the Southern Gulf Islands are provided recycling services through drop-off programs set up at depots in their communities. The CRD, under agreement with Recycle BC, partners with local on-island non-profit associations for recycling services for residential packaging and paper products at these depots. In addition to receiving packaging and paper products, most depots offer additional services such as scrap metal, electronics recycling and other recycling.

4.2.9 Extended Producer Responsibility

British Columbia's industry-led product stewardship programs require producers of designated products to take extended producer responsibility for the life-cycle management of their products, including collection and recycling.

The BC Recycling Regulation, under authority of the Environmental Management Act, sets out the requirements for product stewardship in BC. The region is served by all of BC's EPR programs through a broad range of take-back programs and service providers, including depots and retailers. The CRD participates directly in EPR by acting as a collector for the following EPR programs at Hartland depot:

- Beverage Containers
- Electronics, Electrical Products, Batteries, Smoke Detectors and Lighting Products
- Lead-Acid Batteries
- Paints, Solvents, Flammable Liquids, Gasoline and Pesticides
- Residential Packaging and Paper Products
- Tires
- Used Lubricating Oil, Filters and Containers and Antifreeze

4.2.10 Household Hazardous Waste Management

Most household hazardous waste in the CRD is collected through EPR programs, including those provided at the Hartland depot.

Since not all HHW is currently covered by EPR programs, the CRD accepts both EPR and non-EPR household hazardous waste materials at the Hartland depot. This program will remain available as long as there is a need for the service.

The CRD will continue to encourage the province to expand the list of household hazardous waste products covered by EPR so that the cost of managing all household hazardous waste is ultimately borne by the producers and consumers of these products.

4.2.11 Organics Management

Regional Kitchen Scraps Strategy

In January 2015, a landfill ban on kitchen scraps was implemented, saving a valuable resource, conserving landfill space and reducing greenhouse gas emissions from Hartland Landfill. Collected kitchen scraps are currently processed at composting facilities in outside of the capital region.

Compost Facilities Bylaw

The CRD Board adopted the regional composting bylaw in December 2005. The bylaw regulates the operation of composting facilities in the region to protect public health and the environment. In 2019, there were no facilities licensed under the bylaw in the region.

Yard and Garden Material Landfill Restriction

In 2006, a yard and garden material landfill ban came into effect. A number of private facilities in the area accept the region's yard and garden material.

In 2019, 1,142 tonnes of source-separated yard and garden material was received at Hartland where it was ground and beneficially used on-site. The landfill ban excludes invasive, infectious and noxious plants

which are received at Hartland as garbage or controlled waste at a discounted tipping fee in an effort to reduce their proliferation.

4.2.12 Illegal Dumping Mitigation

The CRD's aims to mitigate illegal dumping through the following on-going measures:

- Communication campaigns that target specific illegal dumping behaviours;
- Funding to non-profit associations to conduct clean-up events in public places;
- Funding for the removal of abandoned boats and marine debris;
- Support of non-profit organizations involved in recycling clothing and used household goods;
- Funding towards the disposal and recycling of unusable materials received as donations;
- Provision of safe disposal of abandoned hazardous materials; and
- A web page on illegal dumping on the CRD website that provides information on how to reduce illegal dumping and abandonment.

4.2.13 Participants in the Solid Waste Management System

There are many participants in the solid waste management system, as described in Table 4-1.

Table 4-1: Participants in the Solid Waste Management System

Who	Roles in Solid Waste Management
BC Ministry of Environment	• Regulates municipal solid waste management through the Environmental Management Act • Establishes provincial targets for management of solid waste in B.C. • Approves regional solid waste management plans • Authorizes discharges to the environment through permits and operational certificates • Enforces provincial regulations and the conditions set out in discharge permits and operational certificates • Mandates EPR in BC through the Recycling Regulation
Capital Regional District	• Operates the Hartland Landfill site and the Port Renfrew transfer station • Provides residential recycling services through a combination of curbside and depot collection (through a contract with Recycle BC) • Prepares the regional solid waste management plan (SWMP) • Works with municipalities and First Nations to implement the SWMP • Regulates the operation of composting facilities through the Compost Facility Bylaw • Regulates the operation of transfer stations on Salt Spring Island through the Salt Spring Island Transfer Station Bylaw • Reports annual MSW disposal rate to ministry • Provides education and outreach • Monitors the implementation of the SWMP through the Solid Waste Advisory Committee
Municipalities	• May provide various curbside collection or drop-off services to residents • Litter collection, streetscape sanitation and waste collection services for public spaces • Provides education and outreach associated with local solid waste services • Municipal waste management planning, which may include zero waste planning • Liaises with the regional district with regards to solid waste services and issues • Participates in the development and implementation of the SWMP • May undertake local zero waste initiatives • Provides land use zoning approval for a variety of solid waste and recycling facilities in their municipality

Who	Roles in Solid Waste Management
First Nations	• May provide curbside collection of garbage and kitchen scraps to residents • Provides education and outreach associated with the local solid waste services • Liaises with the regional district on items of mutual interest • May participate in the development and implementation of the SWMP
Producer Responsibility Organizations	• Provides collection services for stewarded products • Provides education/promotion to increase product recovery • Provides deposit refunds to consumers (where applicable) • Monitors and reports on diversion/recovery rates to the Province • Participates in the development and implementation of the SWMP
Private sector involved in waste management (e.g., haulers, facility operators)	• Provides garbage and recycling collection services to municipalities, businesses, residents, institutions, and construction/ demolition projects • May operate private facilities such as bottle depots, recycling depots, transfer stations and composting facilities • May be regulated by Provincial government • Liaises with waste generators (customers) to minimize contamination of waste streams • Complies with CRD requirements for source separation of controlled waste • Participates in the development and implementation of the SWMP
Waste generators (residents and businesses)	• Participates in municipal and regional solid waste management programs and services • Is informed regarding source separation requirements, disposal restrictions and options to minimize waste sent to disposal
Non-profit organizations	• Provide recycling depot services on Salt Spring and the Southern Gulf Islands • Receive reusable goods for sale in thrift stores and distribution in social support programs

4.2.14 Bylaws

The CRD has the following bylaws in place for the purposes of managing solid waste:

Bylaw 1903, Solid Waste Disposal Local Service Establishment Bylaw No. 1, 1991 establishes a local service to allow the CRD to acquire, construct, establish, maintain, operate and regulate:

(a) transfer depots and facilities for receiving collected waste for packing, processing, loading and transporting the waste to disposal grounds;
(b) facilities for collecting, processing, storing, marketing and disposing of recyclable waste;
(c) facilities for composting waste;
(d) facilities for collection, storage and disposal of hazardous, biomedical or special waste;
(e) facilities for carrying out resource recovery from waste; and
(f) waste disposal grounds and facilities.

The above bylaw has been amended twice since 1991:

- **Bylaw 2564 To Amend Bylaw No. 1903 "Solid Waste Disposal Local Service Establishment Bylaw No. 1, 1991"** to establish the service of the regulation, storage and management of municipal solid waste and recyclable material, including the regulation of facilities and commercial vehicles used in relation to these matters
- **Bylaw 3900 To Amend Bylaw 1903 "Solid Waste Disposal Local Service Establishment Bylaw No. 1, 1991"** to include facilities for carrying out resource recovery from recyclable material, and the generation of energy from landfill gas.

Bylaw 3881, The Hartland Landfill Tipping Fee and Regulation Bylaw lists items that are banned from disposal at Hartland Landfill and established tipping fees for garbage and recyclables.

Bylaw 2810, a Bylaw to Regulate the Operation of Transfer Stations on Salt Spring Island requires all transfer stations on Salt Spring Island to hold a license. This bylaw was put in place to ensure that all transfer stations on the island are operated at a level that ensures the protection of environmental and community health.

Bylaw 2736, a Bylaw to Regulate the Operation of Composting Facilities ensures that composting operations do not contaminate ground or surface water, or generate unacceptable levels of nuisance odour, vectors, litter or dust, and to protect the public from composting operations which violate the requirements of the bylaw. The CRD bylaw supplements existing provincial regulations under the Organic Matter Recycling Regulation.

The bylaw sets out four classes of licenses, as follows:

- Class 1: composting general organic matter on an impermeable surface or in-vessel (this type of facility is exempt from licensing unless the facility generates leachate or creates nuisance odours, vectors, litter or dust).
- Class 2: composting biosolids with general organic matter on an impermeable surface or in-vessel.
- Class 3: composting restricted organic matter.
- Provisional: operations not using proven technology to compost restricted organic matter.

Bylaw 2290, **a Bylaw for the purpose of establishing regulations for the use of recycling containers and the collection of recyclable material** within the Capital Regional District.

In addition to the above, municipalities may have bylaw provisions associated with the waste management services they provide, in addition to littering, open burning, zero waste, and the location of waste management facilities.

5 Strategies and Actions

This section outlines the strategies to be implemented to achieve the Plan's goals and the specific actions to be undertaken as part of each strategy. Figure 5-1 provides a graphical summary of the four goals of this plan and the associated strategies.

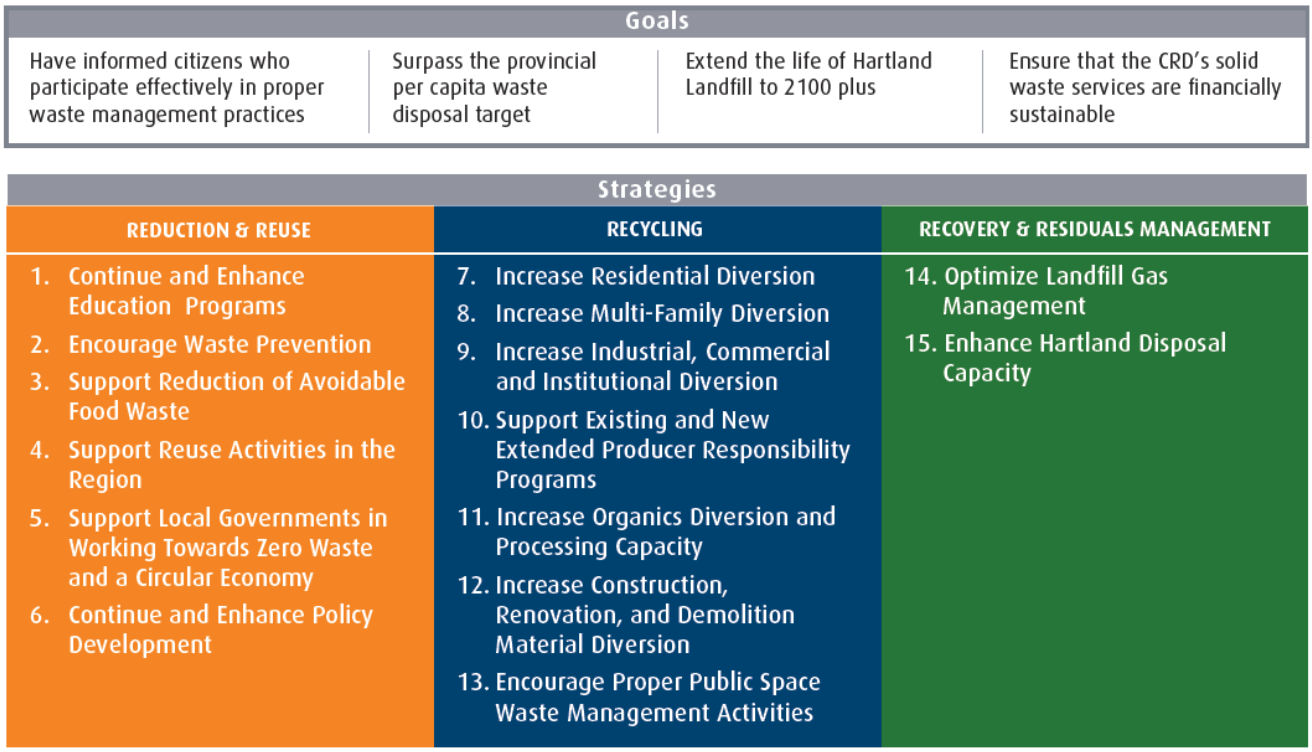


Figure 5-1: Plan Goals and Strategies

The selection of the plan's strategies and actions were based on feedback from the Solid Waste Advisory Committee and an evaluation of each strategy for:

- Technical Feasibility and Effectiveness;
- Environmental Impact and Benefits;
- Social Impact;
- Effect on Waste Disposal, and
- Cost Considerations.

These actions are deliberately broad in scope to enable a wide range of current, emerging and future activities related to each program area. This Plan is intended as a guiding document and does not encompass operational details or articulate every ongoing program or activity undertaken by the CRD. The guiding principles, goals, targets and strategies outlined in this Plan provide the policy framework to guide CRD's programming around solid waste. Activity progress will be reported annually through a detailed plan monitoring report.

Implementation of the actions outlined in this plan will require collaboration with many participants in the solid waste system.

This Plan does not preclude municipalities, First Nations, local businesses, institutions or non-profit organizations of undertaking their own initiatives, except for where those initiatives require inclusion in the regional Plan

5.1 Reduction and Reuse

Strategy #1: Continue and Enhance Education Programs

Actions:

A. Ensure ongoing, up-to-date promotion and education resources to enable effective participation in CRD programs and initiatives.
B. Incorporate behaviour change components wherever possible; using a variety of education and communication strategies and tools.
C. Expand and prioritize education programs for the multi-family and ICI sectors.
D. Enhance K-12 school program to include concepts of zero waste and the circular economy.
E. Collaborate with stakeholders on education campaigns (in partnership with First Nations communities, municipalities and product stewards).
F. Continue supporting environmental stewardship recognition.
G. Continue to engage residents on solid waste matters using the appropriate level of consultation.

Strategy #2: Encourage Waste Prevention

Actions:

A. Promote less consumption and advocate for consumer responsibility.
B. Establish a community-based waste reduction grant program.
C. Support municipal, provincial and federal single-use item reduction efforts.
D. Promote sustainable and/or packaging-free purchasing options.
E. Advocate provincially and federally to limit or eliminate the manufacturing, distribution and/or sale of single use items and non-recyclable materials.
F. Advocate provincially and federally for sustainable product and packaging design.

Strategy #3: Support Reduction of Avoidable Food Waste

Actions:

A. Continue to support residential food waste reduction through education campaigns and composting promotion.
B. Continue to encourage the donation of edible food and support food recovery organizations.
C. Advocate for regulations that support avoiding food waste.

Strategy #4: Support Reuse Activities in the Region

Actions:

A. Continue to provide funding for non-profit reuse organizations to help offset costs for managing unusable donated items.
B. Continue to support and promote donations to reuse establishments.
C. Support reuse, renting and sharing programs (e.g. tool libraries, repair cafes and centres, sewing hubs, etc.) and other materials exchange activities.
D. Investigate the possibility of a free store at Hartland or other facilities.

Strategy #5: Support Local Governments in Working towards Zero Waste and a Circular Economy

Actions:

A. Develop model language for bylaws, best practices, official community plans, and economic development strategies for use by local governments using research and collaboration to guide this process (in partnership with municipalities and potentially other regional districts).
B. Work with local governments to identify the need for solid waste facilities and zoning for waste management activities. To be done in partnership with member municipalities.
C. Use policy tools to enable local recycling infrastructure.
D. Investigate 'pay-as-you-throw' principles to use as tools to incent less waste disposal.
E. Investigate use of clear bags for garbage or recyclables collection to encourage proper recycling of materials, where practicable and enforceable (e.g. at events).

Strategy #6: Continue and Enhance Policy Development

Actions:

A. Develop model procurement policies for use by local governments, non-profits, etc. To be done in partnership with member municipalities and other interested organizations.
B. Continue to expand material bans when viable alternatives exist.
C. Investigate licensing waste management facilities in the region to encourage transparency, consistency, and a requirement that all facilities protect public health and the environment.
D. Investigate regulatory mechanisms to manage municipal solid waste and recyclable materials in the region.
E. Investigate options for managing debris from extreme weather (e.g. community chipping days, special burning allowances in electoral areas).

5.2 Recycling

Strategy # 7: Increase Residential Diversion

Actions:

A. Continue to promote residential diversion of recyclable materials (including organics), ensuring that education campaigns strive to minimize contamination in these streams.
B. Collaborate with municipal and private sector service providers to support depot diversion efforts in the region for non-curbside materials.
C. Encourage local processing and markets for residential recyclables.
D. Develop tools, such as a guide, to support event recycling.

Strategy # 8: Increase Multi-Family Diversion

Actions:

A. Allocate resources to support multi-family recycling, for example, by developing standardized education materials.
B. Work with local governments and private sector service providers to develop multi-family waste source separation requirements.
C. Develop policy guide and recommendations for recycling, composting and garbage space and access in multi-family developments.
D. Collaborate with stakeholders (e.g., private haulers who service multi-family buildings or multi-family property managers) to implement support for multi-family recycling.

Strategy # 9: Increase Industrial, Commercial and Institutional Diversion

Actions:

A. Allocate resources to increase ICI diversion, for example, a business waste reduction liaison.
B. Advocate to expand the packaging and paper product EPR program to the ICI sector.
C. Create a business waste reduction toolkit, including education about how to apply circular economy principles.
D. Encourage municipalities to require waste management plans with business licenses.
E. Develop policy guide for ICI waste management space and access requirements.
F. Work with local governments and private sector service providers to develop ICI waste source separation requirements.
G. Investigate shifting disposal ban enforcement to the ICI generator, rather than hauler.

Strategy #10: Support Existing and New Extended Producer Responsibility Programs

Actions:

A. Advocate to the province to expand EPR programs.
B. Collaborate with stewards to increase consumer awareness about EPR programs.
C. Advocate for increased return-to-retailer opportunities.
D. Advocate federally to standardize EPR programs across Canada.

Strategy #11: Increase Organics Diversion and Processing Capacity

Actions:

A. Continue to promote organics waste material diversion.
B. Continue to utilize and monitor existing private sector organics processing capacity and seek to develop a facility at the Hartland Landfill site in the future should needed processing capacity not be found to be sufficiently available to meet the region's requirements. (Additional information on the process to develop this facility is in Section 6).
C. Support compost markets by purchasing back materials.
D. Collaborate with service providers and users (e.g., local businesses) to develop guidelines for use of compostable products and packaging.

Strategy #12: Increase Construction, Renovation and Demolition (CR&D) Material Diversion

Actions:

A. Develop a comprehensive CR&D strategy, including characterization of materials, best practices, and pilot projects.
B. Develop educational tools to support CR&D material diversion (e.g. create an industry toolkit, a deconstruction guide, and/or guidelines for diverting and utilizing reused materials).
C. Promote green building standards.
D. Continue collaboration with local governments to develop and use policy tools (e.g., construction permits, building codes) to maximize diversion and to align management plans.
E. Investigate beneficial uses of CR&D waste, including a clean wood waste landfill ban.
F. Investigate banning or surcharging mixed CR&D loads at the landfill to encourage source separation
G. Further develop programs for managing hazardous materials(e.g. asbestos)

Strategy #13: Encourage Proper Public Space Waste Management Activities

Actions:

A. Develop educational materials to prevent and reduce litter and abandoned materials in our neighbourhoods and public spaces.
B. Continue promoting alternatives to abandoned materials and illegal dumping by educating about proper management and disposal
C. Collaborate with stakeholders, including local governments and private sector facilities, to develop a regional approach to prevention of illegal dumping.
D. Investigate developing regionally-aligned litter bylaws. To be done in partnership with member municipalities.
E. Develop and pilot methodologies to 'observe, record, and report' on abandoned materials and illegal dumping incidents throughout the region.
F. Investigate options for large bulky item disposal, e.g., free drop-off days or large item pick-up days

5.3 Recovery and Residuals Management

Strategy #14: Optimize Landfill Gas Management

Actions:

A. Continue to maximize and optimize the capture of landfill gas for beneficial use.[6]
B. Investigate collaboration opportunities with educational institutions to research new beneficial uses and technologies.

Strategy #15: Enhance Hartland Disposal Capacity

Actions:

A. Review Hartland tipping fee structure and ban enforcement levels, subject to recycling market conditions
B. Continue to operate Hartland Landfill using best practices.
C. Develop design options that maximize the disposal capacity of Hartland Landfill to 2100 and beyond. (Note: See section 4.2.2.1.6 for details. Design and aggregate management options could extend landfill life significantly.)
D. Continue to conduct research, investigate and report out on emerging waste management technologies (including alternatives to landfilling such as integrated resource management and gasification).

[6] On April 22, 2020, the CRD announced approval in principle of an agreement where FortisBC will purchase renewable natural gas (RNG) generated from Hartland Landfill for beneficial use in its natural gas distribution system. The CRD and FortisBC are currently working together on a supply contract that will be submitted to the British Columbia Utilities Commission for approval. If approved by the commission, the CRD will continue to be responsible for the ownership and operation of the Hartland Landfill, the landfill gas collection system and the upgrade facility. The project is expected to reduce the region's greenhouse gas emissions by approximately 264,000 tonnes of carbon dioxide equivalent over the 25-year project life.

6 Organic Processing Facility Decision Process

Strategy #11 includes an action to continue to utilize and monitor existing private sector organics processing capacity, and seek to develop a facility at the Hartland site in the future should needed processing capacity not be found to be sufficiently available to meet the region's needs. This section provides additional detail on the history of organic material management and potential future management options.

The CRD implemented a kitchen scraps disposal ban at Hartland Landfill in 2015. In recognition of a lack of sufficient local processing capacity, the CRD expanded the kitchen scraps transfer area at Hartland to receive additional volumes of kitchen scraps collected within the region. Kitchen scraps are received from municipal and private sector split packer and single stream collection vehicles, loaded for efficient transport and hauled for processing at facilities on southern Vancouver Island.

The CRD intends to continue to provide the community with receiving and transport services for kitchen scraps through the transfer facility at Hartland while monitoring in-region and on-island processing capacity.

In response to a need to secure additional processing capacity for the community, a facility at Hartland may also be pursued in an effort to reduce the greenhouse gas emissions associated with the current transportation and processing model.

7 Implementation Schedule

In the short-term (the first 3 years of the plan's implementation), the focus will be on the actions that target the reduction and diversion of CR&D waste and organic materials. Also in the short-term, the actions associated single-family, multi-family, and ICI diversion will be implemented.

In the medium-term (4-5 years), the focus will be on continuing and improving the single-family, multi-family, and ICI programs.

In the long-term (full plan implementation), all programs will be refined to maintain and/or improve diversion levels. Additionally, new EPR programs are anticipated to be implemented within the timeframe of this plan; in particular the Plan anticipates the introduction of EPR for ICI-generated paper and packaging and textiles.

Schedule C provides a detailed planned implementation schedule for the Solid Waste Management Plan from 2021 to 2030.

8 Plan Targets

The targets established for this plan are focused on reducing the amount of waste landfilled on a per capita basis. The CRD has set a goal of exceeding the provincial target for per capita waste disposal. At the time of preparing this plan, the provincial target is 350 kg per capita. The per capita disposal targets proposed for the CRD are based on the strategies and actions described in Section 5 and are presented below in Table 8-1.

Table 8-1: Plan Targets

	Short-Term Goal (3 years)	Medium-Term Goal (5 years)	Long-Term Goal (10+ years)
Targeted Sectors/ Materials	▪ Construction, Renovation, and Demolition waste ▪ Organic waste from: • Single-family • Multi-family • Industrial, Commercial and Institutional	▪ Recyclables and organic waste from: ▪ Single-family ▪ Multi-family ▪ Industrial, Commercial and Institutional	▪ Extended producer responsibility for Industrial, commercial and institutional - generated paper and packaging and textiles ▪ Refine programs to increase performance for all sectors
Disposal Target (kg per capita)	**340**[1]	**285**	**250**[2]

1. This target is aggressive and assumes that disposal bans for CR&D materials would be implemented.
2. This target is aggressive and assumes that new EPR programs will be implemented by the Ministry in the long-term timeframe.

9 Financing

The strategies and actions outlined in this Solid Waste Management Plan are intended to decrease community waste generation from 380kg per capita down to 250kg per capita over the 10 year planning horizon.

In 2019, all costs associated with solid waste disposal and diversion programs in the CRD were funded through tipping and user fee revenues at Hartland Landfill, collection contract revenues, sale of electricity and sale of recyclables. The costs of the CRD's solid waste services, including the funding of reserves, was $27,646,550.

The annual incremental cost to deliver the strategies and actions identified in the Solid Waste Management Plan is $320,000 to $345,000 per year as shown in Table 9-1. This is an increase of approximately 1% per year.

Table 9-1: New Costs Associated with Solid Waste Management Plan Strategies and Actions

Strategy		Annual Cost
1	Continue and Enhance Education Programs	$100,000
2	Encourage Waste Prevention	$50,000
7	Increase Residential Diversion	$25,000 (for 2 years)
8	Increase Multi- Family Diversion	$50,000
9	Increase Industrial, Commercial and Institutional Diversion	$50,000
12	Increase Construction, Renovation and Demolition Material Diversion	$50,000
13	Enhance Public Space Waste Management	$20,000
	Total	**$320,000 - $345,000**

The 10 year operating and capital projections for the CRD's solid waste services, including the proposed SWMP investments and resulting tonnage reductions, can be funded by tipping fees, program revenues, reserve balances and other projected revenues (including renewable natural gas), without the need for tax requisition or external debt. Schedule D shows the estimated financial impact of the projected expenditures and decreasing per capita disposal.

10 Plan Flexibility

Due to changing circumstances and priorities that may evolve over time, and with the input of the Solid Waste Advisory Committee and interested parties, all major actions identified in the Plan will be reviewed for appropriateness before implementation. This will generally occur on an annual basis. The Plan's implementation schedule will be flexible enough to reflect the availability of technologies that may arise over time, as well as the potential changes in regional issues and priorities. In addition, it will also take into account the financial priorities of member municipalities and other partners, the availability of funding to undertake actions listed in this Plan, and the availability of contractors and service providers.

The Plan is a "living document" that may be amended to reflect new considerations, technologies and issues as they arise.

An amendment of this Plan would be required if there were major changes to the solid waste management system of the following nature:

a. The opening (or changes to the location or status) of a site or facility that is *not* already identified in this *Plan* and requires an authorization under BC's Environmental Management Act; or any other facility that could have an adverse impact to human health or the environment, as determined by the BC Environmental Management Act;
b. Waste import / export options which would significantly impact the CRD's or neighbouring regional district's solid waste systems, or not conform to provincial legislation, goals and/or waste reduction targets;
c. Significant changes to the *Plan's* disposal targets or reductions in programs supporting the first 3Rs;
d. A change in the boundary of the *Plan*, which would significantly change the amount of solid waste to be managed under the *Plan* or significantly change the population of the *Plan* area;
e. The addition, deletion or revision of policies or strategies related to the conditions outlined in the Minster's approval letter; and
f. Major financial changes that warrant seeking elector assent.

If a Plan amendment becomes necessary, the CRD would need to undergo a public consultation process and submit an amended plan to the Minister of Environment for approval, along with a detailed consultation report.

11 Plan Monitoring and Measurement

The implementation of the Solid Waste Management Plan will be monitored to determine its on-going effectiveness. As part of this monitoring, CRD staff will review and report out on regional demand as it relates to Hartland Landfill capacity. Annual measurement and monitoring allows for course corrections to be made in a timely manner, and to consider strengthening plan targets.

The following monitoring and measurement actions will be undertaken.

1. **Plan Monitoring:** Monitoring progress on the Plan's implementation will be undertaken by the Solid Waste Advisory Committee on an annual basis. This will maintain the linkage between the development of the plan and its implementation. The terms of reference for the Solid Waste Advisory Committee are included in this Plan as Schedule A.

2. **Annual Reporting**: On an annual basis, CRD staff will continue to prepare and publicize an Environmental Resource Management Progress Report that describes the CRD's current solid waste management activities and provides several metrics including the amount of waste landfilled per capita. This report will include the status of the Plan's implementation and progress toward the Plan's targets. Additionally, the report will identify any challenges or opportunities that are affecting (or have the potential to affect) the Plan's implementation. This report will be provided to the Solid Waste Advisory Committee and the Board. It will also be promoted publicly through a range of CRD communications channels.

3. **BC Disposal Calculator:** CRD will continue to compile data annually on all of the municipal solid waste disposal activities in the regional district for reporting to the BC Ministry of Environment's on-line disposal calculator.

4. **Interim Assessment / Plan Update:** As per the BC Guidelines for Solid Waste Management Planning, five years into the implementation of the Plan, the CRD intends to carry out a review of the plan's implementation and effectiveness. The CRD also intends to undertake a Plan renewal after ten years.

5. **Waste Composition Study:** The CRD has been undertaking waste composition studies approximately every 5 years since 1990. The CRD will continue undertake these studies to provide valuable insight into how the Plan's implementation is affecting what is landfilled. This information will also help to inform the preparation of the Interim Assessment and next Plan renewal.

12 Inter-Regional District Cooperation

The CRD recognizes the value of collaborating with other regional districts with an aim to improve cost-efficiencies of providing solid waste services, and also to learn from each other through sharing ideas and experiences. To this end, the CRD are members of the following organizations:

- Coast Waste Management Association
- Recycling Council of BC
- Association of Vancouver Island and Coastal Communities Solid Waste Management Committee
- BC Product Stewardship Council
- Solid Waste Association of BC

Additionally, the CRD has partnered with the Cowichan Valley Regional District and the Regional District of Nanaimo to undertake solid waste technical studies of mutual interest.

During the implementation of this Plan, the CRD will continue to participate in the above organizations as a means of collaborating with other BC regional districts, and particularly to work on solid waste solutions for Vancouver Island.

13 Plan Amendments

This Plan represents the current understanding and approach to the solid waste management challenges being faced by the CRD. The Plan is a "living document" that may be amended to reflect new considerations, technologies and issues as they arise.

The need for a plan amendment will be triggered by major changes to the solid waste management system which would include:

a. The opening of a site or facility that requires an authorization under the Environmental Management Act that is not currently recognized in this Plan;
b. Any other facility that could have an adverse impact to human health or the environment, as determined by the BC Environmental Management Act;
c. Waste import / export options which would significantly impact the regional district's or neighbouring solid waste systems, or not conform to provincial legislation, goals and / or targets; and
d. Major financial changes that warrant seeking elector assent.

When a plan amendment becomes necessary, the CRD will undergo a public consultation process and submit an amended plan to the Minister of Environment for approval, along with a detailed consultation report.

14 Dispute Resolution

Although consultation efforts may prevent or minimize conflicts, at times disputes may arise during development or implementation of the plan. To this end, a dispute resolution procedure has been included to address complaints or concerns that occur during plan development or implementation.

This dispute resolution procedure, included as Schedule B, may apply to the following types of conflicts that could arise during plan implementation:

- Administrative decisions made by the regional district such as:
  - The issuance of a license
  - Interpretation of a statement, bylaw, policy or provision in the plan
- Any other matter not related to a proposed change to the wording of the plan or an operating certificate

Schedule A: Solid Waste Advisory Committee Terms of Reference

PREAMBLE

The Capital Regional District (CRD) Solid Waste Advisory Committee is an Advisory Committee established by the CRD Environmental Services Committee to provide input on solid waste management matters and meet the requirements of the Ministry of Environment's Guide to Solid Waste Management Planning for an advisory committee on the development and implementation of the Solid Waste Management Plan (SWMP).

The Committee's official name is to be: Solid Waste Advisory Committee

1.0 PURPOSE

The mandate of the Committee includes advising the Environmental Services Committee regarding the following:

a. providing input on major solid waste management matters
b. serving as the advisory committee to the Steering Committee (Environmental Services Committee) on the development of Revision 3 of the SWMP
c. acting as plan monitoring advisory committee for the new SWMP, once approved

2.0 ESTABLISHMENT AND AUTHORITY

a. The Environmental Services Committee will:
    - appoint the committee members for up to a three-year term
    - act as the Steering Committee for Revision 3 of the SWMP
    - appoint a member as the liaison between the advisory committee and the Environmental Services/Steering Committee
b. The Committee will report its input to the Environmental Services Committee for consideration. The CRD Board is the final decision-making authority.

3.0 COMPOSITION

The Committee shall consist of members representing a diversity of background, interests and geographical location, representing a balance between technical and non-technical members and industry and public members, as follows:

Representation	Number of Members
Regional district director (member of Environmental Services Committee)	1
Municipal engineering staff who are involved in solid waste collection	2
Electoral Area representative	1
First Nations	2
Environmental organizations	1
Business groups	1
Non-profit group with an interest in solid waste (e.g. reuse organization)	1
Large waste generators (industrial, commercial, institutional)	2
Owners/operators of private waste management facilities	2
Private sector industry collection service providers	2
Composting industry representative	1
Product stewardship agency	1
Community representative (representing Prospect Lake/Hartland area)	1
Public representatives, at large	3
Willis Point representative	1
District of Highlands representative	1
Solid Waste Technology representative	1

4.0 PROCEDURES

a. The CRD Board Procedures Bylaw will apply.
b. Member from Environmental Services Committee shall be Chair of Solid Waste Advisory Committee.
c. The committee shall meet at the call of the Chair and have special meetings, as required.
d. The agenda will be finalized in consultation between staff and the Chair.
e. A quorum is a majority of the committee membership and is required to conduct committee business.

5.0 RESOURCES AND SUPPORT

a. The Senior Manager, Environmental Resource Management, will lead the coordination and allocation of resources to the Committee.
b. Minutes and agendas are prepared and distributed by the Environmental Resource Management division.

Schedule B: Plan Dispute Resolution Procedures

Disputes will be settled using the following procedure:

Negotiation	• Parties involved in the dispute shall make every effort to resolve the dispute on their own through non-facilitated communication. If necessary, the parties will provide each other with a written summary of their position and any relevant supporting documentation. • Parties may agree to make use of a facilitator.
If this is unsuccessful, then:	
Environmental Services Committee	• Parties involved in the dispute will have opportunity to speak to the Committee. • Committee will review, consider and provide recommendations to the Board. Committee may refer to the Solid Waste Advisory Committee.
Then:	
CRD Board	• Board will receive recommendations from the Committee and settle the dispute; or, recommend mediation.
If the board is unable to settle the dispute, then:	
Mediation	• A neutral, impartial third-party facilitator who is acceptable to all the parties to the dispute will be selected. Using appropriate mediation techniques, the facilitator will attempt to develop a solution which satisfies all parties. The facilitator has no decision-making authority. If the parties cannot agree on a mediator, the matter shall be referred to the BC Mediation Roster Society or equivalent roster organization for selection of a mediator. • All efforts will be made to reach an agreement through mediation. • Costs for mediation will be shared by the parties in dispute.
If this is unsuccessful, then:	
Independent Arbitrator	• If the dispute cannot be resolved by a mediator, the matter will be referred to arbitration and the dispute will be arbitrated in accordance with any applicable legislation. A neutral, impartial third-party arbitrator who is acceptable to all the parties to the dispute will be selected. The arbitrator hears each party's evidence and arguments and renders a final, binding decision. • Costs for arbitration shall be apportioned at the discretion of the arbitrator.

Further to the above, the following principles will be followed if and when the dispute resolution process is invoked:

i. The parties will make all reasonable efforts to attempt to resolve the dispute in an amicable manner without outside intervention

ii. Disputes will be attempted to be resolved as early and at the lowest administrative level as possible; every effort will be made to avoid disputes requiring a formal resolution process

iii. The formal process is not intended to deal with inconsequential or frivolous disputes

iv. The cost of mediation or adjudication will be shared by the parties to the dispute

v. Information or data related to the dispute will be shared by the parties

vi. Rules of confidentiality and freedom of information will apply

Schedule C: Implementation Schedule

	Ongoing
	Planning/Design Phase
	Implementation Phase

Implementation Schedule is subject to revision based on annual review and Board direction.
Actions listed have been condensed in this schedule for readability, full descriptions can be found in Section 5.

Plan Strategies & Actions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Reduction and Reuse										
Strategy #1: Continue and Enhance Education Programs (medium-term, 5 year goal)										
A. Ensure ongoing, up-to-date promotion and education resources										
B. Incorporate behaviour change components wherever possible										
C. Expand and prioritize education programs for the multi-family and industrial, commercial and institutional sectors										
D. Enhance K-12 school program to include concepts of zero waste and the circular economy										
E. Collaborate with stakeholders on education campaigns										
F. Continue supporting environmental stewardship recognition										
G. Continue to engage residents on solid waste matters										
Strategy #2: Encourage Waste Prevention (medium term, 5 year goal)										
A. Promote less consumption and advocate for consumer responsibility										
B. Establish a community-based waste reduction grant program										
C. Support municipal, provincial and federal single-use item reduction efforts										
D. Promote sustainable and/or packaging-free purchasing options										
E. Advocate to limit or eliminate manufacturing, distribution and/or sale of single use and non-recyclable materials										
F. Advocate provincially and federally for sustainable product design										

Plan Strategies & Actions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Strategy #3: Support Reduction of Avoidable Food Waste (short-term, 3 year goal)										
A. Continue to support residential food waste reduction										
B. Continue to encourage the donation of edible food and support of food recovery organizations										
C. Advocate for regulations that support avoiding food waste										
Strategy #4: Support Reuse Activities in the Region (medium term, 5 year goal)										
A. Continue to provide funding for non-profit recycling organizations for managing unusable donations										
B. Continue to support and promote donations to reuse establishments										
C. Support reuse, renting and sharing programs										
D. Investigate the possibility of a free store at Hartland or other facilities										
Strategy #5: Support Local Governments in Working towards Zero Waste and a Circular Economy (medium term, 5 year goal)										
A. Develop model language for use by local governments										
B. Work with local governments to identify need for solid waste facilities/zoning for activities										
C. Use policy tools to enable local recycling infrastructure										
D. Investigate 'pay-as-you-throw' principles										
E. Investigate use of clear bags for garbage/recyclables collection										
Strategy #6: Continue and Enhance Policy Development (medium term, 5 year goal)										
A. Develop model procurement policies for use by local governments, non-profits, etc.										
B. Continue to expand material bans when viable alternatives exist										
C. Investigate licensing waste management facilities in the region										
D. Investigate regulatory mechanisms to manage municipal solid waste and recyclable materials in the region										
E. Investigate options for managing debris from extreme weather										

Plan Strategies & Actions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Recycling										
Strategy # 7: Increase Residential Diversion (medium term, 5 year goal)										
A. Continue to promote residential diversion of recyclable and organic materials										
B. Support depot diversion efforts for non-curbside materials										
C. Encourage local processing and markets for residential recyclables										
D. Develop tools to support event recycling										
Strategy #8: Increase Multi-Family Diversion (medium term, 5 year goal)										
A. Allocate resources to support multi-family recycling										
B. Develop multi-family waste source separation requirements										
C. Develop policy guide and recommendations for waste management in multi-family developments										
D. Implement support for multi-family recycling										
Strategy #9: Increase Industrial, Commercial and Institutional Diversion (medium term, 5 year goal)										
A. Allocate resources to increase ICI diversion										
B. Advocate to expand the packaging and paper product extended producer responsibility program to the industrial, commercial and institutional sector										
C. Create a business waste reduction toolkit, including education about circular economy principles										
D. Encourage municipalities to require waste management plans with business licenses										
E. Develop policy guide for industrial, commercial and institutional waste management space and access requirements										
F. Develop industrial, commercial and institutional waste source separation requirements										
G. Investigate shifting disposal ban enforcement to industrial, commercial and institutional generator, rather than hauler										

Plan Strategies & Actions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Strategy #10: Support Existing and New Extended Producer Responsibility Programs (medium term, 5 year goal)										
A. Advocate to the province to expand extended producer responsibility programs										
B. Increase consumer awareness about extended producer responsibility programs.										
C. Advocate for increased return-to-retailer opportunities										
D. Advocate federally to standardize extended producer responsibility programs across Canada										
Strategy #11: Increase Organics Diversion and Processing Capacity (short term, 3 year goal)										
A. Continue to promote organic waste material diversion										
B. Continue to utilize and monitor existing processing capacity										
C. Support compost markets by purchasing back materials										
D. Develop guidelines for use of compostable products and packaging										
Strategy #12: Increase Construction, Renovation & Demolition Material Diversion (short term , 3 year goal)										
A. Develop a comprehensive construction, renovation & demolition strategy										
B. Develop educational tools to support construction, renovation & demolition material diversion										
C. Promote green building standards										
D. Develop and use policy tools to maximize diversion and to align management plans										
E. Investigate beneficial uses of construction, renovation & demolition waste, including a clean wood waste landfill ban										
F. Investigate banning or surcharging mixed construction, renovation & demolition loads at the landfill										
G. Further develop programs for managing hazardous materials (like asbestos)										
Strategy #13: Encourage Proper Public Space Waste Management Activities (med term, 5 year)										
A. Develop educational materials to prevent and reduce litter and abandoned materials										

Plan Strategies & Actions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
B. Continue promoting alternatives to abandoned materials and illegal dumping activity										
C. Develop a regional approach to prevention of illegal dumping										
D. Investigate developing regionally-aligned litter bylaws										
E. Develop and pilot methodologies to 'observe, record and report' abandoned material and illegal dumping incidents										
F. Investigate options for large bulky item disposal										
Recovery and Residuals Management										
Strategy #14: Optimize Landfill Gas Management										
A. Continue to maximize and optimize the capture of landfill gas for beneficial use										
B. Investigate collaboration opportunities with educational institutions										
Strategy #15: Enhance Hartland Disposal Capacity										
A. Review Hartland tipping fee structure and ban enforcement levels										
B. Continue to operate Hartland Landfill using best practices										
C. Develop design options to maximize disposal capacity of Hartland Landfill to until 2100 and beyond										
D. Continue to conduct research and investigate and report out on emerging waste management technologies										

Schedule D: Estimated Financial Impact

ERM Budget Implications Arising From Achieving 250 kg Per Capita Disposal Rate by 2030										
	2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Total Revenue [1, 2, 4]	**$24,413,500**	**$24,472,500**	**$24,182,090**	**$27,322,276**	**$27,163,064**	**$27,004,459**	**$26,736,469**	**$26,469,099**	**$26,202,355**	**$25,881,243**
Total Expenditures[3]	$25,462,000	$24,453,000	$24,178,000	$31,403,000	$27,403,000	$27,403,000	$27,403,000	$28,087,000	$28,275,000	$28,742,000
Net Annual Surplus/Deficit	**-$1,048,500**	**$19,500**	**$4,090**	**-$4,080,724**	**-$239,936**	**-$398,541**	**-$666,531**	**-$1,617,901**	**-$2,072,645**	**-$2,860,757**
Combined Reserve Fund Balance[3, 4]	$49,671,000	$34,824,000	$19,671,000	$15,590,276	$15,350,340	$14,951,799	$14,285,268	$12,667,366	$10,594,721	$7,733,964
Per Capita Disposal Rate	316	313	310	302	295	287	278	269	260	250

[1] General refuse tipping fee is $110 per tonne

[2] Controlled waste and asbestos tipping fees are $157 per tonne

[3] From CRD Finance and includes Sustainability, Equipment, Capital, Closure and Air Space reserve funds (2021 budget doc - Sept 2020).

[4] The Hartland renewable natural gas project significantly impacts reserve balances to fund construction (2022-2023) and increases revenues starting in 2024

APPENDIX B

PROPOSED PLAN REVISIONS

In line with provincial guidance, staff have considered all feedback received through phase two consultation. A fulsome summary of the feedback received, cross referenced against the draft plan, along with proposed approach to addressing feedback is found in Appendix D of the staff report. In response to phase two consultation, staff recommend a series of revisions that have been incorporated into the final draft Plan. These revisions include:

Glossary

- Definition of zero waste has been added to the plan.

Section 1.4: Climate Change and the Solid Waste Management Plan

- Content has been strengthened to further highlight the inter-relationship between climate change and solid waste management. This section discusses the greenhouse gas implications of the waste system more broadly than the landfill, references the important roles that zero waste and the circular economy play in addressing climate change, and identifies the potential to mitigate fugitive emissions from the landfill.

Section 4.2.2.1.6: Hartland Landfill (Estimated Lifespan)

- Content has been revised to speak more explicitly to the vision to keep the Hartland footprint as small as possible, and to review evolving regional demand and landfill capacity as part of the annual progress report on the Solid Waste Management Plan before phasing-in future development of the Hartland Property in 2030, unless more waste is diverted, or a new technology for managing waste becomes available and economically feasible for the CRD.

Section 4.2.2.1.7: Hartland Landfill (Community Benefit)

- Content has been revised to speak to how phasing-in future development of the Hartland Property will impact the existing mountain biking trails, and that if closing trails is necessary, staff will work with the mountain biking community on alternative trail options.

Section 5: Strategies and Actions

- A new paragraph has been added in the preamble that explains why the actions are articulated at a high-level and clarifies the scope of the plan as a guiding document intended to provide the policy framework to guide the CRD's programming around solid waste, rather than specific operational details.
- Minor revisions have been made to actions throughout, to clarify intent and ensure actions are consistent in their level of detail.
- Action 1E has been revised to explicitly reference First Nations groups.
- Actions 3B and 3C have been merged into one for clarity.
- Action 11B has been revised from "develop an organic waste processing facility at the Hartland Landfill site to receive and process kitchen scraps" to "continue to utilize and monitor existing private sector organics processing capacity and seek to develop a facility at the Hartland Landfill site in the future, should needed processing capacity not be found to be sufficiently available to meet the region's needs".
- Action 14A has been revised to clarify the CRD's intent to both maximize and optimize the beneficial use of landfill gas.
- Action 15C has been revised to explicitly reference the revised content within 4.2.2.1.6 on Hartland Landfill estimated lifespan (see above).
- Action 15D has been revised, based on feedback from the Township of Esquimalt, to clarify intention to explore alternatives to landfilling—including integrated resource management and gasification—and report out on findings.

Section 6: Organics Processing Facility Decision Process

- Section has been revised to indicate that the CRD intends to continue to provide the community with receiving and transport services for kitchen scraps through the transfer facility at Hartland, while monitoring in-region and on-island organics processing capacity. In response to a need to secure additional processing capacity for the community, a facility at Hartland may also be pursued in an effort to reduce the greenhouse gas emissions associated with the current transportation and processing model.

Section 11: Plan Monitoring and Measurement

- Section 11 now includes explicit commitment to publicly promote the annual report/per capita disposal rate.

Plan Appendices

- Following the *Guide to Solid Waste Management Planning*, the detailed evaluation of the plan strategies and actions, and the public consultation feedback on Hartland Landfill was included for engagement purposes and has been removed from the final draft Plan and is on the CRD website. The phase one and phase two engagement reports will be filed directly with the Ministry as part of the submission seeking plan approval, and are also on the website. The final draft plan now includes four schedules:
  - Schedule A: Solid Waste Advisory Committee Terms of Reference
  - Schedule B: Plan Dispute Resolution Procedures
  - Schedule C: Implementation Schedule
  - Schedule D: Estimated Financial Impact.

There have been no significant changes to the content of these schedules, except Schedule D, Estimated Financial Impact now considers the financial impact of the proposed Hartland access mitigation funding of up to $4 million.



Capital Regional District

Phase 2 Engagement Summary — Draft Solid Waste Management Plan

Final Report Date: April 13, 2021

Report prepared by Catapult Strategy on behalf of Capital Regional District

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Executive Summary

The Capital Regional District (CRD) is developing a new Solid Waste Management Plan (SWMP)—the plan that guides how the region will manage solid waste in the coming years. Solid waste includes recyclables, compostable materials and garbage from homes, businesses, institutions, and construction and demolition sites.
Solid waste management planning is a regional district responsibility, guided by the provincial Environmental Management Act and the provincial Guide to Solid Waste Management Planning. Public engagement is an important aspect of the development of a SWMP. In October 2018, the CRD Board approved guiding principles, goals and objectives for the new plan. In September 2019, the Board approved a waste reduction target and 15 proposed strategies with associated actions and directed staff to conduct a first phase of public consultation.

Phase 1 of public engagement was extensive and took place between October 18 and December 1, 2019. This first round was largely focused on research and consultation with the general public and a consultation report was completed in February 2020. Phase 2 of public and interested parties engagement took place from November 18, 2020 to February 15, 2021. This phase focused on consultation with CRD municipalities, local First Nations, neighbouring regional districts, Hartland neighbours as well as additional general public consultation.
The primary focus of this document is to present a summary the approach and feedback gathered in Phase 2.

Various forms of outreach were used in the consultation process including Chief Administrative Officer (CAO) letters offering presentation and invitation for input, a media release, social media (paid and earned), print media, emails to interested residents, online public information sessions, site tours of Hartland Landfill, focused community input meetings and direct neighbourhood outreach. The outreach approach adhered to Ministry of Environment and Climate Change's (ENV) provincial consultation requirements.

Several CRD municipal councils received presentations and formally provided expressions of support for the Draft Plan as well as confirmed many areas of alignment within their own municipal plans, including Victoria, Central Saanich, Saanich, Oak Bay and Esquimalt. Highlands received a presentation and provided neither support nor opposition to the Draft Plan. All other municipalities provided no response. What we heard from municipalities:

- No formal opposition was expressed from any municipality;
- Support for the Draft Plan and its focus on the 5R Pollution, Prevention Hierarchy;
- Desire for the CRD to maximize the use of municipal authorities to reduce waste, providing the necessary resources to support municipalities;
- Desire for the CRD to provide bold leadership and facilitate accelerated regional collaboration on powerful actions that achieve the waste disposal targets;

- City of Victoria's *Zero Waste Victoria* plan aligned. A desire to prioritize and accelerate actions within the SWMP to better support the City's implementation of *Zero Waste Victoria* and to demonstrate leadership in the circular economy.

Similarly, neighbouring Cowichan Valley Regional District provided formal written support of the Draft Plan and Regional District of Nanaimo reciprocated CRD's invitation with a presentation of their own SWMP.

CRD staff also met with WSÁNEĆ Leadership Council (WLC) and delivered a presentation that was well received. The WLC expressed desire for the CRD to establish a WSÁNEĆ Leadership Council/Capital Regional District negotiation table and provide information regarding the Solid Waste Management Plan to WSÁNEĆ communities. Esquimalt First Nations also received a presentation and the meeting was generally positive.

Public Consultation in Phase 2 was built upon extensive Phase 1 consultation activities. The 'public' category was subdivided into two segments: A) general public and B) community groups/residents living near Hartland Landfill. Much of Phase 2 public consultation was with community associations and community groups in immediate proximity to Hartland Landfill for whom the expansion and changes in traffic patterns would have the most direct impact. Specifically, Highlands District Community Association (HDCA), Prospect Lake District Community Association (PLDCA), Willis Point Community Association (WPCA) and the Mount Work Coalition (MWC).

Both MWC and WPCA have expressed vocal opposition to the Draft Plan. There appears to be some overlap between these two groups as MWC is comprised of mostly of WPCA residents as well as residents living close to the area. Summary of key feedback we heard:

- Traffic/traffic safety around Hartland Landfill was a key concern (vehicle, cycling and pedestrian safety; key intersections)
- Opposed any expansion and strongly supported more aggressive reduction targets
- Strongly opposed to any tree removal and destruction of natural habitat
- Concerned about illegal dumping
- Concerned about loss of peaceful parkland/ impact on bike trails
- Felt reliance on tipping fees to fund Hartland's operations is counter-intuitive to zero waste
- Want Hartland decision postponed so that both waste reduction achieved in the CRD, and the effectiveness of alternative methods be reviewed by Hartland staff and the CRD board in 2028 prior to any approval of Draft Plans to expand the landfill

PLDCA also expressed concerns though almost entirely focused on a single issue — traffic/traffic safety as it relates to the operational change to move commercial access to Hartland Landfill. Although this change is not part of the Draft Plan, a traffic study was commissioned and a copy of this study was placed on the website for reference and comment during Phase 2 consultation in recognition that traffic was a key concern for Hartland-area neighbours.

Phase 1 Recap

The Capital Regional District (CRD) is developing a new Solid Waste Management Plan (SWMP)—the Draft Plan that guides how the region will manage solid waste in the coming years. Solid waste includes recyclables, compostable materials and garbage from homes, businesses, institutions, and construction and demolition sites.

Solid waste management planning is a regional district responsibility, guided by the provincial Environmental Management Act and the provincial Guide to Solid Waste Management Planning. Public engagement is an important aspect of the development of a SWMP. In October 2018, the CRD Board approved guiding principles, goals and objectives for the new plan. In September 2019, the Board approved a waste reduction target and 15 proposed strategies with associated actions and directed staff to conduct a first round of public consultation.

The CRD carried out an extensive first phase of public engagement that sought feedback on the goals and strategies proposed for a new regional solid waste management plan in late 2019.

Phase 1 public engagement took place between October 18 and December 1, 2019. During this phase, all capital region residents were invited to provide their input through a variety of channels, including an online feedback form—the CRD received more than 1000 of these forms during the course of phase one—and in-person opportunities at 21 open houses and stakeholder meetings.

A phase 1 consultation report was completed in February 2020. Draft Plan elements and detailed feedback are available for review at www.crd.bc.ca/rethinkwaste

Phase 2 Engagement Approach

Phase 2 consultation took place between November 18, 2020 and February 15, 2021. It was focused on CRD municipalities, local First Nations, neighbouring regional districts as well as additional public consultation. Outreach methods were comprised of letters, phone calls, presentations, advertising, social media, site tours, website, rolling FAQ and information sessions. A breakdown of approach by audience segment is summarized below.

Municipalities, Electoral Areas and Neighboring Regional Districts Outreach Approach

At the outset of Phase 2 engagement, CAO letters were sent to each CRD municipality, electoral area as well as Nanaimo and Cowichan Valley Regional Districts offering presentation and invitation for feedback. Response from municipalities was mixed with several groups requesting presentations whereas others provided letter of support without presentation, others provided no response at all.

- Presentations and letters of support: Central Saanich, Victoria, Saanich, Oak Bay, Esquimalt
- City of Colwood staff asked for a meeting to discuss the Draft Plan but did not bring the report to council.

- Town of Sidney provided a letter of support without a presentation.
- District of Highlands requested a presentation but have not yet provided a letter of support or opposition.
- Municipalities that did not respond at all include most of the West Shore and North Saanich.

First Nations Outreach Approach

Similar to the approach taken with municipalities and regional districts, a CAO letter offering presentation and invitation for feedback was sent to local First Nations.

General Public Outreach Approach

From November 18, 2020 to February 15, 2021, general public outreach to inform and solicit feedback took a few different forms:

- Media Release
- Print Advertising: Times Colonist and Black Press newspapers (two rounds)
- Social Media (paid and organic): Eight Facebook posts and nine tweets
- Emails: Four emails sent to SWMP project subscriber list inviting feedback (358 residents)
- Online Public Information Session: Moderated by Gregor Craigie (via YouTube Live) the session received
  410 total views with 82 people watching live for some or all of the session.
  110 questions came in via Slido for this event that were either answered live or in the FAQs following the event.



Figure 1. Example of earned media Nov 18, 2020



Figure 2. Social media post promoting live-streamed information session

Hartland Neighbours Outreach Approach

Recognizing that municipalities and communities in close proximity to Hartland Landfill would be most affected by landfill development and traffic changes, an outreach program was specifically designed to engage with these audiences. Formal touchpoints included:

- Direct Outreach: At the outset of the public engagement process, a copy of the Draft Plan along with an invitation for input was sent to Highlands District, Prospect Lake District and Willis Point Community Associations.
- Small Group and Individual Site Tours: Three tours of Hartland Landfill and the Residuals Treatment Facility were organized. One took place, two were cancelled due to new provincial health orders. As an alternative, CRD staff offered individual tours of the site to all members of the Willis Point,Prospect Lake and Highlands District Community Associations. Several reminders of this tour offer were made via email and during Zoom calls held in January. To date nobody has taken up this opportunity.
- Focused Community Input Meetings: CRD staff organized two video meetings with the Highlands District, Prospect Lake District and Willis Point Community Associations on January 13 (27 area residents participated) and January 21 (38 areas residents participated).

It is acknowledged that the CRD SWMP public engagement process occurred during the Covid-19 pandemic. Some outreach initiatives were modified from in-person to online to reflect provincial health orders.

Opposition Groups Outreach Approach

One community association and one advocacy group have expressed vocal opposition to the Draft Plan — the Willis Point Association (WPCA) and Mount Work Coalition (MWC). There appears to be some overlap between these two groups as MWC is comprised of mostly of WPCA residents as well as residents living close to the area.

In addition to the formal communication touchpoints noted above, CRD staff responded to every request received during the feedback period. This included 15 inquiries and requests for access to reports and operational documents that were satisfied in a timely manner.

Confirmation of Adherence to Provincial Consultation Requirements

The Ministry of Environment and Climate Change's *Guide to Solid Waste Management Planning* was used by CRD as its framework for consulting with the general public and interested parties.

Consultation audiences per ENV Guidelines included First Nation communities, municipalities and electoral areas, neighbouring regional districts and the general public. In addition, though not stipulated by the Guidelines, CRD's

Board required Hartland neighbours be segmented for additional consultation as they most directly experience any impacts of landfill development and traffic changes.

The design of the consultation process reflects section B4.2 of the Guidelines and included numerous touch points to engage, build understanding of the Draft Plan and solicit input. Through its approach, CRD has demonstrated that the public and interested parties were consulted on the Draft Plan and that the outcome of consultation were considered in the finalization of the Draft Plan.

Municipal Governments Consultation Findings

Each of Capital Regional District's 13 municipalities and three electoral areas were consulted in Phase 2. Each received a CAO letter with the offer of a presentation and invitation for input. In response, several municipalities provided letters of support. These letters can be found in Appendix A.

District of Central Saanich

A presentation of the Draft Plan was delivered at a council meeting. Following this, District Councilors reviewed and provided a letter endorsing the Draft Plan.

City of Colwood

City of Colwood staff asked for a meeting to discuss the Draft Plan but did not bring the report to council. An endorsement letter has not been received to date though a suggestion that one might be coming was conveyed.

Township of Esquimalt

A presentation of the Draft Plan was delivered at a council meeting. Following this, Council provided a letter that expressed support of the Draft Plan along with a request for modification.

WHAT WE HEARD

- Specially, that the Draft Plan is deficient in not referring to the Township's attempt to carry out an integrated resource management strategy for solid waste, kitchen scraps and yard/garden waste streams generated within the Township. The Township is requesting the CRD include, within the SWMP, supportive language that addresses the Township's efforts in this endeavor.

District of Highlands

CRD staff met with the District of Highlands and delivered a presentation of the Draft Plan at a council meeting. To date neither a letter of support or opposition has been provided.

District of Oak Bay

District Council reviewed and provided a letter of support endorsing the Draft Plan as well as thanked CRD for the input opportunity.

"As a municipal partner in regional solid waste management, Council very much appreciated your offer to have CRD staff meet with them to review the Plan in more detail and as questions" Lou Varela, CAO

District of Saanich

Saanich is among the largest contributing regions of waste disposed of at Harland. A presentation of the Draft Plan was delivered at a council meeting. Following this, District Council provided a letter expressing support for the Draft Plan and for its focus on the 5R Pollution, Prevention Hierarchy.

WHAT WE HEARD

- Desire for the CRD to provide bold leadership and facilitate accelerated regional collaboration on powerful actions that achieve the waste disposal targets.
- The desire for the CRD to maximize the use of municipal authorities to reduce waste, providing the necessary resources to support municipalities, including the development of additional bans, surcharges, CRD bylaws, model municipal bylaws, processing facilities, requirements and guidelines that support actions such as waste stream management licensing, construction waste diversion, source separation in multi-family residences, use and acceptance of compostable and bio-based food service ware etc.
- The desire for the Draft Plan to reference the additional benefits of a regional organics processing facility associated with the greenhouse gas (GHG) emissions savings from the reduced transportation of organics outside of the region.

"These actions are clearly aligned with the CRD Draft SWMP. Further, most of the strategies and actions identified within the Draft SWMP will support the District of Saanich in implementing Climate Plan Strategy F2 and assist us in reaching our climate targets. As such, staff support the strategies and actions outlined in the Draft SWMP."

Town of Sidney

Town Council reviewed and provided a letter conveying their endorsement of the Draft Plan.

City of Victoria

It is estimated that one-third of the waste disposed at Harland is generated by residents, businesses, industry and construction activities within Victoria. A presentation of the Draft Plan was delivered at a council meeting. Following

this, letters were received by both Victoria City Manager as well as the Mayor. They reinforced that theCity's *Zero Waste Victoria* plan aligned well with the CRD's SWMP and that a desire for collaboration and accelerated action exists.

WHAT WE HEARD

Desire to prioritize actions within the SWMP to support the City's implementation of Zero Waste Victoria:

1. Organics diversion
    - That the CRD accelerate the creation of requirements for source separation in multi-family residences and commercial businesses, including through a model bylaw, to promote consistent messaging and compliance.
    - That the CRD accelerate the development of guidelines for the use and acceptance of compostable and bio-based food service ware.
2. Construction, renovation and demolition material diversion
    - That the CRD establish a waste stream management licensing bylaw for private solid waste transfer stations and recycling facilities operating in the region.
    - That the CRD prioritize implementing bans and/or surcharges for clean wood waste and mixed construction waste at the Hartland Landfill.
    - That the CRD prioritize work with member municipalities to develop requirements and guidelines for construction waste diversion including measures to grow the regional market for salvaged construction and demolition materials.
3. Supporting municipalities working toward zero waste and circular economy
    - That the CRD lead regional collaboration and leverage municipal authority.
    - The CRD can also demonstrate leadership by prioritizing waste stream management licensing (Strategy 6.C) and source separation requirements (Strategies S.B and 9.F).

"Victoria staff very much welcome the comprehensive and progressive range of strategies and actions and comment the inclusive and collaborative approach taken by your team in developing this highly important plan."

Non-Response Municipalities

The following communities received the Draft Plan, CAO letter offering of presentation and invitation for input. To-date no response either in support or in opposition has been received.

City of Langford

District of Metchosin

District of North Saanich

District of Sooke

Town of View Royal

Electoral Areas

The following electoral areas received the Draft Plan, CAO letter offering of presentation and invitation for input. To date no response either in support or in opposition has been received from Salt Spring or Southern Gulf Islands electoral areas. Willis Point is within Juan de Fuca electoral area, is a Hartland neighbouring community and has expressed concerns about the Draft Plan.

Salt Spring Island Electoral Area;
Southern Gulf Islands Electoral Area, which includes Galiano Island, North Pender Island, South Pender Island, Saturna Island, Mayne Island, and smaller islands in the vicinity; and
Juan de Fuca Electoral Area, which includes the areas of East Sooke, Jordan River, Malahat, Otter Point, Port Renfrew, Shirley, Willis Point, and inland rural areas.

First Nations Consultation Findings

First Nations communities located within the CRD region include: Beecher Bay, Esquimalt, Malahat, Pacheedaht, Pauquachin, Penelakut, Songhees, Tsartlip, Tsawout, Tseycum and T'Sou-ke Bands. Each of these Bands has reserve lands within the boundaries of the CRD.

CRD staff met with Esquimalt First Nation and delivered a presentation of the Draft Plan and this meeting was generally positive. Neither support nor opposition was expressed.

Similarly, CRD staff also met with WSÁNEĆ Leadership Council (WLC) and delivered a presentation that was well received. In return WLC provided a letter with feedback and suggestions. A copy of this letter can be found in Appendix B.

WHAT WE HEARD

Commitment to inform among First Nations communities

WLC would like CRD to share information regarding the SWMP with Tsartlip, Tsawout, and Tseycum community members by way of WLC communication portals, social media and a newsletter. Inform communities about opportunities on an ongoing basis and, considering the extent of the SWMP and Hartland Landfill facilities, deeper and more meaningful consultation moving forward.

Educate First Nation communities on waste reduction principles

Educational material needs to be made available to the WSÁNEĆ community to promote the principles of waste reduction and share information on waste reduction opportunities.

Creation of WLC-CRD negotiation table

Request the creation of negotiation table and meeting schedule per agreement under the current Residual Treatment Facilities Memorandum. Given that Hartland Landfill is a major CRD operation in the WSANEC territory and also is the site of the SWMP, WLC is interested in negotiating impact benefits and partnership agreements.

GENERAL COMMENTS

"WLC would like to acknowledge the work the CRD is doing toward reconciliation and look forward to the next steps in our relationship."

Neighbouring Regional Districts

CRD's outreach to interested parties including the neighbouring Regional Districts of Cowichan Valley and Nanaimo. Both received CRD's Draft Plan and an offer of a presentation and invitation for input.

Cowichan Valley Regional District provided a letter of support confirming Board adoption of a resolution to endorse CRD's Draft Plan. This letter of support can be found in Appendix C.

In the spirit of regional collaboration, staff from the Regional District of Nanaimo gave a presentation of their SWMP to CRD's Environmental Services Committee in February, 2021.

"The CRD definitely has one of the lowest per capita disposal rates in the Province and, I would argue, it's one of the lowest per capita disposal rates in the world." — Larry Gardner, Manager of Solid Waste for Regional District of Nanaimo

Several of members of the public, community association and groups mentioned municipalities of Victoria and Nanaimo as examples of regions with strong solid waste management initiatives. As such, it should be noted that in March 2021, CRD was ranked as the top regional district with the lowest waste level per household among all British Columbia municipalities.

Public Consultation Findings

Phase 2 built upon public consultation activities of Phases 1. The 'public' category can be subdivided into two segments: A) general public and B) community groups/residents living near Hartland Landfill.

As acknowledged by Ministry of Environment in its *Guide to Solid Waste Management Planning*, it is unrealistic to expect everyone involved in the process to agree on approaches to solid waste management planning in the region. Through its approach, CRD has demonstrated that the public and interested parties were consulted on the Draft Plan and that the outcome of consultation was considered in the finalization of the Draft Plan.

GENERAL PUBLIC

Through February 15, 2021, feedback was received from the general public through www.crd.bc.ca/rethinkwaste A comprehensive summary of all 208 verbatims gather through the entire consultation process can be found in Appendix F. Feedback sentiment was a mix of supportive and critical. Similar reoccurring themes emerged.

Additionally, 18 letters from the general public were sent to the CRD Board directly. Most were the same form letter expressing opposition of the Hartland Landfill expansion and were the result of an effort by regional advocacy group, Mount Work Coalition.

WHAT WE HEARD

Supportive

Of the feedback that could be interpreted as 'supportive' of the Draft Plan, the three most commonly reoccurring feedback were:

- Felt the Draft Plan reflects ambitious reduction goals
- The Draft Plan is based on rational analysis
- Reflected a well-thought multi-pronged approach

"As a lifetime resident of Victoria (69 years), I support the expansion of Hartland waste facility and the adoption of a waste treatment plan based on rational analysis considering costs and not on dogma."

"I am 100% in favour of moving the commercial access to Willis Point Road and think it is logical and supported by facts as per the traffic study. I also support the guiding principles and goals outlined in the plan."

Critical

Of the feedback identified as 'critical' in nature, most appear to be based on the same four key issues of concern:

- Strongly opposed to the removal of trees (most frequently recurring comment)
- Desire for more aggressive waste reduction initiatives rather than landfill expansion (zero-waste)
- Negative impact on park/mountain bike trails
- Feel the Draft Plan is not in alignment with addressing climate emergency

"I am against the destruction of more natural habitat and instead I propose that strategies for the reduction of waste get more attention and funding. "

"I just read Jon O'Riordon's recent article, "Strive for zero waste, not expanding landfill" (Times Colonist Dec. 17, 2020), and have also read portions of the CRD draft solid waste management plan. I feel that the zero-waste target that the CRD has set (250 kilograms/person by 2030) is not nearly ambitious enough…."

Contrasting feedback

Some strategies and actions generated both positive sentiments and a desire for changes to the Draft Plan. These theme areas included:

- Desire for the exploration of gasification and incineration options as a means to eliminate expansion requirements; also desire to avoid thermally combusting waste and opposition to gasification and incineration;
- Looking for additional incentives or penalties to encourage/enforce reduction of waste;
- Range of views around the plan's waste diversion targets from a desire to strengthen the target to a feeling that the target is too ambitious.

"I am heartened by the knowledge that reforestation on closed areas of Hartland Landfill are ongoing, but also hope that the CRD will look for opportunities to expand public parkland elsewhere in the region to make up for the loss of trails that must be closed. Thank you for the opportunity to review the plan and offer feedback."

"The CRD and partnering municipalities should explore gasification as a means of generating energy and reducing deposits to the landfill.

HARTLAND NEIGHBOURS

Much of Phase 2 public consultation was with three community associations in immediate proximity to Hartland Landfill for whom the development and changes in traffic patterns would have the most directimpact. Specifically, Willis Point Community Association (WPCA), Highlands District Community Association (HDCA) and Prospect Lake District Community Association (PLDCA). Letters from the community associations can be found in Appendix D.

In tandem with the creation of the Draft Plan a traffic study was commissioned to understand the potential impacts of moving commercial access to Hartland Landfill from Hartland Avenue to Willis Point Road. Although not a formal part of the Draft Plan, a copy of the traffic study was placed on the website for reference and comment given that the predominant concerns from Hartland neighbours were traffic related.

1. Prospect Lake District Community Association

WHAT WE HEARD

Traffic safety is key concern

Vehicle, cycling and pedestrian safety is a primary concern

Illegal dumping

Observation of illegal dumping in various locations including Meadowbrook Road and BC Hydro right-of-way site as well as roadside litter due to poorly secure loads travelling to the landfill.

Loss of peaceful park land

Noise and traffic near Durrance Lake

IDEAS AND SUGGESTIONS

Mountain Road Forest fundraising goal

- We encourage CRD to secure the Mountain Road Forest as parkland. While we are grateful the CRD has committed great deal of money from the Land Acquisition Fund, there is still risk the sale will fall through without enough funding.

Speed and litter mitigation efforts

- Signage at trailhead, signage reminders, garbage receptacles
- Ensuring safety of parking situation at Durrance Lake
- Increase speeding enforcement

Illegal dumping

- Targeted campaign – both impact on community and how to report
- Install no dumping signs
- Clean-up of illegal dumping more quickly
- Expand landfill hours, possible for residents only.
- Increased bylaw enforcement

Better road cycling infrastructure

- Introduce a bike lane along Wallace Drive to connect to Interurban Rail trail
- Safety crossing
- Bike repair station

2. The Willis Point Community Association

WHAT WE HEARD

Opposed to tree removal, natural habitat and de facto park

Particularly concerned about the removal of 73 acres of forest, destruction of habitat and engaging in extensive blasting and quarrying. Doing so undermines CRD's commitments to address climate change. It also impacts recreational opportunities for the community, particularly the mountain biking community.

Adopt more aggressive waste reduction strategies

In doing so, extend the life of the Landfill. Regional examples cited include Victoria's *Zero Waste Strategy*, waste to energy project (explored by Esquimalt) and *One Planet Saanich*.

Concerns over plans to move Hartland traffic to Willis Point Road

Concerns expressed over the Draft Plan to redirect commercial truck traffic accessing the Landfill from Hartland Avenue to Willis Point Road, beginning in 2023, and diverting all Landfill-bound traffic in 2040.

Traffic related safety concerns

Want CRD to address a number of safety, traffic circulation and perception issues related to heavy truck traffic on to Willis Point Road. This includes icy surfaces in winter on the straight 9 percent grade, and the impact of heavy traffic on the mountain bikers, recreational and competitive cyclists that also use the road. Specific problem areas include:

- Problem intersection at the junction of Wallace Drive and West Saanich Road.
- Truck Bypass on Willis Point Road Northbound

Road Name Connotations

Concerned that the name Willis Point Road will be associated with access to the landfill and have negative affect on property values.

IDEAS AND SUGGESTIONS

Postpone Decision on Hartland Expansion

- Would like approval of any expansion of Hartland to be Stage-Gated so that both actual waste reduction achieved in the CRD, and the effectiveness of alternative methods be reviewed by Hartland staff and the CRD board in 2028 prior to any approval of Draft Plans to expand the landfill

Improve traffic safety

- A proper bike lane should be constructed up to the point where trucks will enter the Landfill.
- Improve problem intersection at the junction of Wallace Drive and West Saanich Road.
- We believe it is essential that a couple of truck pull-offs be created along with appropriate signage to ensure trucks travelling below 40kmph comply. Doing so will mitigate slow-downs of traffic and unsafe passing.

Renaming Lower Part of Willis Point Road

- Disassociate the road with “access to the dump”. Willis Point Road would begin at Ross Durrance Road and run north to connect Willis Point residences with the southern section of the road. The name “Mount Work Parkway” has been suggested.

Explore and adopt more aggressive reduction strategies

GENERAL COMMENTS

“The CRD is to be commended for looking ahead at the waste disposal requirements of the region up to the year 2045 and beyond. Unfortunately, we find the SWMP wanting in several respects with regard to these factors.”

ADVOCACY GROUPS

3. Mount Work Coalition

Similar views are shared between Mount Work Coalition and The Willis Point Association. Only new feedback, suggestions and comments not previously stated are reflected below. It should also be noted that MWC coordinated anad hoc petition related to Strategy 15 of the draft plan ('Enhance Hartland Landfill Capacity') and submitted their documentation to the CRD Board.

WHAT WE HEARD

Business as usual mindset approach to the Draft Plan

A belief that the Draft Plan is written with a preconceived mindset that the landfill requires expansion rather than a mindset to retain the existing size and seek more aggressive reduction initiatives.

Does not meet carbon neutral goals

The Draft Plan does not address the climate emergency and commitment of the CRD to become carbon neutral by 2050. It is in direct conflict with the Province's stated Climate Action goals and will not enable us to meet our 2030 greenhouse gas emissions targets.

Reliance on tipping fees to fund Hartland's operations is counter-intuitive to zero waste.

The tipping fee model provides no material incentive to reduce waste rather, it is a disincentive as is demonstrated by concerns to keep all waste disposal in the region.

Hartland and FortisBC methane agreement

We disagree with this strategy as it relies on a steady stream of decomposing waste being dumped into a landfill to feed the FortisBC system for a small amount of RNG.

IDEAS AND SUGGESTIONS

Add more concrete waste management actions into the Draft Plan

- As examples dedicated funding for a public educational campaign and financial incentives to encourage startups and incentivize waste management businesses that reuse waste, such as scrap businesses and plastic and rubber recycling.

Multi-pronged approach should be a cornerstone to the region's solid waste management plan.

- Reduce waste through promoting circular economies, changing consumer behaviour such as banning single use plastics, and investigating alternative uses for waste to energy projects such as gasification
- The CRD staff must work in partnership with other leaders using best practices

Tipping fees levers

- Tipping fees must be used to incentivize waste diversion as is being done in the Nanaimo Regional District and if alternate sources of funding are required to maintain the Landfill operation, a general tax levy may be required.

Develop a strategy to optimize landfill gas management

Amended the SWMP submitted in 2025 must establish a target of 125kg/person/year by 2040

Notify the Ministry of Environment

- CRD should notify MOE of its intention to submit an amendment to the Draft Plan by 2025 with strategies for attaining this target including an aggressive Zero Waste program, and an independent analysis and testing of alternative technologies such as IRM/gasification/Waste to Energy.

Reference Esquimalt project

- The Draft Plan submitted in 2021 should contain a placeholder for the Esquimalt waste to energy project subject to a business case being completed.

Strengthen the Draft Plan's Zero Waste initiatives by adding concrete plans

- As examples dedicated funding to create business incentives for entrepreneurs; create a public education campaign to draw awareness to Zero Waste, and use tipping fees to incentivize waste reduction instead of encouraging continued use of landfilling as a source of revenue.

Conduct an independent environmental assessment

- Prior to any plans to expand or alter the design of the landfill, conduct an independent environmental assessment including the spread of biosolids, to protect the natural ecosystem, wildlife, community health and the recreational users of the area.

GENERAL COMMENTS

"The Coalition is pleased to see that the Board [CRD] at its February 10, 2021, meeting reiterated that it was prepared to consider a more aggressive approach to waste reduction a year following the submission of the SWMP this summer."

4. Zero Waste BC

During the consultation period, CRD staff received a review of the Draft Plan from Zero Waste BC, a non-profit organization based on the Lower Mainland.

Staff reviewed the 38 recommendations made in this report and found that most suggestions were either existing CRD activities or ideas that are enabled by the actions in the Draft Plan. Many of these recommendations will be further investigated when the SWMP is implemented.

One feature of the Zero Waste BC report is its anti-incineration stance. A copy of the report can be found in Appendix E: Advocacy Group Feedback.

Impact of Consultation Findings on the Draft Plan

Following consultation with CRD municipalities, local First Nations, neighbouring regional districts, members of the general public and Hartland neighbours, feedback was collated and evaluated to determine how the Draft Plan should be refined. A summary chart was created and cross referenced feedback with the Draft Plan to determine where the Draft Plan already addressed feedback, where gaps exists and how to address them. Additionally, similar feedback received from multiple sources was colour coded to distinguish between singular recurring feedback.

As a result of input from Phase 2 consultation, several revisions have been made for clarity and to provide context for the strategies and actions in the Draft Plan. In quite a few cases, feedback provided was already accounted for in strategies outlined in the Draft Plan. It also became clear there is some confusion about the role of the CRD and the need for this to be explained better. In several cases input not reflected in the Draft Plan was due to it being outside of CRD jurisdiction or regulatory framework. The Feedback Summary / Cross Reference Chart can be found in Appendix C of the CRD staff report presenting these findings.

Appendix A: Municipal Letters of Support

Support Letter: City of Victoria

CITY OF VICTORIA

February 12, 2021

Robert Lapham, Chief Administrative Officer
Capital Regional District
625 Fisgard Street, Victoria BC
PO Box 1000
Via email: rlapham@crd.bc.ca

Dear Robert,

Re: Draft Solid Waste Management Plan

Thank you for the opportunity to provide feedback on the Capital Regional District's Draft Solid Waste Management Plan (SWMP). Victoria staff very much welcome the comprehensive and progressive range of strategies and actions and commend the inclusive and collaborative approach taken by your team in developing this highly important plan.

The development of the SWMP is well timed to complement renewed efforts to improve plastics management and recycling performance from the provincial and federal government. This region has a long-standing history and embedded community values of environmental stewardship and the SWMP positions the region as a leader in waste reduction and a facilitator for municipal collaboration around shared goals.

The City sees itself as a key stakeholder in the Hartland Landfill asset. It is estimated that one-third of the waste disposed at Hartland is generated by residents, businesses, industry and construction activities within Victoria. The City recently approved *Zero Waste Victoria*, which outlines 40 strategies to achieve a 50% reduction in waste disposal by 2040 with many of these aligning with strategic actions identified in the draft SWMP. It is also telling that 15 actions within the draft plan require direct involvement from CRD member municipalities to be successful and many more would benefit from municipal support and cross promotion.

Municipalities will play a vital role in meeting our regional solid waste targets, through the provision of their solid waste services and programs, and through the authorities granted under the *Community Charter* and *Local Government Act* that influence waste reduction. Available municipal tools include zoning, permitting, business regulation and nuisance regulation.

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The City of Victoria recognizes the Songhees and Esquimalt Nations in whose traditional territories we live and work
"Hay swx qə"

Victoria also has the authority to regulate land use, with existing permitting processes in place for development and construction and can influence the local market for reused and recycled construction materials through procurement as a land holder and purchaser, and through major expenditures for capital projects. Additionally, municipalities can influence the generation of solid waste in the community through regulations for the protection of the natural environment, subject to provincial approval.

There are opportunities for the CRD to leverage these municipal tools and authorities to maximize waste reduction potential and to this end, there are elements of the SWMP that are closely aligned with the City's own waste reduction goals and opportunities for local government collaboration.

This letter also provides recommendations for prioritizing actions under the SWMP to support the City's successful implementation of Zero Waste Victoria. Specifically:

1. Organics diversion
2. Construction, renovation and demolition material diversion
3. Supporting municipalities working towards zero waste and a circular economy

This will allow ongoing CRD/City engagement and collaboration and will create a framework for City staff to report back to Council on aligned strategies and planned implementation timelines.

1. ORGANICS DIVERSION

Despite regional landfill bans in place for kitchen scraps and yard waste, high volumes of organic material continue to be landfilled and downstream enforcement is challenging. Approximately 6% of Victoria's GHG emissions (21,000 tonnes CO_2e annually) are attributed to landfilled organic waste. Multifamily buildings and the commercial sector are responsible for about 85% of landfilled organic material generated in Victoria and improving source separation for this sector, including through regional harmonization, will be critical for reducing organics disposal.

Numerous BC jurisdictions have source separation guidelines or bylaws in place or planned, including the City of Surrey, Regional District of Nanaimo (RDN) and Metro Vancouver. Surrey's *Rethink Waste* organics collection service requires apartment residents to separate their organic waste from their regular household garbage. The RDN's Solid Waste Management Plan proposes to expand source separation requirements to all waste generators including businesses and multi-family residences. This action is supported through the licensing of waste haulers, which requires haulers to provide separated organics and recyclables collection. Metro Vancouver's Board has approved a commercial waste hauler licensing program, pending approval from the Minister of Environment and Climate Change Strategy, which aims to reduce waste and increase diversion at multifamily, commercial and institutional properties. Under the proposed bylaw, haulers will be required to provide their clients with bins for the separate collection of recyclables, organics and mixed municipal solid waste.

Improving source separation of waste materials is a short-term (2021-2023) priority action in Zero Waste Victoria and Victoria Council has explicitly directed staff to report back on options for increasing diversion rates for multi-family and commercial properties.

The CRD's SWMP highlights the importance of source separation requirements for multi-family and commercial waste diversion (Strategies 8.B and 9.F). The City has also heard strong support from local businesses and the community for consistent standards for private organics, recycling and waste collection. As part of implementing the SWMP, the CRD should create a model bylaw for such source separation requirements. This would support standardization across the region, consistent messaging and improved sorting behaviour.

To complement source separation requirements, the City of Victoria also supports shifting landfill disposal ban enforcement to the generator (Strategy 9.G). This action would increase compliance for current and future banned materials and avoid placing the burden of compliance only on haulers.

An additional challenge for organics diversion is inconsistent messaging for the acceptance of compostable and bio-based food service-ware and packaging at composting facilities. These materials represent significant waste management challenges and cause consumer confusion when sorting waste materials. Through engagement on Zero Waste Victoria, the City heard a desire from the business community for sustainable food service-ware purchasing guidelines that align with regional composting capacity.

Increased diversion of organics will require additional capacity for organics processing, preferably within the region and the City of Victoria is committed to working collaboratively with the CRD to support this essential infrastructure.

- **RECOMMENDATION:** That the CRD accelerate the creation of requirements for source separation in multi-family residences and commercial businesses, including through a model bylaw, to promote consistent messaging and compliance.

- **RECOMMENDATION**: That the CRD accelerate the development of guidelines for the use and acceptance of compostable and bio-based food service ware.

2. CONSTRUCTION, RENOVATION AND DEMOLITION MATERIAL DIVERSION

Material from the construction sector makes up between 23 and 37%[1] of Victoria's landfilled waste. Regionally, wood and wood products comprise 64% of waste from the construction and demolition sector disposed at the Hartland Landfill. Zero Waste Victoria includes several strategies to reduce waste from the construction sector, including requiring the salvage of reusable materials from building demolition, requiring recycling of other construction waste, and strengthening reuse markets for building materials.

Increasing local salvage and reuse of building materials presents new economic opportunities. A study produced for the Vancouver Economic Commission estimates that wood salvaged through deconstruction (i.e., dismantling rather than traditional demolition of buildings) in Metro

[1] Exact quantity not known. Between 50 and 75% of construction waste is estimated to leave the region and therefore not included in the reporting of material at the Hartland Landfill.

Vancouver is worth up to $340 million per year. Salvaging building materials will also create new jobs, including low-barrier and entry level employment.[2]

Complementary action by the CRD can accelerate diversion and salvage of valuable demolition materials, as the SWMP highlights. Specifically, the City of Victoria strongly supports the implementation of a clean wood waste ban and surcharges for mixed loads from the construction sector that contain recyclable or salvageable materials (SWMP Strategies 12.E and 12.F). The City also supports the CRD leading the development of, and facilitating regional collaboration on, policy and tools to support construction waste diversion (Strategies 12.B and 12.D). Additionally, collaborative action is needed to identify further opportunities to support material reuse markets in the region.

Waste stream management licensing is crucial for improving construction waste diversion. Waste stream management licensing has been shown to enable and support municipal tools and compliance in the lower mainland. For example, Metro Vancouver tracks construction and demolition waste through facility licensing under the Municipal Solid Waste and Recyclable Material Regulatory Bylaw which in turn supports member municipalities' construction and demolition recycling rules. The City of Victoria strongly recommends that the CRD prioritize the establishment of waste stream management licensing (Strategy 6.C). Facility licensing will provide crucial compliance tools for regulation of waste from the construction sector by the City of Victoria.

As an additional overall benefit, waste stream management would assist in tracking progress on the SWMP and municipal strategies, and support waste reduction through data disclosure and better understanding of material flow in the capital region.

- **RECOMMENDATION:** That the CRD establish a waste stream management licensing bylaw for private solid waste transfer stations and recycling facilities operating in the region.

- **RECOMMENDATION:** That the CRD prioritize implementing bans and/or surcharges for clean wood waste and mixed construction waste at the Hartland Landfill.

- **RECOMMENDATION:** That the CRD prioritize work with member municipalities to develop requirements and guidelines for construction waste diversion, including measures to grow the regional market for salvaged construction and demolition materials.

3. SUPPORTING MUNICIPALITIES WORKING TOWARDS ZERO WASTE AND A CIRCULAR ECONOMY

Regional District and member municipality waste reduction efforts are complementary and interdependent. Within this response to the draft Plan, we have sought to highlight the important role that municipalities play in reaching regional waste reduction targets. The success of Zero Waste Victoria depends on the CRD undertaking robust implementation of the SWMP.

[2] Elliot, K., E. Locatelli and C. Xu; The Business Case for Deconstruction (2020). Retrieved from: https://www.vancouvereconomic.com/research/the-business-case-for-deconstruction/

Likewise, the success of the CRD's SWMP requires action from member municipalities and leveraging of municipal authority.

Strategy 5 in the SWMP highlights several ways the CRD can support municipal waste reduction efforts. The City recommends that in addition to these measures, the CRD take a strong leadership role in facilitating regional collaboration on waste reduction and should establish a program to maximize use of municipal authorities to reduce waste. Such a program could include a working group or municipal liaison and support the development of regional tools and resources.

- **RECOMMENDATION:** That the CRD lead regional collaboration and leverage municipal authority.

The CRD can also demonstrate leadership by prioritizing waste stream management licensing (Strategy 6.C) and source separation requirements (Strategies 8.B and 9.F). These enabling actions will strongly support regional waste management and create opportunities to reduce waste from all sectors, in addition to organics and construction waste, as described above.

Concluding Remarks

The City of Victoria supports the strategies and actions drafted in the CRD's Solid Waste Management Plan and offers specific recommendations that relate to the implementation of the proposed plan in alignment with Zero Waste Victoria.

With the recent adoption of Zero Waste Victoria and given the important role within the region Victoria has in advancing waste reduction, on behalf of Council, I would like to invite your team to a future Committee of the Whole meeting to provide a presentation and take questions on the draft Solid Waste Management Plan.

Thank you again for providing this opportunity to comment.

Sincerely,

Jocelyn Jenkyns
City Manager

Support Letter: Victoria Mayor

THE CITY OF VICTORIA  OFFICE OF THE MAYOR

February 10, 2021

Dear Mr. Lapham and Ms. Hutcheson,

On behalf of Victoria City Council, it is my great pleasure to share *Zero Waste Victoria*, our plan to reduce waste disposal by 50% by 2040. Council recently approved this document which includes 40 strategies that eliminate unnecessary products, make reuse an everyday activity and improve our current recycling system.

When developing strategies and actions to implement this plan, we have been guided by our Waste Reduction Hierarchy which prioritizes reducing, reusing, and moving to a circular economy as areas with the biggest potential for cities to have an impact. However, proper disposal of waste plays a very important role and to this aim, Council has approved a Short-Term Action Plan which includes:

- Development of new single-use item regulations
- Changes to building permits to reuse and recycle materials from building demolitions
- New requirements for organics and recycling at multifamily and commercial properties
- Enhancements to the City's solid waste services

The City's waste services are guided by the Capital Regional District's Solid Waste Management Plan. As the CRD's Solid Waste Management Plan is under review, it is timely to share *Zero Waste Victoria* and to note our desire to continue collaborating at the staff and board levels on the review and updated plan, which will greatly impact our regional climate action.

Further, on behalf of Victoria Council I am also requesting that the CRD work with the City of Victoria and other local governments to advocate for "flow control" to regulate the export of solid waste outside the region. A regional approach is key to ensuring proper diversion from the landfill and eliminate the ability to simply export waste to another landfill outside our region.

We are proud of this action-oriented plan to steward a sustainable, prosperous future, and proud of City staff's hard work on *Zero Waste Victoria,* which involved two years of comprehensive analysis. It aligns well with the work that is underway at the CRD and we would welcome the opportunity to share more information or respond to any questions.

Sincerely,

Lisa Helps
Victoria Mayor

1 Centennial Square Victoria British Columbia Canada V8W 1P6
Telephone (250) 361-0200 Fax (250) 361-0348 Email mayor@victoria.ca
www.victoria.ca

Support Letter: Victoria Mayor

THE CITY OF VICTORIA  OFFICE OF THE MAYOR

April 8, 2021

Dear Chair Plant,

On behalf of Victoria City Council, I would like to thank Capital Regional District staff for their presentation on the Solid Waste Management Plan (SWMP) review, and for answering Council's questions at our March 25 meeting.

I am writing to you today to express Victoria City Council's support for the CRD adopting stronger solid waste reduction targets and adopting a goal of becoming a national leader in zero waste and the circular economy.

As local governments, we have both a responsibility and an opportunity to respond to the causes and impacts of climate change for the future sustainability and prosperity of our communities. Through the City of Victoria's own *Zero Waste Strategy*, we have identified reducing, reusing, and moving to a circular economy as areas with the biggest potential for cities to have an impact. While the recent SWMP review makes waste reduction a priority, more ambitious targets and a stronger emphasis on the circular economy are needed to change consumer and business behaviour, encourage local innovation, and extend the lifespan of the Hartland landfill. As the CRD's plan guides local waste management programs, adopting more ambitious goals will have a great impact on regional, and even national, waste reduction.

The CRD has previously led the region by declaring a climate emergency and encouraging collaborative climate action. Now, the SWMP review provides another crucial opportunity to rapidly respond to this emergency. By ambitiously prioritizing waste reduction and the circular economy, we can prepare our community for the changing climate, encourage new economic opportunities, and ensure a continued high quality of life for all - while living within the limits of the Earth's capacity to sustain us.

Sincerely,

Lisa Helps
Victoria Mayor

The City of Victoria recognizes the Songhees and Esquimalt Nations in whose traditional territories we live and work "Hay swx qa"

1 Centennial Square Victoria British Columbia Canada V8W 1P6
Telephone (250) 361-0200 Fax (250) 361-0348 Email mayor@victoria.ca
www.victoria.ca

Support Letter: District of Central Saanich

Central Saanich
1903 Mt. Newton Cross Road | Saanichton, BC Canada | V8M 2A9 | 250.652.4444

January 29, 2021 File No. 0400-60/21

Capital Regional District
625 Fisgard Street, PO Box 1000
Victoria, BC V8W 2S6

Attention: Russ Smith, Senior Manager of Environmental Resource Management

Dear Mr. Smith,

Re: Phase 2 of the Regional Solid Waste Management Plan

At their January 25, 2021 Regular Meeting, the Municipal Council of the District of Central Saanich passed the following motion:

That Council endorse the Capital Regional District's Solid Waste Management Plan.

Should you have any questions with respect to the above, please do not hesitate to contact the undersigned at 250-544-4202.

Sincerely,

Liz Cornwell,
Corporate Officer

Support Letter: Town of Sidney

TOWN OF SIDNEY
2440 Sidney Avenue, Sidney, British Columbia V8L 1Y7
Phone: 250-656-1184 Fax: 250-655-4508
Email: admin@sidney.ca Website: www.sidney.ca

January 29, 2021

VIA EMAIL: kmorley@crd.bc.ca

Kristen Morley
General Manager, Corporate Services
Capital Regional District
625 Fisgard Street
Victoria, BC V8W 1R7

Dear Ms. Morley:

Subject: CRD's Solid Waste Management Plan- Phase 2 of Public Consultation

Further to Mr. Lapham's letter dated November 20, 2020, this is to advise that Town Council, at a meeting held on January 25, 2021, considered the above subject Plan and resolved as follows:

> *That Council endorse the Capital Regional District's Draft Solid Waste Management Plan.*

I trust you will find this satisfactory.

Yours truly,

Sandi Nelson
Corporate Officer

Support Letter: District of Saanich

District of Saanich
Sustainability
770 Vernon Ave.
Victoria BC V8X 2W7

t. 250-475-5471
f. 250-475-5430
saanich.ca

PLANNING

Russ Smith
Senior Manager of Environmental Resource Management
Parks & Environmental Services
Capital Regional District
625 Fisgard Street
Victoria, BC, V8W 1R7

March 18, 2021

Dear Mr. Smith,

Re: CAPITAL REGIONAL DISTRICT DRAFT SOLID WASTE MANAGEMENT PLAN – DISTRICT OF SAANICH FEEDBACK

Thank you for the opportunity to review and provide feedback on the Capital Regional District (CRD) Draft Solid Waste Management Plan (SWMP) and for your presentation to Saanich Council on March 8, 2021.

This letter confirms that at the Special Committee of the Whole meeting held March 8, 2021, Saanich Council considered the report of the Director of Planning and Director of Engineering, dated February 25, 2021, regarding the CRD Draft Solid Waste Management Plan and resolved as follows:

"That Council:

1. *Receive the report of the Directors of Engineering and Planning dated February 25, 2021 for information; and*
2. *Direct staff to provide feedback to the Capital Regional District on the Draft Solid Waste Management Plan outlining, amongst more detailed comments, the following:*
   a) *Support for the Draft Plan and its focus on the 5R Pollution Prevention Hierarchy;*
   b) *The desire for the Capital Regional District to provide bold leadership and facilitate accelerated regional collaboration on powerful actions that achieve the waste disposal targets;*
   c) *The desire for the Capital Regional District to maximize the use of municipal authorities to reduce waste, providing the necessary resources to support municipalities, including the development of additional bans, surcharges, Capital Regional District bylaws, model municipal bylaws, processing facilities, requirements and guidelines that support actions such as waste stream management licensing, construction waste diversion, source separation in multi-family residences, use and acceptance of compostable and bio-based food service ware etc.; and*
   d) *The desire for the Draft Plan to reference the additional benefits of a regional organics processing facility associated with the greenhouse gas (GHG) emissions savings from the reduced transportation of organics outside the region."*

The attached staff report provides additional details related to the above resolution and outlines the alignment with key Saanich plans and policies, notably the Official Community Plan and the Climate Plan: 100% Renewable & Resilient Saanich. Municipalities play a vital role in meeting the regional solid waste targets through our services, programs and the authorities granted

under the Community Charter and Local Government Act that influence waste reduction. As such, the CRD and member municipality waste reduction efforts are complementary and interdependent and we have a considerable role to play in collaborating with the CRD to achieve implementation of the Draft SWMP.

Similarly, robust implementation of the CRD SWMP will be required to support the District of Saanich in implementing our strategic climate goals and targets. The CRD will need to provide bold leadership and facilitate accelerated regional collaboration on powerful waste reduction actions that maximize the use of municipal authorities in order to achieve this.

We hope the information outlined above and within the Staff report attached are useful in refining the CRD SWMP and we look forward to working with the CRD on bold action to implement the final Plan and its actions once adopted by your Board.

Yours sincerely,

Rebecca Newlove
Manager of Sustainability

Steve Wiebe
Manager of Fleet & Solid Waste Services

cc. Sharon Hvozdanski, Director of Planning
Harley Machielse, Director of Engineering

Enc.: Special Committee of the Whole Meeting Minutes, March 8, 2021
Report of the Director of Planning and Director of Engineering: Capital Regional District Draft Solid Waste Management Plan, February 25, 2021

Support Letter: District of Oak Bay

THE CORPORATION OF THE DISTRICT OF OAK BAY
MUNICIPAL HALL – 2167 OAK BAY AVENUE – VICTORIA, B.C. V8R 1G2
PHONE 250-598-3311 FAX 250-598-9108 WEBSITE: www.oakbay.ca

February 16, 2021

Mr. R. Lapham
Chief Administrative Officer
Capital Regional District
625 Fisgard Street, PO Box 1000
Victoria, BC V8W 2S6
Via email to: rlapham@crd.bc.ca

Dear Mr. Lapham,

Re: CRD Solid Waste Management Plan
District of Oak Bay Endorsement and Request for Presentation

Thank you for your correspondence of November 20, 2020 seeking endorsement from the District of Oak Bay Council on the Capital Regional District's draft Solid Waste Management Plan.

Council reviewed the draft Plan during their regular meeting of Monday, February 8, 2021 and subsequently passed the following resolution:

> *THAT the Draft Solid Waste Management Plan be endorsed and a letter be sent to the Capital Regional District thanking them for the opportunity to provide input and advising of Council's endorsement.*

As a municipal partner in regional solid waste management, Council very much appreciated your offer to have CRD staff meet with them to review the Plan in more detail and ask questions. As per your suggestion, I will follow up Mr. Russ Smith, Senior Manager, Environmental Resource Management to make the necessary arrangements.

Sincerely,

Lou Varela
Chief Administrative Officer

cc: Oak Bay Council
D. Horan, Director of Engineering and Public Works

Support Letter: Corporation of the Township of Esquimalt

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall, 1229 Esquimalt Road, Esquimalt, B.C. V9A 3P1
Website: www.esquimalt.ca Email: info@esquimalt.ca
Voice: (250) 414-7100
Fax: (250) 414-7111

Via email to: rsmith@crd.bc.ca

February 12, 2021

Russ Smith
Senior Manager, Environmental Resource Management
Capital Regional District
625 Fisgard Street
Victoria, BC
V8W 2S6

Dear Mr. Smith:

Thank you for presenting your Solid Waste Management Plan at the January 25th Township of Esquimalt council meeting. At our February 1st meeting, unanimous approval was given by council re: early budget approval to study the implementation of Integrated Resource Management.

As our next council meeting is not until February 22nd, we are unable to formulate any comments to meet your requested deadline of February 15th. Following the February 22nd meeting comments will be further developed and forwarded to you.

This letter constitutes that the Township will have more detailed comments to be forwarded to the CRD at a later date and request it be included in the collection of feedback you are gathering from CRD municipalities.

Yours truly,

Barbara Desjardins

Barbara Desjardins
Mayor

Support and Request for Modification: Township of Esquimalt

CORPORATION OF THE TOWNSHIP OF ESQUIMALT
Municipal Hall, 1229 Esquimalt Road, Esquimalt, B.C. V9A 3P1 Voice: (250) 414-7100
Website: www.esquimalt.ca Email: info@esquimalt.ca Fax: (250) 414-7111

File No. 0560-01

Via email to: rsmith@crd.bc.ca

March 1, 2021

Russ Smith
Senior Manager, Environmental Services
Capital Regional District
625 Fisgard Street
Victoria, BC V8W 2S6

Re: Comments on Draft Solid Waste Master Plan and Request for Modification

Dear Mr. Smith,

On February 22, 2021, Council had the opportunity to meet and discuss the Draft Solid Waste Master Plan (SWMP) that the Capital Regional District (CRD) presented at the January 25, 2021 Council meeting. The comments from this meeting are the ones referred to in the Township's letter of February 12, 2021. Please see the attachment for a copy of the February 22, 2021 report.

Council has reviewed the SWMP and agree with the draft as presented. However, the Township feels that the document is deficient in not referring to the Township's attempt to carry out an integrated resource management strategy for the solid waste, kitchen scraps and yard/garden waste streams generated within the Township. To rectify this deficiency, the Township is requesting that the CRD include, within the SWMP, an initiative that addresses the Township's efforts in this endeavour.

The Council resolution is contained within the attached report but reads as follows:

"That Council direct staff to contact the Capital Regional District to request that a section regarding Integrated Resource Management/Gasification be included in the submission of the draft Solid Waste Master Plan, as outlined in Staff Report No. EPW-21-006."

Please review the report and contact me to discuss how this deficiency can be addressed.

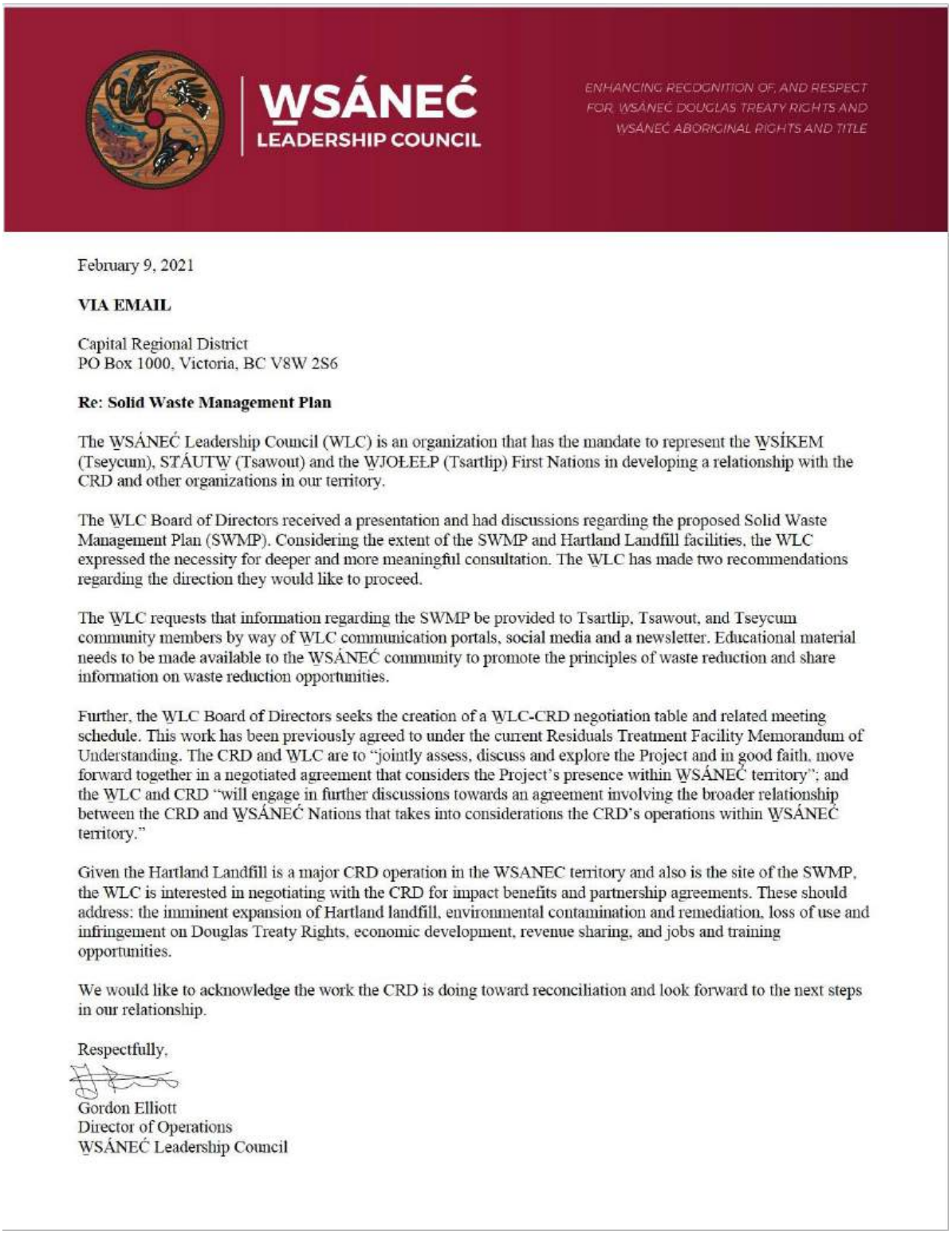
Yours truly,

Jeff W. Miller, P. Eng.
Director of Engineering and Public Works

Cc: Kristen Morley, Corporate Officer, Capital Regional District

Encl. Staff Report No. EPW-21-006

Appendix B: First Nations Letter



WSÁNEĆ LEADERSHIP COUNCIL

ENHANCING RECOGNITION OF, AND RESPECT FOR, WSÁNEĆ DOUGLAS TREATY RIGHTS AND WSÁNEĆ ABORIGINAL RIGHTS AND TITLE

February 9, 2021

VIA EMAIL

Capital Regional District
PO Box 1000, Victoria, BC V8W 2S6

Re: Solid Waste Management Plan

The W̱SÁNEĆ Leadership Council (WLC) is an organization that has the mandate to represent the W̱SÍKEM (Tseycum), STÁUTW̱ (Tsawout) and the W̱JOŁEŁP (Tsartlip) First Nations in developing a relationship with the CRD and other organizations in our territory.

The W̱LC Board of Directors received a presentation and had discussions regarding the proposed Solid Waste Management Plan (SWMP). Considering the extent of the SWMP and Hartland Landfill facilities, the WLC expressed the necessity for deeper and more meaningful consultation. The W̱LC has made two recommendations regarding the direction they would like to proceed.

The W̱LC requests that information regarding the SWMP be provided to Tsartlip, Tsawout, and Tseycum community members by way of W̱LC communication portals, social media and a newsletter. Educational material needs to be made available to the W̱SÁNEĆ community to promote the principles of waste reduction and share information on waste reduction opportunities.

Further, the W̱LC Board of Directors seeks the creation of a W̱LC-CRD negotiation table and related meeting schedule. This work has been previously agreed to under the current Residuals Treatment Facility Memorandum of Understanding. The CRD and W̱LC are to "jointly assess, discuss and explore the Project and in good faith, move forward together in a negotiated agreement that considers the Project's presence within W̱SÁNEĆ territory"; and the W̱LC and CRD "will engage in further discussions towards an agreement involving the broader relationship between the CRD and W̱SÁNEĆ Nations that takes into considerations the CRD's operations within W̱SÁNEĆ territory."

Given the Hartland Landfill is a major CRD operation in the WSANEC territory and also is the site of the SWMP, the WLC is interested in negotiating with the CRD for impact benefits and partnership agreements. These should address: the imminent expansion of Hartland landfill, environmental contamination and remediation, loss of use and infringement on Douglas Treaty Rights, economic development, revenue sharing, and jobs and training opportunities.

We would like to acknowledge the work the CRD is doing toward reconciliation and look forward to the next steps in our relationship.

Respectfully,

Gordon Elliott
Director of Operations
W̱SÁNEĆ Leadership Council

Appendix C: Regional District Support Letter

Cowichan Valley Regional District

CVRD

175 Ingram Street
Duncan, BC V9L 1N8
www.cvrd.bc.ca

Office: 250.746.2500
Fax: 250.746.2513
Toll Free: 1.800.665.3955

February 09, 2021 File No.: 5360-01

Russ Smith
Senior Manager, Environmental Resource Management
Capital Regional District
PO Box 1000
625 Fisgard Street
VICTORIA BC V8W 2S6

Dear Russ Smith:

Re: **Capital Regional District Solid Waste Management Plan (SWMP) Consultation**

Thank you for the opportunity to consult on the Capital Regional District's (CRD) Solid Waste Management Plan (SWMP). I am pleased to advise that the Cowichan Valley Regional District (CVRD) Board has adopted the following resolution at its meeting on January 13, 2021:

> *"That a letter be sent to the Capital Regional District (CRD) in support of their Solid Waste Management Plan update and that Cowichan Valley Regional District staff participate in the consultation process for development of the CRD's Solid Waste Management Plan."*

The CVRD Board supports the CRD's proposed updates to their Solid Waste Management Plan as drafted in the Solid Waste Management Plan report, dated November 9, 2020. The CVRD is particularly interested in the future progress of composting capacity within the CRD and increased capacity for the institutional and commercial Construction and Development (C&D) materials management within the CRD.

Fifteen strategies and action plans within the Draft SWMP will provide consistency in managing the solid waste as well as promote 5Rs of pollution prevention hierarchy across the two regional districts.

Sincerely,

Aaron Stone
Chair

Pc: Tauseef Waraich, Manager, Recycling & Waste Management

K:\0550-20 Council Meetings\2021-01-13 Board Support for CRD SWMP RPT Attachment B.docx

COWICHAN VALLEY REGIONAL DISTRICT

cowichan

Appendix D — Community Association Letters

Community Association Letter: Prospect Lake District Community Association

Prospect Lake District
COMMUNITY ASSOCIATION

February 4, 2021
RE: Commercial vehicle access to Hartland

To: Mr. Russ Smith
Senior Manager, Environmental Resource Management
Capital Regional District (CRD)

Thank-you for hosting the community conversations about commercial vehicle access to Hartland Landfill last month. As previously discussed, we have canvassed our members and compiled a list of concerns and mitigation suggestions for the CRD to consider as this project progresses.

On behalf of our members, we submit the following list of concerns, both directly related to the operational change, and additional concerns the CRD can support within our community:

1. Vehicle, cyclist, and pedestrian safety, specifically at the following locations:
    a. The intersection of West Saanich Road and Wallace Drive
    b. The intersection of Wallace Drive and Willis Point Road
    c. Rural roads in the area that often have illegal truck traffic (Wallace Drive, Prospect Lake Road)
2. Meadowbrook Road concerns:
    a. Increased use of the trail at the end of Meadowbrook Road has led to concerns including dog poop, traffic, parking, speeding, and litter
3. Illegal dumping
    a. Some notable locations include the BC Hydro right-of-way on Prospect Lake Road and several mailbox pull outs on Prospect Lake Road.
4. Roadside litter from poorly secured loads travelling to the landfill
5. The loss of peaceful parkland in our community due to noise and traffic near Durrance Lake

Further to these concerns, we offer the following mitigation ideas for your consideration:

1. The first, and most urgent way the CRD can help our community is to secure the Mountain Road Forest as parkland. While we are grateful the CRD has committed great deal of money from the Land Acquisition Fund, there is still risk the sale will fall through without enough funding. No amount of sidewalks, parking, infrastructure, or litter pick up can replace a natural forest. With the loss of forest in Mount Work Park and the detrimental effects of the construction at Hartland on the Durrance Lake area, we are

Prospect Lake District
COMMUNITY ASSOCIATION

losing greenspace. The single most effective thing the CRD can do for our community is to ensure the Mountain Road Forest fundraising goal is reached.

   a. The CRD should spread awareness of the fundraiser on social media and other available outlets to encourage community fundraising support.
   b. The CRD should commit any outstanding money at the culmination of the fundraising efforts. This land is not going to be for sale again; we cannot miss this opportunity. It would be a tragedy if we missed the target by a narrow margin. We need to add greenspace, not remove it.

2. Meadowbrook Road
   a. Speed limit and/or "respect the neighbours" sign on Meadowbrook Road
   b. Signage at the trailhead indicating "pack in, pack out" for trash
   c. Signage reminding dog owners to pick up poop and control their dogs
   d. Garbage receptacle installed and maintained at trailhead
   e. "No parking" signage along right-hand side of Wildview Crescent, or an assessment of parking issues in the area
3. Illegal dumping
   a. Campaign educating people about illegal dumping, something to make them think of how it affects us all. The average mattress or couch is not an expensive as many think it is to dispose of at the landfill; education goes a long way.
   b. Install no dumping signage with threats of fines in problem areas.
   c. Educate people on how to report illegal dumping.
   d. Clean up illegal dumping quicker.
   e. Expand landfill hours to include Sunday, possibly for residents only.
      i. Many people do their clean-ups and junk removal on weekends. This leads to people wanting to take their loads to the landfill on Sunday, finding the landfill closed, and then dumping illegally in our neighbourhoods.
4. Better road cycling infrastructure
   a. Bike lane along Wallace Drive to connect to Interurban Rail Trail
   b. Safe crossing for cyclists at the termination of the Interurban Rail Trail to cross or continue onto Wallace.
   c. A bike repair station in the area (many cyclists experience flat tires due to debris on the road in the area). Either the intersection of Wallace and West Saanich or Sparton and West Saanich would be excellent choices, as they would capture casual riders on the trail as well as road biking enthusiasts who ride along West Saanich Road.
5. Many residents live here for the access to mountain biking. It would serve a great deal of our community to continue to better the mountain biking trails on Mount Work, specifically ensuring a sustainable multi-use trail network throughout the entire park.

Prospect Lake District
COMMUNITY ASSOCIATION

6. Ensuring the safety of the parking situation for Durrance Lake. Residents do not want a huge parking lot encouraging more visitors than the natural space can handle, but they do want to be sure those parking are doing so safely.
7. Increased by-law enforcement for dumping, illegal truck traffic, and unsecured loads.
8. Increased police enforcement for speeding and other unsafe driving.
9. A transfer station serving the continuously growing Westshore community would have positive impacts for GHG emissions, road safety, and general traffic volume in our community. If it is unreasonable to have the landfill open to residents on Sundays, having a transfer station open could serve weekend users, in addition to these other benefits.
10. As the number of young families in the area is increasing, there is always desire for more playgrounds and other outdoor play areas for children. One idea is that the playground at Hamsterly Beach is in need of an overhaul, with plenty of space available.

As a Community Association Board, we are aware that we are not experts on implementing these changes, but we hope to inspire the CRD to help our community in a tangible way. Thank-you for considering these issues.

Sincerely,

Zoe Hole,

Secretary, Prospect Lake District Community Association

Community Association Letter: The Willis Point Community Association

The Willis Point Community Association, 6933 Willis Point Road, Victoria BC, V9E 2A1

February 14, 2021

Colin Plant
Chair, Capital Regional District
625 Fisgard Street
Victoria, BC, V8W 1R7

Copies to:

All CRD Board Members
Hon. George Heyman, Minister of the Environment and Climate Change
Hon. Lana Popham, MLA
Adam Olsen, MLA
Russell Smith, CRD Staff
Larisa Hutcheson, CRD Staff

Dear Mr. Plant,

I am writing on behalf of the Willis Point Community Association in response to the invitation for public comment on the CRD's Solid Waste Management Plan (SWMP).

The CRD is to be commended for looking ahead at the waste disposal requirements of the region up to the year 2045 and beyond. This plan needs to take into account a number of variable factors; population growth in the region, particularly on the West Shore, new technologies and strategies targeting zero waste and the climate emergency facing the region, the province, the nation and the globe. Unfortunately, we find the SWMP wanting in several respects with regard to these factors.

Landfill Expansion-Destruction of Natural Habitat

As the community association representing the Willis Point area, we are particularly concerned about the impact that the current plan will have on the Hartland Landfill, particularly the Plan's goal (based on the current waste reduction targets and strategy) to expand the waste disposal cells to the full perimeter of the property, in the process removing 73 acres of forest and engaging in extensive blasting and quarrying. These 73 acres are immediately adjacent to Mount Work Regional Park, and indeed have been a de facto part of the park for a number of years. They provide recreational opportunities for the community, particularly the mountain bike community, and are home to a number of endangered plant and animal species. Moreover, destruction of 73 acres of mature second-growth trees undermines the CRD's commitments to address climate change by removing a significant area of carbon sequestration. Continued expansion of the Landfill will also create more methane emissions, notwithstanding the intention to capture a portion of the increased emissions as renewable natural gas.

Explore More Aggressive Waste Reduction Alternatives

The alternative to Landfill expansion is to adopt more aggressive waste reduction strategies so that volumes of waste going to Hartland are significantly reduced, thus extending the life of the Landfill without expanding it and destroying part of Mount Work. There are several such initiatives underway in the region, such as the City of Victoria's Zero Waste Strategy, the waste-to-energy project being

explored by Esquimalt and Saanich's ***One Planet Saanich***. The current SWMP takes no account of these initiatives, and instead relies on a series of underfunded "best efforts" campaigns to reduce waste targets to 250kg per person in the region by 2030, in the process continuing to rely of a steady flow of waste in order to generate tipping fees to fund Hartland's operation. The Plan needs to go much further, as has been recommended by your own Solid Waste Advisory Committee.

Postpone Decision on Hartland Expansion

Given these developments, it would be irresponsible in our view for the CRD Board to approve any planned expansion of Hartland at this time. Instead, new more aggressive waste reduction targets and strategies should be explored and adopted. In the meantime, approval of any expansion of Hartland should be put on hold until progress in reducing waste is assessed.

In specific terms, the WPCA would like approval of any expansion of Harland to be Stage-Gated so that both actual waste reduction achieved in the CRD, and the effectiveness of alternative methods of dealing with MSW be reviewed by Hartland staff and the CRD board in 2028 prior to any approval of plans to expand the landfill.

Beyond planning for a Phase or Stage Gated review in 2028 to verify that there is a need for expansion, it would seem **no approval of expansion plans needs to be part of the current SWMP**.

Since no expansion implementation needs to take place before 2030, that allows time to consider expansion if necessary, and the Board and public will have had ample opportunity to apply new waste reduction strategies. We urge you to amend the SMWP accordingly, before it is submitted to the Ministry of the Environment for approval.

Moving Hartland Traffic to Willis Point Road

In addition to opposing the expansion of Hartland Landfill, we have grave concerns over the plan to redirect commercial truck traffic accessing the Landfill from Hartland Avenue to Willis Point Road, beginning in 2023, and diverting all Landfill-bound traffic in 2040. Despite earlier assurances in 2019 received from CRD staff that there were no plans to divert traffic, it would seem that a decision has already been made to do so. Our Association was offered two public consultation sessions to discuss this "proposed" change and was told that the decision was a "fait accompli", with the only thing left to discuss being mitigation efforts. While earlier discussion had argued for a road change based on "safety considerations" (despite the fact that Hartland Avenue has served quite adequately as the point of entry for the past half century), the rationale now put forward is "operational requirements". We have been told that there is "no viable alternative" to changing the access owing to the configuration of the Landfill which makes construction of internal access roads too expensive and challenging.

Safety Concerns

Unfortunately, the process of dealing with the traffic question has been less than transparent. That said, if this change is going to happen regardless of community opposition, then it is important that the CRD address a number of safety, traffic circulation and perception issues that will inevitably arise. The transfer of heavy truck traffic on to Willis Point Road will lead to several safety concerns, notably icy surfaces in winter on the straight 9 percent grade, and the impact of heavy traffic on the numerous

mountain bikers, recreational and competitive cyclists that regularly use the road. A proper bike lane should be constructed up to the point where trucks will enter the Landfill.

Willis Point Road is also heavily used by recreational users of Durrance Lake in Mount Work Park and McKenzie Bight in Gowland Tod Park, by commuters using the route through the Highlands to the West Shore and by residents of Willis Point. Willis Point Road is our only secure means of reaching the rest of the region. While the Bunt traffic study argues that Willis Point Road is designed for a heavier traffic load than Hartland Avenue, it ignores that fact that unless there is smooth traffic flow on to and off Willis Point Road, there will be traffic congestion and safety issues affecting residents, school bus operations, casual users and indeed the trucks accessing the Landfill. The biggest problem is the intersection at the junction of Wallace Drive and West Saanich Road.

Intersection of Wallace Drive and West Saanich Road

This intersection was not designed with heavy traffic loads in mind. It has a pull off area for residential mail collection and is also where the Interurban bike trail terminates. At the same time, it will be where heavy trucks collect to turn either north (left) on to West Saanich Road or south (right). In either case, trucks turning north will block sight lines and vehicles turning right. Wallace Drive joins West Saanich Road at the bottom of a hill where south bound traffic tends to pick up speed. Unless this intersection is redesigned, there will be serious safety and traffic concerns. The response from CRD staff during the traffic consultation was not encouraging. They noted the problems raised but indicated that the responsibility for addressing them lay with the District of Saanich. We are concerned that funding the necessary redesign and reconstruction will not be a priority for Saanich as relatively few Saanich residents will be directly affected. Therefore, it is important that the CRD recognize its responsibility to allocate funding for this work. If internal roads were constructed within Hartland to avoid shifting access to Willis Point Road, this would be feasible but costly. As the CRD will be saving considerable funds by using the public infrastructure of Willis Point Road, provided and funded by Saanich, it should allocate some of these savings to address the imminent real traffic and safety concerns of regular users of Willis Point Road.

Truck Bypass on Willis Point Road Northbound

Given the regular use of this road by Willis Point residents and the likely delays that will occur when traffic is stuck behind a slow moving heavily-loaded truck going uphill, we believe it is essential that a couple of truck pull-offs be created, with appropriate signage to ensure that trucks moving below 40 kph comply. The road speed limit is 60 kmph (although it is constructed for higher speed) and if traffic is impeded, there is a risk that drivers will take chances to pass despite only limited areas to do so. The traffic report, which argued against the construction of a passing lane, claims that traffic will be held up by less than a minute but that assumes that all trucks will maintain a speed of 60 kmph on the uphill grade, which is most unlikely. The provision of pullouts would be a compromise between doing nothing and risking impeding traffic and inviting unsafe driving, and constructing a full passing lane, which has apparently already been ruled out.

Renaming Lower Part of Willis Point Road

In addition to addressing concrete congestion and safety concerns on Willis Point Road and at the intersection of Wallace Drive and West Saanich Road, there is an additional, low-cost measure that the CRD can take to address concerns of Willis Point residents. In the minds of many, there will be an

unfortunate association of Willis Point with the Landfill once the new access point becomes the primary entry for trucks. This could have an impact on public perceptions, ultimately affecting property values, leaving the impression that Willis Point Road is the "access to the dump". We have discussed and support re-naming the lower part of Willis Point Road, the section running from Wallace Drive to Ross Durrance Road. Willis Point Road would begin at Ross Durrance Road and run north to connect Willis Point residences with the southern section of the road. We propose that the new name be connected to the prime function of this section of the road, which is to access Mount Work Park. The name "Mount Work Parkway" has been suggested.

Fortunately there are no residences on the part of the road to be re-named, and only one street sign (at Wallace Drive) to be changed. The new Residuals Treatment Plant is designated as "280 Willis Point Road". It has already been sign-posted so one small address change would be required but otherwise a change of road name would have no postal or property registration implications. While a cosmetic change, this would decouple the name "Willis Point" from the Landfill and is something that the Willis Point Community Association strongly endorses and advocates. We hope the CRD will work with Saanich to effect this name change.

Biosolids

We are one of the communities most affected by changes to the use of Hartland. Our community suffered through two years of construction as the new sewage pipeline was constructed and there continue to be occasional road interruptions. We have been subjected to odour problems arising from the commissioning of the Residuals Treatment Plant (RTP), which are ongoing. We are also concerned about the plan to spread biosolids at Hartland, once the RTP begins to produce them, as this could affect human, plant and animal life in areas adjacent to the Landfill. Given these and other concerns, we are hopeful that the CRD Board will review our input carefully and take action where possible.

Summary and Thank you

The CRD SWMP is important to the WPCA because of both proximity and general love of nature and concern for the environment among Willis Point residents. I believe that the general environmental and climate concerns expressed affect the greater community of the CRD well beyond Willis Point.

I thank you for the opportunity to provide the views of the Willis Point Community Association on the current draft of the Solid Waste Management Plan and related traffic issues.

Yours sincerely,

Daniel J. Kenway, P.Eng
President

Appendix E: ADVOCACY GROUP FEEDBACK

Advocacy Group Letter: Mount Work Coalition

FROM THE DESK OF

MOUNT WORK COALITION

February 12, 2021

Colin Plant, Chair CRD Board, and

CRD Board Directors

Feedback to the CRD on the draft Solid Waste Management Plan

Please find feedback to the draft Solid Waste Management Plan (the Plan) from the Mount Work Coalition, a non-profit society that formed as a group of concerned citizens with a mission to provide voice and support for the protection and responsible stewardship of the Mount Work Park area through education, advocacy and research.

1. Expanding the landfill

The Plan includes a proposal to extend the Hartland landfill site and earmarks 73 forested acres of carbon sequestering trees to be removed to prepare the area for blasting and excavating the side of a mountain. This is not a 21st century solution to waste management.

The Plan was written through the lens of a business as usual mindset predicting the landfill will reach capacity and therefore need to be expanded no later than 2045 - rather than through a lens of retaining the size of the existing landfill without expansion by rolling out new aggressive programs to reduce the waste over the next two decades. With less waste being dumped in the landfill, there will be less leachate into the rivers and lakes in the area. The Plan requires concrete waste management actions such as dedicated funding for a public educational campaign and financial incentives to encourage startups and incentivize waste management businesses that reuse waste, such as scrap businesses and plastic and rubber recycling.

This biodiverse forest of 73 acres should be kept intact to provide a natural buffer between the park and landfill, to protect species at risk, to protect the lakes and

streams and to protect the human health of those using/living next to Mount Work Park directly beside the landfill. The existing trails should remain for the enjoyment of mountain bikers.

The Coalition is pleased to see that the Board at its February 10, 2021, meeting reiterated that it was prepared to consider a more aggressive approach to waste reduction a year following the submission of the SWMP this summer. We strongly urge the Board not to trigger the expansion of the current footprint of the landfill until the amended plan is completed by 2025. The much more aggressive best practice solutions including Zero Waste, Circular Economy and emerging waste to energy technologies will reduce methane emissions to net zero through a complete transformation.

We firmly believe that the CRD can attain its aspirational target of 125 kg per person per year by 2040 with waste reduction strategies already being contemplated such as Zero Waste Victoria; the proposed waste to energy IRM project in Esquimalt and a change in tipping fees application as we will explain later. This new target should be included in the amended SWMP by 2025.

The current plan does not address the climate emergency and the commitment of the CRD and a number of municipalities to become carbon neutral by 2050, continues dumping of over a fifth of total waste in the form of organic matter though banned in law creates more methane and is in direct conflict with the Province's stated Climate Action goals and will not enable us to meet our 2030 greenhouse gas emissions targets.

According to the World Meteorological Organization's bulletin, "Carbon dioxide levels continue at record levels, despite COVID-19 lockdown", approximately 40 per cent of methane comes from natural sources, such as wetlands and termites, but 60 per cent comes from human activities, including cattle breeding, paddyfields, mines, landfills and biomass burning. Nature is now sending us a message, through wind storms and wildfires, and we must act now to do our part, as we have the ability to curb harmful methane emissions from a landfill.

2. What alternatives to landfilling has the CRD considered?

Landfills are a 19th-century solution to waste disposal. Today there are significant alternative technologies that can generate value from waste products. Furthermore, it is clear that without taking a hard look at how we consume and create waste, we will not be able to address the climate challenge that threatens our environment.

Governments across the globe, supported by their citizens have been installing multi-pronged strategies to reduce waste through promoting circular economies, changing consumer behaviour such as banning single use plastics, and investigating alternative uses for waste to energy projects such as gasification now under consideration in Esquimalt. This multi-pronged approach should be a cornerstone to the region's solid waste management plan. It can eliminate the need to build a bigger landfill, instead moving us in the appropriate direction of zero waste. The CRD staff must work in partnership with other leaders using best practices:

- Esquimalt is looking to be an early adopter of IRM/gasification technology that would see their waste converted to energy
- The Regional District of Nanaimo is promoting the 4Rs by cultivating a circular economy; uses tipping fees to encourage waste diversion rather that waste dumping and plans to divert 90% of its waste by 2027. If RDN can achieve a target of 109 kg/person/ year, so should the CRD.
- San Francisco is a global leader in waste reduction, has an effective pricing strategy that uses cost incentives/disincentives between waste and recycling.
- Switzerland has 100% waste recovery where they use a combination of material recovery and incineration for energy
- Sweden recovers 99% of its waste, converting it into heat that warms homes, power buses and taxis.
- The City of Victoria released its Zero Waste Victoria Plan to reduce current waste to Hartland by 50% by 2040.

3. Traffic Diversion to Willis Point Road

The planned relocation of commercial dump traffic to Willis Point Road is part of the draft SWMP. This decision is premature, given the opposition to expanding a landfill in the 21st century, the movement to Zero Waste, a circular economy, and waste-to-energy technologies.

The CRD staff should revisit this decision based on the premise that the landfill will not be expanded and that other regional municipalities will be implementing new technologies to manage their own waste. With less waste being trucked to the landfill, there will be less traffic, no expansion and no reason to reroute traffic. The CRD should be able to construct internal roads and fill alternate cells closer to the existing entrance off Hartland Avenue.

4. Biosolids

The CRD Board reversed its longstanding ban on the spreading of biosolids on land and will be spreading toxic biosolids within the Hartland perimeter for up to 6-8 weeks a year while the Lower Mainland facility undergoes maintenance. CRD communication describes this as a temporary solution, which is absurd since once spread, biosolid toxins remain in the ground, waterways and air - they are not temporary. CRD characterizes the area around the dump as a rural area, which is incorrect - it is a semi-rural with local residential communities and schools very close to the dump area, and the regional tourist attraction of Butchart Gardens, concerned as they are downstream of the dump and use the water in Todd Creek. The area is also home to many organic farmers in close proximity.

The primary challenge with the decision to spread biosolids at the Hartland dump is the lack of scientific evidence to demonstrate that it is safe for the human and wildlife populations in the area. Biosolids, even treated to Class A standards, contain microplastics. The scientific community is now researching the effects of microplastics in our lakes, rivers and streams. As the basic tenet of good environmental governance is the precautionary principle – given the lack of scientific certainty, the decision should be not to spread the biosolids.

Biosolids contain over 300 chemicals. Some will survive the drying process, and any trace of toxic chemical even at the lowest risk is unacceptable and will do significant damage to the 16 species that are endangered or threatened in the area, including the Western Painted Turtle and the Western Screech-Owl. Biosolids soak into the ground water and the wetlands and the 16 at risk species will digest or absorb the chemicals from the biosolids, destroying these endangered wildlife.

5. End Reliance on Tipping Fees as the Primary Source of Funding for Hartland

Reliance on tipping fees to fund Hartland's operations is counter-intuitive to zero waste. The tipping fee model provides no material incentive to reduce waste; indeed it is a disincentive as is demonstrated by concerns to keep all waste disposal in the region. Tipping fees must be used to incentivize waste diversion as is being done in the Nanaimo Regional District and if alternate sources of funding are required to maintain the Landfill operation, a general tax levy may be required. This is a small price to pay to meet climate change goals.

6. Strategy to Optimize Landfill Gas Management

The Hartland landfill signed an agreement with FortisBC to collect methane from the landfill. We disagree with this strategy as it relies on a steady stream of decomposing waste being dumped into a landfill to feed the FortisBC system for a small amount of RNG. Expanding the landfill and relying on a small fraction of the resulting methane gas collection is contrary to the mandate for the region to reduce GHGs. The landfill must be sustainable into the future without relying on outdated expansions.

In Summary

Our mission is to protect the Mount Work Park region and ensure science-based decisions are made concerning the Hartland landfill activities that impact the parks. As the CRD has declared a state of climate emergency and a goal for carbon neutrality, we believe that expanding a landfill by removing a biodiverse carbon sequestering forest, moving dump traffic and spreading biosolids is contrary to this goal and will lead to an overall increase in carbon. There are opportunities for emissions reductions using new technologies, zero waste initiatives, and increasing carbon sequestration by not expanding the landfill as trees absorb CO2. Minimizing GHG emissions are critical for meeting the CRD's goals.

1. Delay any approval for landfill expansion until an updated and amended plan is adopted in 2025.
2. The amended SWMP submitted in 2025 must establish a target of 125kg/person/year by 2040.
3. Notify the Ministry of Environment that the CRD intends to submit an amendment to the plan by 2025 with strategies for attaining this target including an aggressive Zero Waste program, and an independent analysis and testing of alternative technologies such as IRM/gasification/Waste to Energy.
4. The Plan submitted in 2021 should contain a placeholder for the Esquimalt waste to energy project subject to a business case being completed.
5. Conduct an independent environmental assessment prior to any plans to expand or alter the design of the landfill, including the spread of biosolids, to protect the natural ecosystem, wildlife, community health and the recreational users of the area.
6. Strengthen the plan's Zero waste initiatives by adding concrete plans such as dedicated funding to create business incentives for entrepreneurs; create a public education campaign to draw awareness to Zero Waste, and

use tipping fees to incentivize waste reduction instead of encouraging continued use of landfilling as a source of revenue

7. Ensure protection of species at risk in Mount Work Park, we are requesting the BC Ministry of Environment reinstate its longstanding ban (2011 and 2013) on the spreading of biosolids, planned to begin in February 2021.
8. Delay the decision to reroute landfill traffic to Willis Point Road until decisions are made to have regional municipalities manage their own waste with Zero waste and new waste to energy technologies.
9. The Amended Plan by 2025 would be subject to full public consultation during its development to ensure the public has ample opportunity to engage in accordance with Ministry policy.

Elaine Klimke, Chair on behalf of
Mount Work Coalition

cc: Russ Smith, Senior Manager, Environmental Resource Management

Larisa Hutcheson, General Manager of Parks & Environmental Services

Barb Desjardins, Chair, CRD Environmental Services Committee

Sources: https://public.wmo.int/en/media/press-release/carbon-dioxide-levels-continue-record-levels-despite-covid-19-lockdown

Advocacy Group Report: Zero Waste BC

A Zero Waste Review of the Capital Regional District's Draft Solid Waste Management Plan



February 10, 2021

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1 CONTEXT

Under the *Environmental Management Act*, the Province of BC requires that each Regional District develop and implement a Solid Waste Management Plan (SWMP). These plans are to be renewed every ten years (previously every five years but now with an effectiveness review at five years) and require public consultation before submission to the Ministry of the Environment and Climate Change Strategy (the Ministry) for ministerial approval.

The Capital Regional District (CRD) last updated SWMP is from 1995 and though it has been amended over the years, the 2020 draft SWMP represents the first update since then.

This report is a review of the draft SWMP from a Zero Waste perspective, which is to greatly decrease the need for landfill expansion through minimizing waste with all of the concurrent benefits. The report will outline what Zero Waste is and why it should be pursued, followed by a review of the draft SWMP using the Zero Waste Hierarchy and a discussion of solid waste system funding.

2 ZERO WASTE

2.1 Definition

Zero Waste is "The conservation of all resources by means of responsible production, consumption, reuse, and recovery of products, packaging, and materials without burning and with no discharges to land, water, or air that threaten the environment or human health."[1] This Zero Waste International Alliance (ZWIA) definition is peer-reviewed and is in contrast to "Zero Waste to Landfill" which is an industry-created definition meant to promote burning of waste and often requires no changes in separation of materials nor reduction of waste. Many organizations, including the City of Victoria, are using the ZWIA definition to provide the vision of what their actions are driving towards. While some may focus on the elimination of waste at the end of pipe, the key aspect is the conservation of resources and eliminating problematic materials and products, starting at the design stage. The highest level of recognition as a Zero Waste Community by ZWIA is when a local government has reduced disposal (to landfills, incineration and the environment) by 90% or more but communities are encouraged to embark on the process beginning with the level "Working Towards Zero Waste".[2]

2.2 Zero Waste Hierarchy

To aid in understanding the scope of policies and strategies that are part of Zero Waste plans and to evaluate them, ZWIA developed a hierarchy (see Appendix A). The Zero Waste hierarchy defines each level of the hierarchy and includes the guiding questions, principles and definitions. Zero Waste is more than just having no waste but includes systemic changes to our ways or producing and consuming materials starting at the top of this hierarchy.

The levels of the hierarchy are shown in Figure 1. The upper levels of the hierarchy are larger to emphasize that the most benefit in terms of the guiding principles arises from actions taken in these areas. The top three levels help to prevent waste while recycling and composting put the materials back in the useful loop. Material recovery

[1] Zero Waste International Alliance (2018). Definition accessed at http://zwia.org/zero-waste-definition/.
[2] Zero Waste International Alliance (2014). Zero Waste Community Certification. Accessed at http://zwia.org/zero-waste-community-certification/.

can put further materials back in the loop or sequester materials that would be harmful to recirculate (such as mercury or asbestos). Residuals management looks at what can be learned from what remains to continually improve Zero Waste systems. Destructive disposal systems are deemed unacceptable for many reasons. They destroy materials and thus the materials and the embodied energy[3] are lost; the technology is usually very expensive to both build and operate, and takes years to build so the opportunity costs[4] are high; all atoms going in must come out in some form and sometimes new more harmful molecules (such as dioxins and furans) are formed so pollution is a concern, and pollution reduction or capture technologies are expensive and do not fully mitigate the issue; the energy produced is often carbon-based with significant greenhouse gas impacts; and there is still residual waste to manage in landfills. This clear stance is in contrast to the pollution prevention hierarchy still used by the Province[5] which has the steps of Reduce, Reuse, Recycle, Recovery (materials and/or energy) and then Residuals Management. The Zero Waste Hierarchy was developed, in part, based on the experience of Europe where waste to energy or incineration was used extensively at significant expense but with harmful consequences and no real reduction in the throughput of materials.[6] Both hierarchies are designed to be planning tools, starting at the top, and the provincial website states that "once all achievable opportunities at a higher level have been taken, only then should the next level be looked at."[7]

Figure 1 Zero Waste Hierarchy



[3] Embodied energy is the energy all along the lifecycle that it took to make and deliver the products.
[4] Opportunity costs are what other actions were not taken due to the resources (staff, time or money) being spent elsewhere.
[5] Ministry of Environment and Climate Change Strategy (2020). 5R pollution prevention hierarchy. Accessed at https://www2.gov.bc.ca/gov/content/environment/waste-management/zero-waste.
[6] GAIA (2020). 5 reasons why Europe's garbage burning is a big problem. Accessed at https://www.no-burn.org/europewasteburning/.
[7] Ministry of Environment and Climate Change Strategy (2020). 5R pollution prevention hierarchy. Accessed at https://www2.gov.bc.ca/gov/content/environment/waste-management/zero-waste.

2.3 Circular Economy

A related concept to Zero Waste is the Circular Economy, with both having roots in the Cradle to Cradle concept of McDonough and Braungart.[8] Like Zero Waste, the Circular Economy also looks to design out waste and pollution, keep materials and products in use and regenerate natural systems.[9] Both concepts propose to move from a linear take-make-waste system to a circular model. This concept helps to highlight the employment and economic opportunities from reducing material throughput and waste and has growing momentum. The provincial waste planning guideline recommends both concepts be part of solid waste management plans.[10]

2.4 Why Zero Waste

As noted, Zero Waste is about more than having no materials for disposal, it is about reducing our footprint on the planet. Consumption patterns globally are not sustainable (see Figure 2 below).[11] Collectively humans use more than one planet's worth of area to provide goods and absorb wastes. This results in an ecological deficit where resources are not replenishing nor wastes absorbed to match the rate of consumption of materials or production of wastes. Growing and extracting materials and producing products has resulted in habitat and species loss, diminished soil quality, increased energy and water use, greenhouse gas emissions and other forms of pollution as well as the resulting solid waste. In addition to these ecological symptoms, there are also social ones such as inequity, injustices and human health risks. We are all starting to see the consequences of this, locally and globally.

Figure 2 Ecological Footprint of Consumption

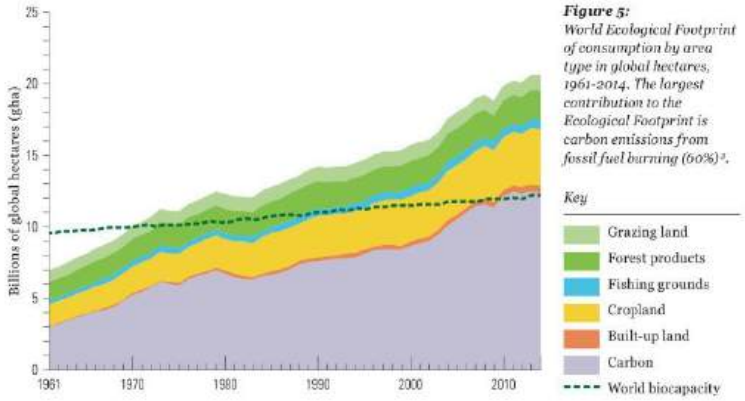
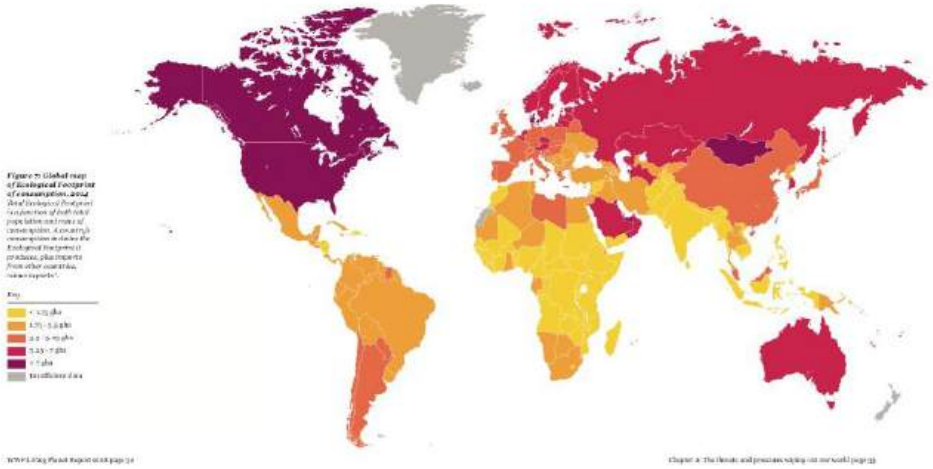


Figure 5:
World Ecological Footprint of consumption by area type in global hectares, 1961-2014. The largest contribution to the Ecological Footprint is carbon emissions from fossil fuel burning (60%)[2].

[8] McDonough, W. & Braungart, M. (2002). Cradle to Cradle: Remaking the Way We Make Things. More info at https://mcdonough.com/cradle-to-cradle/.
[9] Ellen MacArthur Foundation (2020). Accessed at https://www.ellenmacarthurfoundation.org/circular-economy/concept
[10] BC Ministry of Environment (2016). A Guide to Solid Waste Management Planning. Accessed at https://www2.gov.bc.ca/assets/gov/environment/waste-management/garbage/swmp.pdf. Page 16.
[11] World Wildlife Fund (2018). Living Planet Report 2018. Accessed at https://wwf.panda.org/knowledge_hub/all_publications/living_planet_report_2018/

Figure 3 below[12] shows that Canada and the US use a disproportionate amount of resources and so need to do more than other regions to decrease consumption of materials and production of wastes. To remedy this, we need to change to Zero Waste and Circular Economy systems. We also need all parties to do their part, whether it is federal, provincial and municipal governments, and businesses pursuing Zero Waste Strategies to citizens choosing purchases wisely and sharing or renting items.

Figure 3 Global Map of Ecological Footprint of Consumption



In addition to the environmental and social reasons to pursue Zero Waste, there is also a strong business case for it as a report commissioned by the Ministry showed with a net economic benefit, an increase in GDP and generation of income tax revenue.[13] There are many jobs and business opportunities that come with the pursuit of Zero Waste.

There is momentum building for Zero Waste and Circular Economy initiatives globally. In the EU, many cities have signed on to the Circular Cities Declaration.[14] The federal and provincial governments are also planning to take more steps and both have had recent papers out for feedback on some of their next steps. The CRD is well-placed to be a leader in this with the City of Victoria pushing for Zero Waste, Saanich's recent adoption of a plastic bag ban, neighbouring Regional Districts setting good examples, expertise within local academia and the community, a growing number of Zero Waste businesses, and broad support from citizens and environmental groups.

[12] Ibid.
[13] Hood, I. (2013). Zero Waste Business Case. Accessed at https://www2.gov.bc.ca/assets/gov/environment/waste-management/industrial-waste/industrial-waste/zero_waste_business_case_draft.pdf.
[14] Circular Cities (n.d.). European Circular Cities Declaration. Accessed at https://circularcitiesdeclaration.eu/fileadmin/user_upload/Images/Pages_Images/Circular_City_Declaration/CircularCitiesDeclaration.pdf.

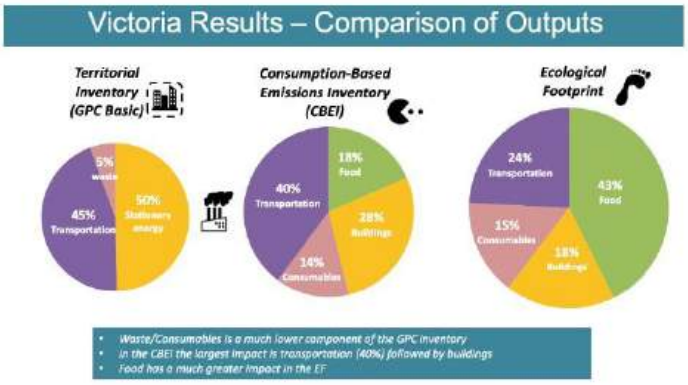
2.5 Role in Climate Change

Key elements of direct emissions from the solid waste management system include gas released from landfills (usually methane and carbon dioxide as a result of organic materials breaking down in anaerobic conditions) and transportation of materials from collection until the final destination. Landfill gas can be captured but the draft plan notes that only 68% was captured in 2018 at the Hartland Landfill. Ministry best practices aim for 75%[15] of the gas (though some systems report higher capture rates) meaning that significant amounts of gas, at least half of it methane, escape. This is especially problematic as methane is a very powerful GHG with a shorter lifespan (an impact of 84-87 global warming potential over a 20 year time span rather than 28-36 of 100 year time span is used).[16] There can also be significant emissions from burning of waste but this is not the case in the CRD at this time.[17]

Greenhouse gas (GHG) emissions are often looked at from a sector perspective as dictated by the Community Energy and Emissions Inventory protocol and from this view waste makes up 9% of the 2017 CRD emissions with buildings (36%) and on-road transportation (55%) making up the remainder. However, when looking at emissions from a systems perspective as Figure 4 below shows where all of the upstream emissions for the provision of goods, food and other consumption are included, it is apparent that choices of consumption and wastefulness have a bigger impact on GHGs. When the full ecological footprint is considered, it is clear that consumption choices have a very large impact.[18] This figure shows the comparison for the City of Victoria, which was one of the pilot communities for developing this tool, though other studies have found similar if not identical results.[19]

[15] BC Ministry of Environment (2011). Technologies and Best Management Practices for Reducing GHG Emissions from Landfill Guidelines. Accessed at https://www2.gov.bc.ca/gov/content/environment/waste-management/garbage/landfills.
[16] US EPA (2020). Understanding Global Warming Potentials. Accessed at https://www.epa.gov/ghgemissions/understanding-global-warming-potentials#Learn%20why.
[17] Using data from Metro Vancouver's financial plan and 2019 Biennial report, despite handling only ⅓ of the region's solid waste, the Burnaby incinerator's operating costs were more than double the cost per tonne of the landfill and emitted more than double the GHGs per tonne of the landfill.
[18] Moore, J. & Hallsworth, C. (2018). ecocity Footprint Tool -Pilot Project Results Webinar. Accessed at https://static1.squarespace.com/static/5ba7f601a09a7e3943945c4e/t/5bd28b31a4222fa1ffa274d3/1540524851172/Tool+Results+Webinar.pdf.
[19] Stolaroff, J. (2009). Products, Packaging and US Greenhouse Gas Emissions. Accessed at https://www.researchgate.net/publication/237808802_Products_Packaging_and_US_Greenhouse_Gas_Emissions#pf5.

Figure 4 Global Protocol for Community Emissions (GPC) versus Consumption-Based Emissions Inventory (CBEI) versus Ecological Footprint



Because these upstream emissions are not counted in the current scope of the local government reporting, they are usually ignored and so both climate action and solid waste plans often do not include strategies to address them. They still exist however, and a study for the C40 Cities suggested "urban consumptions-based emissions must be cut by at least 50% by 2030 to maintain the possibility of keeping global temperature rise below 1.5 C."[20] Of the cities examined for that study, 85% of the emissions associated with goods and services consumed within their boundaries are imported from elsewhere. This same report goes on to advocate for ambitious action in the next ten years, noting the need for high income urban areas to reduce the climate impact of consumption by 2/3 in the next decade. While each of these studies uses slightly different methodologies and cover different geographies, the bottom line is that consumption of materials, including food, has a GHG impact at each stage of the process from growing or extracting resources to manufacturing to sales to home or business to disposal. By reducing wasteful and unnecessary consumption, GHGs can be reduced more significantly than with a sole focus on waste diversion (recycling or composting) and far, far more than any energy recovery system would. The Closing the Loop report found that aggressive Zero Waste policies could save 6.2 million tonnes of CO_2e by 2040 while creating 7000 new green jobs in BC.[21] The City of New York's One NYC 2050 Plan also acknowledges that "carbon neutrality necessitates New York City achieving zero waste."[22] The City of Amsterdam's Circular Strategy

[20] C40 Cities (2019). New Research Shows How Urban Consumption Drives Global Emissions. Accessed at https://www.c40.org/press_releases/new-research-shows-how-urban-consumption-drives-global-emissions.
[21] Lee, M., Legg, R., Maxwell, S. and Rees, R. (2013). Closing the Loop -Reducing Greenhouse Gas Emissions and Creating Green Jobs Through Zero Waste in BC. Accessed at https://pics.uvic.ca/sites/default/files/uploads/Closing%20the%20Loop...pdf.
[22] The City of New York (2019). One NYC 2050 Building a Fair and Strong City. Accessed at http://1w3f31pzvdm485dou3dppkcq.wpengine.netdna-cdn.com/wp-content/uploads/2020/01/OneNYC-2050-Full-Report-1.3.pdf

notes that a circular economy is needed to stay within planetary boundaries and is part of their path to climate neutrality.[23] They also use doughnut economics[24] and recognize the need for social justice.

This realization that consumption drives a significant portion of GHG regardless of where the actual emissions may occur is why many progressive communities are looking at adopting consumption-based emissions inventories to help them better understand their impact and develop suitable strategies. Looking at waste and GHGs with this lens changes the focus from the traditional one: what we discard from our homes, institutions and businesses, to what we choose to consume, how we do that (owning versus sharing, reusable versus disposable), how long we keep the items in use and then how we discard them.

As noted in the Regional Climate Action Strategy,[25] which includes a goal to minimize waste generation, there are many co-benefits of climate action and similarly there are also many co-benefits from pursuing Zero Waste which go beyond less waste and GHGs.

The Ministry's guidelines for solid waste planning recommend that plans address the climate impacts of waste. According to the CRD website,[26] "in February 2019, the Capital Regional District (CRD) Board identified Climate Action & Environmental Stewardship as a priority for the region and approved a motion to declare a climate emergency... The CRD is developing and implementing strategies to address this issue." A strengthened Solid Waste Management Plan could be one of those strategies.

Finally, it is important to acknowledge that while GHGs alter the global climate, the impacts can be seen locally, here in BC experienced as increased forest fires and smoke, altered rainfall patterns (droughts and floods) and loss of species, which will have knock-on effects and costs to many communities and businesses. It is through our collective global action to reduce the GHG emissions that the local impacts can be minimized.

3 REVIEW OF DRAFT PLAN

The draft SWMP was reviewed through the lens of Zero Waste and using the Zero Waste Hierarchy. Each level of the hierarchy is noted below as well as the plan direction and supporting systems.

3.1 Plan Direction

The plan adopts and strengthens the guiding principles (including Zero Waste and the Circular Economy) that are recommended by the Ministry.[27]

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[23] Municipality of Amsterdam (2020). Amsterdam Circular 2020 -2025 Strategy. Accessed at http://carbonneutralcities.org/wp-content/uploads/2020/06/Amsterdam-Circular-2020-2025_Strategy_HighRes.pdf.

[24] Doughnut economics aims to have an economy that is within the ecological boundaries of the planet while providing the basic needs of its citizens (social boundaries).

[25] CRD Regional Climate Strategy (2017). Accessed at https://www.crd.bc.ca/docs/default-source/crd-document-library/plans-reports/climate/2017-04-12_regionalclimateactionstrategy_final.pdf?sfvrsn=da2e32ca_18.

[26] CRD (2019). Climate Action webpage. Accessed at https://www.crd.bc.ca/project/climate-action.

[27] BC Ministry of Environment (2016). A Guide to Solid Waste Management Planning. Accessed at https://www2.gov.bc.ca/assets/gov/environment/waste-management/garbage/swmp.pdf.

The goals for the plan are to:

1. To surpass the provincial per capita waste disposal target and aspire to achieve a disposal rate of 125 kg/capita/year.
2. To extend the life of Hartland Landfill to the year 2100 plus.
3. To have informed citizens that participate effectively in proper waste management practices.
4. To ensure that the CRD's solid waste services are financially sustainable.

As the preface of this section states these are aspirational, these goals could be far more inspiring. The guiding principles include a Zero Waste approach and so the aspirational target should be Zero Waste, rather than 125 kg/capita/year. If that goal is seriously pursued then the lifespan of the Hartland Landfill could be greatly extended and its role could be more as a hub for materials, research and education than for waste disposal. The role of citizens in a Zero Waste and circular economy system should be more than as correct sorters of materials, but instead as active participants developing a vibrant circular economy that minimizes material throughput and environmental harms while maximizing local benefits. Businesses, institutions and other sectors should also be actively engaged. It is appropriate to ensure the long-term financial stability of the solid waste services.

The plan uses the pollution prevention hierarchy which covers many of the same aspects as the Zero Waste Hierarchy but misses the top level where the systemic rethink and redesign considerations are included. The pollution prevention hierarchy includes energy recovery as acceptable (unlike the Zero Waste one and places it above residual management).

From a starting point of 382 kg/capita in 2019, targets for the per capita disposal rate are set at 340 kg or less for the third year, 285 kg for the fifth year and 250 kg for the tenth year. It also should be noted that the CRD has been close to the provincial target of 350 kg/capita for two of the past five years and so while this may be a stretch target for some regions, it may not be rigorous enough for others including the CRD.
The importance of stretch goals can be seen from history. In 1989, BC set a goal to reduce the average per capita disposal rate by 50% by the year 2000.[28] During those years, waste disposal per capita in the CRD fell from 654 kg/capita to 399 kg/capita. The target of 327 kg was not reached but the drop was significant. Since then the per capita number has fluctuated between 352 and 454.

In comparison, the City of Victoria has a target of 50% less waste disposed by 2040 and fully circular by 2050.[29] Victoria represents 1/3 of the waste going to the Hartland Landfill. The C40 Cities has a Zero Waste Declaration (to which Vancouver is a signatory) which sets a goal of 50% less waste disposed by 2030 (compared to 2015).[30] The equivalent for the CRD would be 172 kg/capita. The C40 Declaration also sets targets for waste generation (as in all materials discarded which includes waste, recycling and organics) to be 15% less and for diversion to increase to 70% by 2030. The cities commit to biannual public reporting. While the CRD draft plan does not show the diversion rate, Figure 1 of Zero Waste Victoria shows that its diversion rate is 51%.[31] The Regional District of Nanaimo (RDN)

[28] Government of Canada (2006). An Analysis of Resource Recovery Opportunities in Canada and the Projection of Greenhouse Gas Emission Implications. Accessed at https://www.rcbc.ca/files/u3/RR-opport-data-report.pdf.
[29] City of Victoria (2020). Zero Waste Victoria. Accessed at https://www.victoria.ca/EN/main/residents/climate-change/waste-reduction.html.
[30] C40 Cities (n.d). Advancing Towards Zero Waste Declaration. Accessed at https://www.c40.org/other/zero-waste-declaration.
[31] Same as footnote 28

had comparable waste per capita to the CRD (347 kg in 2014 -RDN to 369 kg for the CRD) and yet their target is far more aggressive at 109 kg by 2027.[32]

Recommendations:

- Adopt Zero Waste as the goal and engage all sectors of society in pursuing this.
- Adopt the Zero Waste Hierarchy as a guide.
- Adopt stronger targets (similar to the Regional District of Nanaimo).
- Gather information and add targets for reduced waste generation and waste diversion that at least match the C40 Zero Waste Declaration.

3.2 Rethink/Reconsider

Under the rethink/reconsider level of the hierarchy, the CRD draft plan includes some good measures. Developing and implementing a purchasing policy can encourage production of products made from reused, recycled or sustainably-harvested renewable, non-toxic materials and products that are durable, repairable, reusable, fully recyclable or compostable, and easily disassembled. The purchasing policy could also improve the market for the finished compost material. This should be developed in partnership with member municipalities as noted but also regional districts, universities, the provincial government, and institutions to maximize the impact. The CRD could join the Canadian Collaboration for Sustainable Procurement to maximize the impact and reduce the work involved in research. An annual report back to the Board as happens for the City of Vancouver is recommended. Incentives are another key component and the plan includes a fund for waste reduction (action 2B) and Pay As You Throw (PAYT) for tipping fees. A key one needed is to have higher tipping fees (more on tipping fees in section 4), ideally matching the CVRD fees to prevent waste migration and provide stronger disincentive to wasting. Additional fees will help to fund programs. The CRD has differential fees (free for recycling and Household Hazardous Waste (and lower for yard waste than garbage)[33] however the charge for kitchen scraps is higher than for waste which would encourage putting kitchen scraps in the waste. In addition, there is no surcharge or penalty for mixed waste loads such as for the Sunshine Coast, Whistler and Squamish, where fees may be double if the waste has a significant amount of banned materials (including recyclables and organics). The Regional District of Kootenay Boundary charges five times the tipping fee for loads with banned recyclable materials.[34] In addition to PAYT at the landfill, the CRD should work with member municipalities to have PAYT at the curb and elsewhere that makes it progressively more expensive by weight or volume to waste.

Other areas that need addressing for fees are for tires and unsecured loads. The fees for rimmed tires may be a disincentive. Work should be done with Tire Stewardship BC and the Ministry to ensure that the Extended Producer Responsibility (EPR) program is covering all costs associated with their products including the handling of rimmed tires so that the landfill does not need to charge fees to the end user. Unsecured loads can create litter enroute to the disposal facilities. One way to prevent this is to charge an additional fee for loads arriving unsecured as is done by many other regional districts.

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[32] Regional District of Nanaimo (2018). Regional District of Nanaimo: Solid Waste Management Plan -Planning for the Future of Our Waste -Road to 90% Waste Diversion. Accessed at https://www.rdn.bc.ca/sites/default/files/inline-files/2018%20SWMP%20Amendment_1.pdf.

[33] CRD (2020). User Guide Hartland Depot. Accessed at https://www.crd.bc.ca/docs/default-source/recycling-waste-pdf/hartlanduserguide.pdf?sfvrsn=88e2c3ca_8.

[34] Regional District of Kootenay Boundary (n.d.). Garbage, Compost & Recycle. Accessed at https://rdkb.com/Utilities-Waste/Garbage-Compost-Recycle/Landfill#mckelvey.

In 3.8 Residual Management, the need for understanding what remains in the waste will be highlighted but this information should feed back into systems change. Items that are not recyclable nor compostable need to be identified and this feedback needs to inform the federal and provincial directions for what materials may need to be phased out or regulated into an EPR program.

This plan can help to increase the local economy, through procurement policy and fostering local businesses that reduce waste. The plan could include actions to measure and promote this. For example, the Vancouver Economic Commission reports on the green local jobs created through the Greenest City Action Plan.[35] There could also be a specific working group to develop the Local Circular Economy that goes beyond Plan Monitoring Advisory Committee members and engages citizens, businesses, academia and others to develop Zero Waste businesses beyond what the CRD already has. The CRD is well-placed to do this given that there is a wealth of expertise (the University of Victoria and the Provincial Government is within its boundaries), there are numerous environmental non-governmental groups like One Planet Saanich, and that there are already a host of Zero Waste businesses in place.[36] It is key to get the mindset of citizens and businesses to change. This can come from education programs, bans on single use and commonly wasted items, and be part of solutions designed to encourage people to consume less.

Leading by example is another key strategy. Leadership can be demonstrated through in-house programs such as employee education; increased use of electronic documents; double-sided copying and printing and only when necessary; decreased use of non- recyclable paper; use of cloth towels or electric hand dryers in rest rooms; and where packaging is required in food operations, using only reusable and recyclable containers. Use of standard signage and bins in appropriate collection areas can also decrease the corporate waste.

Recommendations

- Increase tipping fees to align with neighbouring regional districts, ensure kitchen scraps are at a lower fee than the waste and add a mixed waste fee at double or more the regular waste tipping fee to encourage waste diversion.
- Work to address fees on rimmed tires.
- Add a fee for unsecured loads.
- Add an action to promote the local circular economy potential.
- Develop a program for the CRD corporate entity to model Zero Waste actions.
- Join the Canadian Collaboration for Sustainable Procurement.
- Have the CRD lead by example.
- Work with federal and provincial government on policies to reduce material throughput and waste.

3.3 Reduce

Strategy #1 Continue and Enhance Education Programs

Reduction is critical area for change and source reduction and the elimination of problematic materials should be the main focus. Reducing the materials at the source can then be supported by behaviour change components, not just incorporated but as the key driver for new and existing programs. The expansion of education to multifamily and ICI sectors is good as is expanding the K-12 programs to include the circular economy. While supporting

[35] Vancouver Economic Commission (2018). Green Economy. Accessed at https://www.vancouvereconomic.com/focus/green-economy/.
[36] Project Zero (2020). Accessed at https://www.project-zero.ca/resources.

environmental stewardship recognition is noted, it should include awards, labelling, accreditation and other forms of public recognition. In addition to the actions already listed, these could be added as well:

- Partner with other jurisdictions to share materials (for example, consider rolling out Think Thrice -Metro Vancouver's textiles campaign).
- Create targeted behaviour change campaigns based on the needs shown in the waste composition studies.
- Monitor results with ongoing waste audits and modify campaigns based on the feedback.
- Consider partnering with other organizations (not just product stewards): environmental groups, universities, the Ministry, and others to test out pilot programs. Share the results with other jurisdictions.
- Instead of just engaging residents on solid waste matters, work to promote the Zero Waste concept and increase avoidance of waste-generating materials and products, and diversion for all residents and businesses. Help citizens to understand the environmental footprint of their purchases and how to evaluate different options.
- Consider a waste or sustainability-focused newsletter like the Regional District of Nanaimo and City of Vancouver have.
- Foster and promote the refill, reuse, sharing, rental, and repair businesses in the region.
- Enhance and encourage more repair cafes such as those in Sooke, Fairfield and North Saanich.
- Conduct a toxics reduction campaign to reduce the amount of hazardous materials used.

Strategy #2 Encourage Waste Prevention

The actions in this strategy are also key for waste reduction and include promoting reduced consumption and consumer responsibility, supporting single-use item reduction efforts, promoting better packaging options and advocacy. These actions are sound but it is unclear how extensive they will be or not. Additional actions could include :

- Ensuring access to drinking water instead of bottled water by mapping it out as Metro Vancouver has done
- Developing a regional reusable cup share programs as the City of Freiburg has and use the same model for takeout containers.
- Working with local partners to develop and promote sharing services such as for reusable mug and takeout containers as well as other services.
- Work to reduce waste at the source and eliminate problematic materials including bans where possible.
- Collaborating with other local governments (and non-governmental organizations) to increase the efficacy of the advocacy to higher levels of government.
- Develop a plastic reduction strategy to reduce the use of plastics, plastic waste and microplastics. Collaborate with other governments as well as businesses. The next ten years will eb a critical time for this.
- Developing a program to encourage renovation of buildings over demolition.

Strategy #3 Support Reduction of Avoidable Food Waste

A strategy addressing food waste is sound and could be strengthened by setting a food waste reduction target. The actions to support residential and ICI food waste reduction, and food recovery organizations, as well as advocating for clarity and education on best before dates are suitable but the degree of action is unclear.

Given the large percentage of single family homes and the amount of kitchen scraps and yard waste generated, consideration should be given to:

- Continue with the Love Food Hate Waste program but strengthen its implementation.

- Work with partner organizations to decrease food waste.
- Develop a program to increase wildlife-friendly backyard composting. This is considered reduction as the material does not need to be collected nor transported and it can replenish the nutrients in the gardens.
- Grasscycling and xeriscaping can also be encouraged to reduce the amount of yard waste.

3.4 Reuse

Strategy # 4 Support Reuse Activities in the Region

This strategy has actions to continue support for reuse organizations; support of rental, reuse and sharing programs; and investigating free stores at facilities. Other actions should include:

- Develop a sharing economy strategy that identifies the top priorities[37] could result in the option to borrow a wide-range of items like York Region's Lendary. Support local sharing systems or set up ones to fill in the gaps (bikes, tools, cars, toys, kitchen gadgets).
- Hosting a ReBuild it Centre at Hartland.
- Mapping out local resources for sharing, rental, reuse, and repair. See Portland as an example.
- Hosting or supporting local repair cafes like in Metro Vancouver.
- Set reuse/refill targets across CRD buildings/spaces and invest in infrastructure for this.
- Support reusable diapers systems as household hygiene is a significant waste segment.
- Advocate for the Right to Repair, mandatory warranties, time frames for parts availability, requirements for online manuals, and plans for components
- Advocate for EPR programs to be responsible for supporting repair and reuse of their products (where suitable).
- Ask for federal and provincial investment in reuse, repair, refill, etc. and circular systems for scaling local initiatives.
- Incentivize house moving and construction material reuse through regulatory strategies, enforcing limits on waste generation and expanding environmental obligations. This should be done in partnership with member municipalities.

3.5 Recycle

Table A of the Waste Composition study[38] (which is a more detailed look at the data in Figure 4.2 of the draft plan) shows that over 50% of the waste is comprised of materials that are banned or could be recycled. This highlights the needs for more education and enforcement of the bans. Products and packaging covered under the Canadian Council of Ministers of the Environment Canada-wide Action Plan for Extended Producer Responsibility[39] represent 61% of the waste and highlights the need for the Ministry to follow through on its 2009 commitment to require producer responsibility systems for Institutional, Commercial and Industrial (ICI) Packaging and Printed Paper (PPP); textiles and carpet; furniture; and construction and demolition materials (though the target date was 2017). The Ministry took a step towards parts of this with its recent Discussion Paper but the CRD must continue to play a strong role in pushing for complete and speedy delivery of the Canada-wide Action Plan.

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[37] One Earth (2015). Local Governments and the Sharing Economy. Accessed at http://www.localgovsharingecon.com/uploads/2/1/3/3/21333498/localgovsharingecon_report_full_oct2015.pdf.
[38] Tetratech (2016). 2016 Solid Waste Stream Composition Study. Accessed at https://www.crd.bc.ca/docs/default-source/recycling-waste-pdf/WasteCompositionStudy2016.pdf?sfvrsn=baab36ca_4.
[39] Canadian Council of Ministers of the Environment (2009). Canada-wide Action Plan for Extended Producer Responsibility. Accessed at https://www.ccme.ca/files/current_priorities/waste/pn_1499_epr_cap_e.pdf.

Many of the strategies in the CRD draft plan relate to recycling for different waste generating sectors (residential - single family and multifamily; ICI; construction and demolition; and public spaces). They are noted here along with ways to enhance the plan.

Strategy #7 Increase Residential Diversion

Actions for this strategy include promoting diversion, working with service providers to support depot diversion, encouraging local processing and markets and developing tools for event recycling. Additions could include:

- For events, the CRD should work with member municipalities to require zero waste plans to be part of event permitting process.
- The grey box system for glass collection, such as the City of Vancouver uses, should be examined to see if this could increase diversion.
- Work with service providers to do more checks, education and enforcement of disposal bans at point of collection.

Strategy #8 Increase Multi Family Diversion

Actions include supporting diversion through education, working with partners to develop source separation requirements, developing a policy guide and collaborating with stakeholders to support recycling. These are all suitable and good examples exist elsewhere that can be used.

- A review should be done to make sure the Recycle BC program covers all the appropriate multifamily buildings in the CRD.

Strategy #9 Increase ICI Diversion

Actions include providing resources such as a business waste reduction liaison, advocating EPR for ICI packaging and paper, creating a toolkit, encouraging municipalities to require waste management plans with business licenses, developing policy for ICI space and access requirements, working with partners on source separation requirements and investigating disposal ban enforcement of generators. These are all suitable and good examples exist elsewhere that can be used.

Strategy #10 Support Existing and New EPR Programs

These actions are to advocate for expanded EPR programs, standardized programs and return-to-retail opportunities. It also looks to work with the stewards to increase consumer awareness of programs. Advocacy is the main element for this and the CRD can also:

- Work to ensure that the EPR programs are fully delivering on their obligations including doing more on the first levels of the hierarchy.
- Ask that the Province meet its commitments to the Canada-wide Action Plan for EPR in a timely fashion.
- Work with other local governments to ensure the programs are as effective as possible and that local governments have a voice in program delivery and plans.

Strategy 12# Increase Construction, Renovation and Demolition Material Diversion

The actions include a clean wood waste ban and looking at surcharges for mixed waste loads along with programs for hazardous materials. In addition to this, the CRD could:

- Develop a Construction and Demolition materials hub at Hartland (as the City of Vancouver is investigating).
- Form a Construction and Demolition working group to determine best practices
- Require deconstruction not demolition (building on Metro Vancouver's model bylaw).
- Charge a waste levy on materials to drive diversion and track data.
- Ask the provincial government to work towards a building code that incorporates future deconstruction needs and factors in embodied carbon and to create a deconstruction step code.
- Work with province to include design guidelines in Building Code to ensure adequate space for waste sorting in new developments (both in unit and in building). Whistler is an example of a jurisdiction that has worked with existing buildings.

Strategy #13 Encourage Proper Public Space Waste Management Activities

The actions include developing educational materials, promoting alternatives to illegal dumping, developing a regional approach to prevention and bylaws, work on reporting systems and investigate large bulky item disposal. Other actions should include:

- For bulky disposal, the CRD should advocate for the promised EPR programs for furniture, mattresses and carpet and ensure that programs for bulky items have a pickup component.
- The CRD asking that the Recycle BC program is required by the Ministry to deliver service in public spaces as noted in the Recycling Regulation.

Additional Recommendations:

- Developing common regional signage to assist in correct sorting of materials. This should be done in conjunction with member municipalities, businesses and EPR programs. An example of this has been done by the Squamish-Lillooet Regional District.
- Banning materials before EPR programs exist. For example, Metro Vancouver have banned mattresses from their facilities and this ensures materials for the mattress recycling businesses that have arisen.
- Working with service providers to provide biweekly service for curbside garbage collection and weekly service for organics pickup. This has proven to reduce waste in other regions.[40]
- Targeting funding towards recycling materials that are not currently recycled by encouraging non-profit and private sector innovation such as in the RDN's plan.
- Educate around and enforce the bans. Feedback at each step of the process (at collection, at transfer and at the landfill) is essential to help educate waste generators on how to reduce their waste. This will require partnership with other organizations that deliver these waste collection and management services. This could require friendly waste educators monitoring collection runs and cameras on waste trucks checking each tip.

3.6 Compost

The 2016 Waste Composition study[41] (Table A, page 2) shows that 10% of the total waste was avoidable food waste and another 1.6% was of donatable quality. Another 7% was the type of material that could have been composted in backyard composters. These components are 18.6% of the waste compared to all organics at 21.1% of the waste stream. This shows that a strong focus on food waste prevention and a program to encourage backyard composting could significantly reduce the amount of organics that need to be collected and processed.

[40] Clean 50 (n.d). City of Surrey -Rethink Waste!. Accessed at https://clean50.com/projects/city-of-surrey-rethink-waste/.
[41] Tetratech (2016). 2016 Solid Waste Stream Composition Study. Accessed at https://www.crd.bc.ca/docs/default-source/recycling-waste-pdf/WasteCompositionStudy2016.pdf?sfvrsn=baab36ca_4.

This could reduce the costs for that infrastructure. It also highlights the risk in relying on the energy from organic material if the infrastructure is not scaled appropriately. The goal of composting should be high grade compost to support regenerative agriculture. This not only reduces waste but can help to support food security and resilience.

Strategy #11 Increase Organics Diversion and Processing Capacity

This strategy addresses some of the present issues and has actions to promote diversion, develop a processing facility, support compost markets and to develop guidelines for use of compostable products and packaging.

Recommendations:

- Consider also decentralized composting for high generation areas.
- Processing for the rest scaled to consider the reduction through reduced food waste and backyard composting.
- Education and enforcement for bans.
- Identify and develop other end market.

3.7 Recovery

While no specific strategies were in the plan under recovery, further work to reduce the use of hazardous materials and increase the coverage of hazardous materials under EPR programs should be done.

3.8 Residual management

Two strategies were noted under residual management. The Zero Waste Hierarchy recommends using existing landfills and managing them well (using best practices for gas, leachate, monitoring, etc.). This plan follows these recommendations.

Strategy #14 Optimize Landfill Gas Management

Capturing landfill gas helps to reduce the impacts of past mistakes (putting organics in the waste) but no system captures all of the emissions and there is still a loss of nutrients from the soil. There is also a risk that the drive to capture landfill gas takes precedence over the more beneficial reduction of organic waste and composting what remains. Caveats on this strategy are to ensure that the need to fulfill the contract with Fortis does not conflict with organics reduction strategies and that food waste prevention, back yard composting, support of practices to decrease yard waste, and other strategies higher up the hierarchy take precedence over the production of landfill gas. Ensure the systems are scaled appropriately to the intended volume of organic materials, not the current level.

Strategy #15 Enhance Hartland Disposal Capacity

The actions include reviewing ban enforcement levels (subject to recycling market conditions), use best practices at the landfill, develop design options to maximize capacity and conduct research into emerging technologies. One of the key ways to preserve capacity is to increase ban enforcement levels (not just review them) and to add new bans. As much of the material could be diverted already, strengthening this system along the disposal chain will be key. The CRD is to be commended for planning ahead but given that this plan is for ten years with an effectiveness review at five years, it may be premature to be developing additional capacity, especially when capacity can last longer through more aggressive Zero Waste policies. Phase 2 is expected to last until 2045 but this can be greatly

extended it by adopting the recommendations above. The less waste produced and the longer the existing landfill space can last, the lower the impact on the surrounding area.

Consider the waste that remains as a key source of information on the effectiveness of the plan's actions. This information should be used to then add or adjust actions or continue what is effective. This information should be used to tweak these programs, develop new ones or to share with higher levels of government and other stakeholders so that they can make appropriate changes as well. It can also be used to provide feedback to other entities. For example, the Zero Waste Research Center in Capannori found that the coffee pods were a problematic material so they worked with the producer to find a biodegradable solution.[42] EPR programs also have an interest in understanding the effectiveness of their programs so partnerships should include their support for waste composition studies, for which the data should be made public. It is also important to understand, gather data on, and ensure the same standards are met for waste flowing to outside the region. Victoria's Zero Waste plan also notes the need for improved regional waste flow data disclosure.

Recommendations

- Conduct regular waste audits and biannual waste composition studies. Work with EPR programs to have them pay for their share of waste composition studies. Make the data public. Make changes based on results.
- Understand and restrict waste flows outside of the region.
- Delay work on landfill expansion and pursue Zero Waste actions instead.
- Mandate clear bags for waste a soon as possible.
- Ensure the public is aware of the progress (or not to date) through publishing the annual report along with advertising and creative means such as a waste thermometer at the landfill.

3.9 Unacceptable

The Zero Waste hierarchy does not promote burning of waste. Backyard burning is noted as a debris management option but an analysis should be done to see if this material is suited for the organics management facility as such facilities may be short of chipped wood.

The CRD is also to be commended for not pursuing thermal technologies for waste destruction in this plan however the plan does mention investigating emerging technologies. While it is unclear what the scope of these technologies may be, it is important to note some examples from other regional districts where they have been clearer in their opposition to waste-to-energy technologies. The Squamish-Lillooet Regional District Solid Waste and Resource Management Plan states that thermal treatment of mixed waste is excluded from consideration for future management of residual waste.[43] The Fraser Valley Regional District notes in its plan that it "does not support the use or inclusion of incineration as a method of "recovery" and goes on to outline that the rationale is because it still requires landfilling, produces toxic residuals and air emissions, produces GHGs, wastes energy and natural resources, creates a demand for waste, imposes long-term financial burdens on local government and there are safer, smarter ways to manage non-recyclable material.[44] The RDN notes it will "continue to review and

[42] Zero Waste Europe Cities state of ZW (2020). https://zerowastecities.eu/wp-content/uploads/2020/12/zwe_report_state-of-zero-waste-municipalities-2020_en.pdf.
[43] Squamish-Lillooet Regional District (2016). SLRD Solid Waste and Resource Management Plan. Accessed at https://www.slrd.bc.ca/sites/default/files/pdfs/UES/recycling-composting-solidwaste/SWRMP/SLRD%20SWRMP%202016-03-16.pdf.
[44] Fraser Valley Regional District (2015). Solid Waste Management Plan Update 2016-2026. Accessed at https://www.fvrd.ca/assets/Services/Documents/Garbage/SWMP.pdf.

consider alternative technologies that are consistent with the Zero Waste Hierarchy and goal."[45] The Sunshine Coast Regional District adopted the Zero Waste Definition and a report noted that waste incineration would be contrary to their SWMP.[46]

Recommendation:

- Include clear language to prevent the use of destructive thermal technologies for managing waste.

3.10 Supporting Systems

In addition to the hierarchy there are some strategies that provide supporting systems to achieving Zero Waste and for which there are two strategies that would fall under this category.

Strategy # 5 Support Local Governments in Working Towards Zero Waste

This strategy includes actions for developing model language for bylaws, best practices, OCPs and economic development strategies; identifying need and zoning for solid waste facilities; enabling local recycling infrastructure; use of PAYT; and the use of clear bags. The CRD could also:

- Encourage more local governments to follow Victoria's example and create their own Zero Waste plans, tackle different strategies, and share the results. Collaboratively, local governments working on Zero Waste could engage with senior levels of government to work on road blocks they encounter.
- Work with local governments to encourage or mandate waste audits in the ICI sector.

Strategy # 6 Continue and Enhance Policy Development

This strategy includes model procurement policies, expanding material bans, investigating waste management facility licensing, investigating regulatory mechanisms for material management and looking at options for debris.

There also need to be:

- An inclusion of a requirement to report data with the licensing of waste management service providers and facilities.
- Interregional cooperation -working with other regional districts to share best practices and collaborate on advocacy.
- Membership in the National Zero Waste Council and other entities to foster Zero Waste systems.

Overall there are many sound strategies in this plan but the big question is how far and how quickly will they go. Appendix E of the draft plan shows that many new strategies (such as supporting renting/sharing/reuse programs and increasing residential, multifamily and ICI diversion will not be implemented until after year 5. The effectiveness of the plan will come down to resources dedicated to implementation. The key will be adequate staff time, scope and financial resources dedicated to solid waste. Frequently, regional districts will develop sound plans and then consistently underfund or ignore them until the next crisis in disposal capacity results. Sound management of solid waste requires early, ample and consistent efforts to minimize waste to preserve the

[45] See footnote 28.
[46] Sunshine Coast Regional District (2019). Special Infrastructure Services Committee agenda. Accessed at https://www.scrd.ca/files/File/Administration/Agendas/2019/2019-JAN-25%20ISC%20Agenda%20Package%20-%20Special.pdf.

remaining disposal capacity as long as is possible. This remaining capacity should be highly valued and decisions should factor in the ever-increasing costs to replace such an asset. This valuation should drive spending now to delay or prevent those future expenses.

A comparison with the RDN plan shows the difference in costs per capita. The RDN notes the difference between the status quo at 68% diversion to its Zero Waste strategy of 90% diversion was $10.03. The additional costs for the CRD plan at $3,245,000 represent $7.76 per capita.

Other Recommendations:

- Outline what the five-year plan review will include like the RDN plan.
- The climate strategy also notes many outreach programs and campaigns with other partners -the same needs to happen for the SWMP.
- Value the remaining landfill space.
- Increase funding and staff time to support this plan to ensure it can achieve higher targets.

4 FUNDING

Funding the plan adequately is important. The source of funds can come from tipping fees, grants, revenue from landfill gas and payments from EPR programs. It can also be funded through utility fees and taxes as many utilities are.

It is important to understand the multiple roles of tipping fees. The first is to fund the solid waste services. A high tipping fee with lower fees for source separated materials like yard and garden waste, food scraps and recyclables (also known as variable tipping fees) can be a strong incentive to recycle and compost rather than waste. Consideration of tipping fees in nearby regions is also important to avoid waste migration. Setting tipping fees lower than neighbouring districts can result in waste coming into the region. There are also some concerns that a very high tipping fee may result in illegal dumping but there are many factors that contribute to illegal dumping and the fees are not always the key driver. Tipping fees also need to continually increase both to maintain the level of incentive and to fund the system. Appendix F includes estimates of future financial requirements and revenue but appears to assume the tipping fees would remain static for ten years.

There are other sources of revenue as well. As more products and packaging are covered by EPR programs, the CRD should ensure that it is fairly compensated for services it provides to these programs and should work in collaboration with other regional districts through the BC Product Stewardship Council to ensure that local governments are also compensated for the materials that end up in the waste stream despite the programs. There is mention in the plan of developing markets for the finished compost material which could also provide revenue. The RDN is proposing a disposal levy to offset the regional district's fixed costs of solid waste system (particularly for materials shipped out of the region) with a discounted tipping fee offered to licensed haulers. In some cases, there are grants available such as the ones recently offered for organics management facilities by the provincial and federal governments. Fines may be another revenue source but not one that should be relied upon.

When regions pursue Zero Waste in a system funded mainly through tipping fees, there can be concerns that success will mean that there is inadequate income to fund the fixed costs of the solid waste system. To avoid the conflict between a goal of Zero Waste and an adequately funded system it is important to include a mix of funding sources that is adjusted as the waste is reduced. Some funds should come from property taxes and utility fees to ensure that there is a source of stable funding. These can start at a low level and can increase as the amount of waste decreases but initially the tipping fees need to be similar to neighbouring regions and high enough to

encourage waste diversion. If the revenue is higher than expected due to more waste than intended, these additional funds should be put towards additional programs to address the problem areas.

Looking at Zero Waste more broadly, the CRD can also encourage grants from other funding parties to local organizations to support Zero Waste and create a hub in the region.

Recommendations:

- Fund part of the solid waste system through property taxes and utility fees.
- Raise tipping fees to match the CVRD rates.
- Adjust funding sources as waste levels change.
- Consider a levy and discount system similar to the RDNs.
- Ensure EPR programs pay their way.
- Apply for grants and support other local partners applications as well.
- Ensure fines are applied after education measures and that they are sufficient to change behaviour.

5 SUMMARY

In general, the plan has many good strategies but a lot of them are to "investigate" possible actions rather than a firm commitment to enact them by a certain date. The plan also relies on existing staff to a fair degree to enact them. A stronger plan would have Zero Waste as the strong consensual vision and more aggressive interim targets, a commitment to the strategies listed as well as others recommended above and significantly more funding directed to achieving this vision. Rather than a focus on the need to expand the landfill, the emphasis must be on engaging the whole CRD community with broad and engaging partnerships to preserve existing space as long as possible, with regular community updates on progress, public annual reports and using the five year plan effectiveness review intervals as critical decision points to galvanize further actions if the new targets are not achieved. The degree to which these strategies will be effective will depend on the resources put towards them and the commitment to achieving Zero Waste.

APPENDIX A ZERO WASTE HIERARCHY

Zero Waste Hierarchy of Highest and Best Use 7.1

Purpose

The Zero Waste Hierarchy describes a progression of policies and strategies to support the Zero Waste system, from highest and best to lowest use of materials. It is designed to be applicable to all audiences, from policy-makers to industry and the individual. It aims to provide more depth to the internationally recognized 3Rs (Reduce, Reuse, Recycle); to encourage policy, activity and investment at the top of the hierarchy; and to provide a guide for those who wish to develop systems or products that move us closer to Zero Waste. It enhances the Zero Waste definition by providing guidance for planning and a way to evaluate proposed solutions.

Zero Waste Definition

Zero Waste: The Conservation of all resources by means of responsible production, consumption, reuse, and recovery of all products, packaging, and materials without burning them and without discharges to land, water, or air that threaten the environment or human health.

Guiding Questions

Rethink/ Redesign	What has led us to our present linear use of materials and thus, what needs to evolve to move towards a closed loop model? How do we re- design systems to avoid needless and/or wasteful consumption?
Reduce	What supports the use of less material and less toxic material?
Reuse	What supports the better use of those products we already have in ways that retain the value, usefulness and function?
Recycle/ Compost	How do we ensure materials are put back in the materials cycle?
Material Recovery	What was salvaged from mixed waste?
Residuals Management	What is still left and why?
	What do we need to take out of the system that should not have been circulated in the first place? How do we manage what is left in a flexible manner that continues to encourage movement towards Zero Waste?
Unacceptable	What systems and policies encourage wasting and should not occur?

***Guiding Principles**

Closed Loop Systems	Design systems to be closed loop rather than linear in their use of resources
Close to Source	Processes to occur as close to the source as practical
Conservation of Energy	More energy can be saved, and global warming impacts decreased, by reducing waste, reusing products, recycling and composting than can be produced from burning discards or recovering landfill gases.[1]
Do Not Export Harm	Avoid the export of toxic or potentially toxic waste or materials, as well as materials with limited or undefined recycling markets that will be landfilled or incinerated in other regions.
Engage the Community	Promote changes and systems that work with communities to facilitate meaningful and sustained participation, increase understanding, and influence behaviour change and perceptions
Highest and Best Use	Creating and keeping materials and products for a use as high on the hierarchy as possible and in the useful loop as long as possible. Keeping materials from being downcycled where the number of future uses or options are limited. **Source separate items and materials to the extent necessary to ensure clean and marketable products and materials for reuse, recycling and composting streams.**
Information & Improvement	Collect information on systems and use as feedback for continuous improvement
Local Economies	Support the growth and expansion of local economies (production, repair, and processing) in order to reduce greenhouse gases from transportation, improve accountability, and increase repair and parts opportunities
Materials Are Resources	Preserve materials for continued use and use existing materials before harvesting virgin natural resources
Minimize Discharges	Minimize all discharges to land, water or air that threaten the environment, or human health, including climate changing gases
Opportunity Costs	Consider opportunity costs of investments and ensure investments occur as high as possible on the Hierarchy
Precautionary Principle	Ensure that a substance or activity which poses a threat to the environment is prevented from adversely affecting the environment, even if there is no conclusive scientific proof linking that particular substance or activity to environmental damage
Polluter Pays	Whoever causes environmental degradation or resource depletion should bear the "full cost" to encourage industries to internalize environmental cost and reflect them in the prices of the products
Sustainable Systems	Develop systems to be adaptable, flexible, scalable, resilient, and appropriate to local ecosystem limits

[1] Source: http://zwia.org/standards/zw-community-principles/,

Zero Waste Hierarchy

1	**Rethink/ Redesign**	De sign and purchase products from reused, recycled or sustainably-harvested renewable, non-toxic materials to be durable, repairable, reusable, fully recyclable or compostable, and easily disassembled
2		Shift funds and financial incentives to support a Circular Economy * * over the harvesting and use of virgin naturalresources
3		Enact new incentives for cyclical use of materials, and disincentives for wasting
4		Facilitate change in how end users' needs are met from "ownership" of goods to "shared" goods and provision of services
5		Support and expand systems where product manufacturing considers the full life-cycle of their product in a way that follows the Zero Waste Hierarchy and moves towards more sustainable products and processes. Producers take back their products and packaging in a system that follows the Zero Waste Hierarchy.
6		Identify and phase out materials that cause problems for Closed Loop Systems*
7		Facilitate and implement policies and systems to encourage and support Local Economies*
8		Re-consider purchasing needs and look for alternatives to product ownership
9		Provide information to allow for informed decision-making
10		Eliminate or avoid systems that drive needless consumption
11	**Reduce**	Plan consumption and purchase of perishables to eliminate or avoid discards due to spoilage and non-consumption
12		Implement Sustainable Purchasing* * that supports social and environmental objectives as well as local markets
13		Minimize quantity and toxicity of materials used
14		Minimize ecological footprint required for product, product use, and service provision
15		Choose products that maximize the usable lifespan and opportunities for continuous reuse
16		Choose products that are made from materials that are easily and continuously recycled
17		Prioritize the use of edible food for people
18		Prioritize the use of edible food for animals
19	**Reuse**	Maximize reuse of materials and products
20		Maintain, repair or refurbish to retain Value* *, usefulness and function
21		Remanufacture with disassembled parts; dismantle and conserve "spare" parts for repairing and maintaining products still in use
22		Repurpose products for alternative uses
23	**Recycle/ Compost**	Support and expand systems to keep materials in their original product loop and to protect the full usefulness of the materials
24		Maintain diversion systems that allow for the highest and best use of materials, including organics
25		Recycle and use materials for as high a purpose as possible
26		Develop resilient local markets and uses for collected materials wherever possible
27		Provide incentives to create clean flows of compost and recycling feedstock
28		Support and expand composting as close to the generator as possible (prioritizing home, on site or local composting

29		Whenever home/decentralized composting is not possible, consider industrial composting, or if local conditions require/ allow, anaerobic digestion
30	**Material Recovery**	Maximize material s recovery from mixed discards and research purposes after extensive source separation
31		Recover energy using only systems that operate at Biological Temperature and Pressure**
32	**Residuals Management**	Examine materials that remain and use this information to refine the systems to rethink, reduce, reuse, and recycle in order to prevent further discards
33		Ensure minimization of imp acts by means of biological stabilization of ferment able materials.
34		Encourage the preservation of resources and discourage their Destructive Disposal or dispersal
35		Plan systems and infrastructure to be adjusted as discards are reduced and its composition changes
36		Minimize Gas Production and Release** and maximize gas collection
37		Use existing landfill capacity and maximize its lifespan. Ensure it is Responsibly Managed.**
38		Contain and control toxic residuals for responsible management
39	**Unacceptable**	Don' t support policies and systems that encourage the Destructive Disposal of organics and/ or the destruct ion ofrecyclables
40		Don't support energy and Destructive Disposal systems that are dependent upon the continued production of discards
41		Don't allow the Incineration** of discards
42		Don't allow toxic residuals into consumer products or building materials

**Definitions:

Biological Temperature and Pressure	The ambient temperature and pressure that occurs naturally without the use of added energy, or in any case not above 100 degrees Celsius or 212 degrees Fahrenheit. [2]
Circular Economy	An industrial economy that is, by design or intention, restorative and in which material flows are of two types, biological nutrients, designed to re-enter the biosphere safely, and technical nutrients, which are designed to circulate at high quality without entering the biosphere. Materials are consistently reused rather than discharged as waste.
Closed Loop System	A system not relying on matter exchange outside of the system, as opposed to open loop where material may flow in and out of the system.
Destructive Disposal	Discarded materials placed in a landfill or in an Incineration** facility
Diversion	An activity that removes a material from Destructive Disposal.

[2] Unless higher temperatures are required, not to exceed 150 degrees Celsius, as a pretreatment (e.g. to control diseases, or reduce pathogens) to be then subject to composting or Anaerobic Digestion; the pretreatment should never be used to destroy materials.

Incineration	Incineration is a form of Destructive Disposal via combustion or thermal conversion/ treatment of discarded materials into ash/slag, syngas, flu e gas, fuel, or heat. Incineration includes facilities and processes that may be stationary or mobile, may recover energy from heat or power and may use single or multiple stages. Some forms of incineration may be described as resource recovery, energy recovery, trash to steam, wast e to energy, energy from waste, fluidized bed, catalytic cracking, biomass, steam electric power plant (burning waste), pyrolysis, thermolysis, gasification, plasma arc, thermal depolymerization , refuse derived fuel, or chemical processing of plastics to fuel.
Minimize Gas Production and Release	Keeping out source-separated organics and biologically stabilizing the materials that go into landfill. For existing landfill cells that already contain unstabilized organics, the gas product ion should be minimized by keeping out rainwater and not recirculating leachate. Minimize methane release by permanently capping closed cells with permanent covers and installing gas collection systems within months of closure (not years). Maintain high suction on collection wells and do not damp down wells or rotate off the wells to stimulate methane production.Filter toxins in the gas into a solid medium that is containerized and stored on site. Note that this is not considered a renewable energy.
Problematic for a Closed Loop System	Materials that make it hard to recycle or compost the materials themselves or other materials. These may be contaminants for a material (like some forms of biodegradable plastics or stickers on fruit and vegetables) or materials that clog processing systems (like plastic bags)
Responsibly Managed Landfills	Manage landfills to minimize discharges to land, water or air that threaten the environment and human health. This must include plans for closure and financial liability.
Sustainable Purchasing	The purchase of goods and services that take into account the economic value (price, quality, availability and functionality) and the related environmental and social impacts of those goods and services at local, regional, and global levels.
Value	The importance, worth, or usefulness of something that may be economic, social, environmental, or sentimental.

Community Group Response Letter Example

Numerous inquiries and requests for information were fulfilled. Below is one example of one such correspondence.



Making a difference...together

Parks & Environmental Services
625 Fisgard Street, PO Box 1000
Victoria, BC, Canada V8W 2S6

T: 250.360.3078
F: 250.360.3079
www.crd.bc.ca

December 1, 2020

File: 0620-20
Solid Waste Management Plan
Revision 3

Ms. Elaine Klimke
Mount Work Coalition
Via e-mail: esklimke@gmail.com

RE: CAPITAL REGIONAL DISTRICT'S SOLID WASTE MANAGEMENT PLAN

Dear Ms. Klimke:

Thank you for your November 27, 2020 letter following the Willis Point Community Association tour of Hartland Landfill, part of the Capital Regional District's (CRD) consultation process for the region's draft solid waste management plan (SWMP).

The provincial Solid Waste Management Planning Guide and "Waste to Energy and Solid Waste Management Plans" information sheet (Appendix A) indicate that any new Municipal Solid Waste (MSW) facility, like the facility being discussed by the Township of Esquimalt, would trigger a full SWMP amendment. In accordance with the Environmental Management Act and the SWMP guide, this amendment would require broad consultation across the regional district.

The CRD Board approves and determines the timing of any SWMP submissions to the Province. It is the CRD's understanding that any new MSW facility would have to be included in the region's SWMP before the Ministry could review an Operating Certificate submission by the owner of the new MSW facility. I have copied Ministry staff, Luc Lachance (Solid Waste Section Head, South Authorizations) on this letter, if you require further clarification regarding the CRD's role in MSW facility approvals.

The draft SWMP currently being considered by CRD residents, recommends using every tool available regionally to divert waste through reduction, reuse and recycling. While the CRD prioritizes waste reduction activities and funds numerous diversion programs to move our region closer to zero waste, it still must provide a disposal option and planning for this responsibility and is reflected in the draft SWMP.

Neglecting to plan for the future of Hartland Landfill will not compel residents to stop generating waste. Instead, our region's waste will simply be trucked elsewhere for disposal, as is currently the case for regions that don't plan for their own landfill. In addition to burdening other communities with our garbage, exporting all of our waste will produce significant transportation-based greenhouse gas emissions.

Extending the life of Hartland Landfill to 2100 does not preclude residents from changing their habits. The Hartland 2100 design concept allows for this flexibility and gives the CRD time to continue exploring and researching emerging technologies that may reduce the region's need to landfill, another priority that has been identified in the draft SWMP.

The Regional District of Nanaimo (RDN), of which your example of the City of Nanaimo is a major part, shares the CRD's commitment to responsibly managing its solid waste now and in the future. While the RDN aspires to zero waste, in 2004 it expanded the Cedar Landfill within its property boundary, as part of its SWMP update, much like the CRD is seeking to do with Hartland Landfill.

ENVS-1111098358-423

Despite its waste reduction achievements and aggressive goals, the RDN, like the CRD, is upholding its responsibility to provide a safe, secure and sustainable disposal option for future community needs.

Yours truly,

Larisa Hutcheson, P.Eng.
General Manager, Parks & Environmental Services, CRD

TW:ac

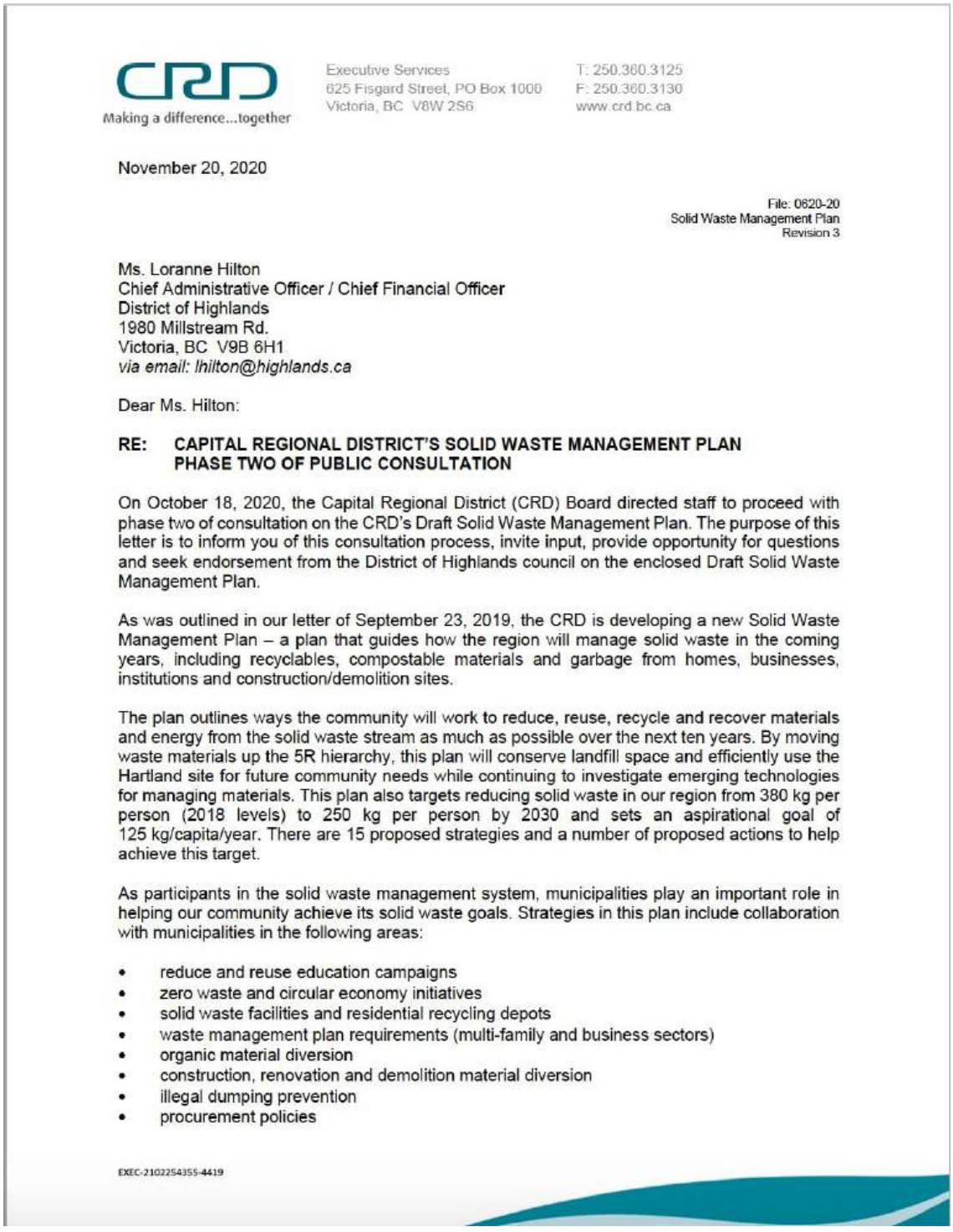
Attachment: Information Sheet – Waste-to-Energy and Solid Waste Management Plans – Ministry of Environment and Climate Change Strategy (November 2018)

cc: Luc Lachance, Solid Waste Section Head, Ministry of Environment and Climate Change Strategy South Authorizations – Luc.Lachance@gov.bc.ca
Robert Lapham, Chief Administrative Officer, CRD
Russ Smith, Senior Manager, Environmental Resource Management, CRD

ENVS-1111098358-423

Appendix F — Sample Letter: Request for Input

Communication similar to the letter below were sent to all CRD municipalities and local First Nation communities.



Making a difference...together

Executive Services
625 Fisgard Street, PO Box 1000
Victoria, BC V8W 2S6

T: 250.360.3125
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www.crd.bc.ca

November 20, 2020

File: 0620-20
Solid Waste Management Plan
Revision 3

Ms. Loranne Hilton
Chief Administrative Officer / Chief Financial Officer
District of Highlands
1980 Millstream Rd.
Victoria, BC V9B 6H1
via email: lhilton@highlands.ca

Dear Ms. Hilton:

RE: CAPITAL REGIONAL DISTRICT'S SOLID WASTE MANAGEMENT PLAN PHASE TWO OF PUBLIC CONSULTATION

On October 18, 2020, the Capital Regional District (CRD) Board directed staff to proceed with phase two of consultation on the CRD's Draft Solid Waste Management Plan. The purpose of this letter is to inform you of this consultation process, invite input, provide opportunity for questions and seek endorsement from the District of Highlands council on the enclosed Draft Solid Waste Management Plan.

As was outlined in our letter of September 23, 2019, the CRD is developing a new Solid Waste Management Plan – a plan that guides how the region will manage solid waste in the coming years, including recyclables, compostable materials and garbage from homes, businesses, institutions and construction/demolition sites.

The plan outlines ways the community will work to reduce, reuse, recycle and recover materials and energy from the solid waste stream as much as possible over the next ten years. By moving waste materials up the 5R hierarchy, this plan will conserve landfill space and efficiently use the Hartland site for future community needs while continuing to investigate emerging technologies for managing materials. This plan also targets reducing solid waste in our region from 380 kg per person (2018 levels) to 250 kg per person by 2030 and sets an aspirational goal of 125 kg/capita/year. There are 15 proposed strategies and a number of proposed actions to help achieve this target.

As participants in the solid waste management system, municipalities play an important role in helping our community achieve its solid waste goals. Strategies in this plan include collaboration with municipalities in the following areas:

- reduce and reuse education campaigns
- zero waste and circular economy initiatives
- solid waste facilities and residential recycling depots
- waste management plan requirements (multi-family and business sectors)
- organic material diversion
- construction, renovation and demolition material diversion
- illegal dumping prevention
- procurement policies

EXEC-2102254355-4419

In 2019, the CRD conducted its first phase of consultation on this plan. The information gathered during this phase provided important input that was considered during the development of this Draft Solid Waste Management Plan. The Draft Plan, along with feedback received during the phase one consultation, including the Public Engagement Summary Report, can be found on the CRD's website at www.crd.bc.ca/rethinkwaste.

The CRD is now undertaking a second phase of consultation, where we are inviting further comment, providing an opportunity for questions and seeking endorsement from the District of Highlands and other municipalities in the region.

The proceedings and outcomes from phase two consultation will be documented into a phase two consultation summary report and reported back to the Solid Waste Advisory Committee and CRD Board. Following this consultation, the CRD will incorporate the results into the final plan, which will be submitted to the CRD Board for adoption and the Ministry of Environment and Climate Change for review and approval.

In order to give your municipality an opportunity to ask questions and provide feedback, our staff would be pleased to meet with you, your staff and/or council to share information and listen to how this plan can be used to address your community's needs.

For more information, please contact Russ Smith, Senior Manager, Environmental Resource Management, at 250.360.3080 or rsmith@crd.bc.ca.

Sincerely,

Robert Lapham, MCIP, RPP
Chief Administrative Officer

cc. Larisa Hutcheson, General Manager, Parks & Environment Services, CRD
Russ Smith, Senior Manager, Environmental Resource Management, CRD

EXEC-2102254355-4419

Appendix G — Public Consultation Verbatim

Draft Solid Waste Management Plan Feedback / Please provide your feedback on the CRD's draft solid waste management plan.

Please provide your feedback on the CRD's draft solid waste management plan.
A great deal of the material delivered to Hartland is flammable, so it can be used for power plant fuel. (Wood that isn't suitable for composting, paper, plastics outside the recycle stream, food oil that's too thick for use as vehicle fuel such as bacon fat, cheese-covered pizza boxes, etc.) Waste fueled power plants are used at several landfill sites, including Greater Vancouver. With filters and static precipitators, there shouldn't be serious air quality issues. The greater Vancouver waste fueled power plant also makes money recovering metals from the ash. This, of course, is not the same as Hartland's existing methane fueled power plant. [redacted]
This plan seems very well thought out and provides benefits to the greater community. Sincerely, Paul Fedrigo
(Using the term 'sustainable 'seems meaningless.....there will always be 'garbage '.....it is a question of how we reuse the material we call garbage .) Plastics and wood based products should be removed from the landfill . Plastics are overwhelmingly petroleum based ,so there is every reason for government sponsored research into broad based plastic s recycling ,especially given the broad based aversion to petroleum exploration and infrastructure . Ultimately these products can also be incinerated for power and heat production,much as it has been done for decades in Europe . If the sewage sludge were added into the incineration stream rather than being shipped to Vancouver ,that would make even more sense .It seems to be more a question of political will than money . If organics are removed from the waste stream,the waste stream would be more than cut in half . Why must we always reinvent the wheel when other jurisdictions have been dealing with these issues for years??
The CRD and partnering municipalities should explore gasification as a means of generating energy and reducing deposits to the landfill. This is a technology proven worldwide with relatively low entry costs and great potential for large and small scale systems to contribute to the electricity grid or power district energy systems.
I am writing as a resident of Hartland Avenue. When my husband and I bought our house on Hartland Avenue, we were told that the dump access for trucks would soon be moving to a different location on Willis Point Road. I was further told that trucks did not work on holidays. 4 years later and COVID 19 hit and not only have trucks been working on holidays which has disrupted the peaceful enjoyment of our home, but there have now been several occasions where I have been blocked access to my driveway for over 15 minutes as I waited in line behind trucks! I have also had trades and Company complaining that they got stuck in a line-up to get to my house! This is simply unacceptable when there is a simple solution to this problem by moving the commercial access to Willis Point Road! Willis Point Road could easily handle the commercial traffic and it would not impact residents as there are no residential driveways that can be blocked on that route! I would appreciate my grievances be addressed. Respectfully, [redacted]
The appropriate way to handle much waste is to incinerate it, as Metro Vancouver and several large Scandinavian cities do. Use the heat to generate electricity to run the landfill operation and Saanich government offices. PS: As for NIMBYs, I do not know the layout of things in the neighbourhood but do say that in general NIMBYs are characterised by an ethic of trying to control others at no cost to themselves.
-Offer CRD drop-off sites or pickup for household compost and organic yard waste -Provide incentives for organizations to alter/minimize packaging and take responsibility for the waste they produce -Increase incentives for reusing products/provide education on how to do this -Support organizations that create a sharing economy (i.e. promote opportunities for people to rent or borrow goods rather than buy and own them).
No more land, forest should be taken for this project. Instead, spend the money on ways to reduce the household use of plastics and other non-recyclable items, and help educate people on alternatives.
Although some of the plan is rather naive with respect to human nature (i.e. people say one thing and do what they like), the plan is fair. The one thing that should be emphasised is that improvements need to be made at Wallace and West Saanich Road in order to support the additional traffic leaving or turning onto West Saanich Road. The plan has done an excellent job at ensuring that Mount Work Park is protected. Perhaps moving the mountain bike trails now to the Western Communities would be a good idea. No doubt the residents living a long Hartland will welcome the reduced traffic.
Please DO NOT cut down the Douglas firs. There are alternatives. Google them.
I sincerely hope that the region is able to significantly reduce the volume of waste being landfilled or find new technology for solid waste management. I am against the removal trees to accommodate garbage. Isn't there a facility on the mainland that incinerates garbage? Can we adopt that method?
We need to save as much of our old growth trees as possible, they are so essential to our better climate, we just can't destroying our natural environment and expect cleaner air.
I am alarmed at the possibility that several acres of Douglas Fir could be wiped out to make room for a landfill. This seems so wrong headed. When you travel around the lower Island there is so much housing development that is taking place which involves clearing the land of the forest. Is there not another way to deal with our solid waste? Could the CRD not build processing plants which would allow people to recycle more of our waste. I find I am putting so much in our bin that in other cities would be going to a recycling facility.
As a lifetime resident of Victoria (69 years), I support the expansion of Hartland waste facility and the adoption of a waste treatment plan based on rational analysis considering costs and not on dogma.
Why does CRD allow foreign cruise ships to unload all their waste, none of which is originated from Canada, to be processed in Victoria? Does this waste from over 1,000,000 visitors not impact our landfill?
We must preserve trees, especially old trees with solid roots, both to prevent flooding and to distribute oxygen. their replacement with more fragile shoots has proven to be disastrous. We have already destroyed too many trees and endangered the health of our planet. Please think of the greater good and the greater consequences. Thank you.
Oil bottles, once emptied of oil except for some that always remains in the bottle continue to go to the landfill. Although there is an environment fee added, retailers simply toss the bottles into their waste containers. Could there be a way to recycle the containers?
I am against widespread tree removal in the area currently used as a mountain bike park.
I understand the plan as it stands calls for elimination of seventy plus fir trees...I say no to this plan Thank you
I am against the destruction of more natural habitat and instead i propose that strategies for the reduction of waste get more attention and funding. Instead of wasting all this money only to run into the same problem a couple of decades from now we have to become smarter. Enough places on this planet have implemented forward looking technologies to not only deal with waste but to eliminate its generation at its source. An absolute 'no' to cutting down trees. They are the planets life blood and if you still haven't figured that out then I ask you to educate yourselves. I am happy to provide you with information material should your google search not give you enough information. Sincerely, [redacted]

More onus and incentives are needed to be put on makers of products that have a high packaging to product ratio to significantly reduce packaging waste. No one, including consumers, taxpayers and the environment, likes to pay for packaging. All metal waste should be recycled. All avenues to reduce, reuse and recycle should be taken before the landfill is expanded and trees removed. Why not try some RFPs for innovative and creative solutions? What jurisdiction on the planet is doing the best job with ideas we can adopt or adapt?
What..?. Another mass murder on trees? aren't You tired of killing.?..
Dear Natural Custodian Partners. I know that we in CRD need a solid waste management plan, a responsibility we all share. Given our scientific knowledge of the positive impact of trees on climate change, we need to find creative ways to maintain the 73 acres of trees at risk in your plan. Please, I urge you to find another way to implement your plans without destroying trees. Every one of them is a gift to our air. Hugs with gratitude for serving our community with highest integrity, Maureen Matthew in Royal Oak.
I believe the CRD should work primarily to educate residents to reduce waste. They should also work with the provincial and federal governments to push manufacturers and other suppliers to reduce non-recyclable packaging. If our solution to more waste is always to simply expand the landfill, we will never reach a solution of the solid waste issue. Expansion of the landfill is a short-term solution and will only lead to more problems in the future. I do NOT agree with expansion of the landfill site. \ [redacted]
I am absolutely, 100% OPPOSED to the removal of 73 acres of trees for the purpose of a waste management site. How could you even entertain this option? 73 acres of trees! What on EARTH are you thinking, this is so absurd I almost could not believe it. This is completely irresposible on the part of the CRD and I am APPALLED and disgusted with this proposed plan.
Do not remove 73 acres of Douglas-fir trees.
Please leave the area intact and raise waste collection fees instead if you have to. Our nature is more than its weight in gold.
Deforestation of 73 acres of beautiful second growth forest in this time of climate change and loss of our forests and wildlife habitat to development isn't acceptable. One way or another, that area needs to be preserved and ways should be found to stay within existing boundaries. If that results in higher disposal costs, that should be passed on to the users. There is a cost to disposing of waste and the full cost should be paid by those who create it.
After experiencing the waste management tour at Heartland Dump , i am curious about a few things . #1 : Why are we still putting SO MUCH recyclable material into the land fill ? I was shocked to see what was still being dumped at the landfill face . Why not start using the people already working there to check each load and start a fine system .The amount of wood , plastic and metal was astounding ! #2 : Why aren't we maximizing the fuel plants already in place ? Why is only one of the two plants operational , for so long ? # 3 : Why isn't Victoria leading the way , as we could be , in converting ALL our waste into viable fuel sources , as other regions around the world are ? #4 : Why is it taking so long to affect worthwhile change ? I have been using Heartland dump for over 40 years and appreciate the development put in place for recycling . But i'm disappointed to see the soil production area discontinued .What gives?
I am disappointed with t he CRD's proposed plan. It seems to still focus on burying garbage, rather than looking to new and innovative ways to reduce, reuse, and recycle. Blasting the mountain, and taking down forest to bury more garbage is not the answer. The municipalities need to implement ways to encourage proper recycling of items, and also introduce plastic bans in their districts. There should be no non-compostable take away containers on Vancouver Island. There should be no plastic bags issued. The Nations should be supported in their garbage, recycling initiatives and composting initiatives after all the Hartland Landfill is on their land. This plan has many faults on so many levels that do not address concerns of local First Nations, nor the other surrounding communities that will be impacted by these proposed changes.
How will this solid waste strategy impact the liquid waste disposal approach from Salt Spring Island, which I hear has been problematic and under funded?
We need a system to dispose of soft plastics currently not accepted in the regular recycling system. Some rural communities do not have access to locations where soft plastics can be recycled.
I agree wholeheartedly with the Mount Work Coalition's concern regarding the solid waste management plan because it means the removal of 73 acres of Douglas-fir trees. We are increasingly becoming aware of the value of trees to ecosystems and to mitigating climate change. In Greater Victoria, I continually see properties cleared of every tree on the site in order to build housing or shopping areas and then little stick trees planted to replace them. I'm sure there are ways to build while leaving mature trees on these sites (including yours). To clear 73 acres of forest makes a mockery of the name "Ministry of Environment & Climate Change Strategy." Hurrah for the Mount Work Coalition.
Is it possible to use only half of the 76 Acres of Douglas Fir forest for landfill? Allowing increased capacity for more solid waste while keeping recreational use.
Save the trees! Find a way!
Hello and thank you for the opportunity to provide feedback on the draft solid waste mgmt plan. "The Hartland 2100 design concept will require the removal of second-growth trees from this strip of land, excluding tree and fire buffers required by the Provincial government." I am extremely alarmed and concerned with the Plan about the need for the removal of these second growth fir trees. With the exponential amount of residential growth and development occurring in the CRD, trees, and forests, are at a premium. Replanting of trees does not make a forest, and the diversity and animal species that have evolved and developed, and are housed in these spaces cannot just be displaced into a 'recreated' landscape and be expected to thrive and survive. Animals and the natural environment are already under threat, and the very thing that makes CRD and the Island unique is being cut down, bulldozed, developed and eliminated at an alarming rate already. We have already lost so many songbirds, mammals, larger birds, bees, amphibians, reptiles that will not come back. All of this does not even account for the loss of recreational areas and access to nature required by residents for their mental health. Every opportunity available to save a forest from destruction must be explored. A forest is not just trees - it is the very heart of a healthy community. PLEASE reconsider this decision.
How can you possibly justify removal of all these trees when we are in a climate emergency?? You are being very short sighted as usual. Please find a different solution than taking trees down.
Here is a link to a CRD document on at risk Coastal Douglas fir ecosystem. http://www.env.gov.bc.ca/wld/documents/douglasfir.pdf Need I say more - find an alternative.
I object strongly to the removal of 75 trees!! The object of the new sewage system etc. was to reduce pollution. Trees do this naturally! In so doing the removal is counter productive.
would really appreciate it if this large section of trees wasn't cut down!
WHAT....??? So many acres ...= how many trees is that? Surely NOT a real solution....
I've scanned the plan and am satisfied that the CRD is taking a well thought out multi-pronged approach to educate, offer recycling and reuse options and minimize impact to the public. The plan appears to be set out for maximized efficiency and reduced per capita disposal rates and greenhouse gas emissions. It is very unfortunate that Hartland land currently used for public access trails will be lost in the expansion process. I am heartened by the knowledge that reforestation on closed areas of Hartland Landfill are ongoing

alternative technology that utilizes the residuals or the last 5R without creating pollution should be adopted. 3. Section 5 - Enhance Hartland Disposal Capacity - I disagree with this strategy as I mentioned because it leads to more methane intentionally produced. Throwing garbage in a hole and producing methane is not sustainable and leads to climate warming. Capturing this methane by RNG only leads to more deforestation and the need to continuously expand a landfill. 4. Goal - Ensuring CRD's solid waste services is financially sustainable. While I agree this is a desired goal, it doesn't trump climate change. Actions to reduce methane should take priority - balancing the budget should take second priority - we are in a climate crisis. 5. Goal - Extending the life of Hartland to 2100 - I disagree with this goal. While forward thinking Esquimalt is showing leadership in waste to energy, the CRD should be encouraging other municipalities to join them. Municipalities could parter together and purchase the infrastructure to reduce costs and deploy a combination of Reduce, Reuse, Recycle plus waste to energy technology, to ensure that Hartland is never expanded - methane is life limiting and landfills must be closed. 6. FAQ - I disagree with the spreading of biosolids on land that contain a chemical stew of 400 pollutants, dried and marketed as fertilizer. These toxins will be absorbed in wildlife, waterways, rivers and lakes and end up in our bodies through the hydrologic cycle that could lead to increased risks associated with cancer. The potential risk to public health and the environment is not a risk worth taking over the value the CRD feels would be obtained by spreading the biosolids. It's a no-brainer - would we rather have a safe environment and public health or a fertilized tree? 7. FAQ states: Hartland Landfill is highly regulated, controlled and monitored to ensure Provincial standards are met under the Environmental Management Act. The fact that the landfill has to be severely regulated, controlled and monitored speaks to the extreme hazards and high risk of contamination the area is subject to from 1. older landfills are prone to leaking, 2. spreading of biosolids and 3. leachates that dump toxins into the ground waters. Landfilling is old technology that creates global warming and should be abolished.
Overall an excellent plan! However, on the Hartland compost facility timeline, you say "future" re: the facility's construction. Why are you so vague? Why can you not create a plan with specific targets and deadlines? I found this part of your plan disappointing. The CRD is infamous for putting off and dragging out projects over decades that would be planned and built anywhere else within a reasonable time. The CRD put off collecting organics for decades. Now it seems that you also intend to do the same old CRD waffling of putting off the compost facility as long as possible. Therefore, I feel that the CRD should broaden its definition of waste to include the waste of energy and resources used to haul and ship solid waste such as organics and wastewater biosolids to other regions in the province. When you calculate waste per capita, I suggest that you include the additional waste created (CO_2, $ of shipping, etc) in these figures to show the real cost and impact.
Comprehensive, professional. Super stoked that non-profit second-hand stores are highlighted. I think grants for these sites as part of waste reduction would be appropriate. I sincerely hope the budget needed is approved and that the leadership and hardworking employees continue to implement the plans as designed. Anne
I strongly believe this land should be protected for ecological and recreation value. This land provides endless recreation opportunities (mountain biking, hiking) and is incredibly valuable left intact. I would strongly protest and oppose the clear-cutting of 73 acres of Douglas-fir trees.
I am sorry, I do not have time to read this whole plan. Is there any way that we can have soft plastics picked up with our recycling? If a different colour plastic bag was provided for plastic, I believe this would reduce the garbage by at least 50%.
I am 100% in favour of moving the commercial access to Willis Point Road and think it is logical and supported by facts as per the traffic study. I also support the guiding principles and goals outlined in the plan.
The plan is a well done, comprehensive and wholistic document. Page 1 and 2 list the goals of the plan. The 1st goal is to achieve 125Kg/capita/year. Page 33 and 34 list the targets of the plan as achieving 340Kg/capita in 3 years, 285Kg in 5 years and 250Kg in 10+ years. Is the goal congruous with the targets? Page 12 shows the Kg/capita hovering around 400Kg for the last 24 years. 125Kg would be a 69% reduction. Page 13 shows the 2016 % Composition of landfilled material, specifically: Organics = 21%, Paper = 15%, Wood 17%, & Plastic 14.3% by weight. These materials add up to 67% of the materials landfilled. Page 26 lists Bylaw 3881 as the primary landfill diversion tool. This bylaw lists acceptable and non-acceptable materials. Schedule F of the bylaw lists organics and paper as non-acceptable for landfill, mandatory recyclable materials (36% of what is being landfilled). It also lists wood and plastic as voluntary recyclable materials (31% of what is being landfilled). How does the landfill accept 36% of the material it receives when doing so goes against Hartland's mandate? Is there alternate mechanism to deal with non-conforming loads? For example are fines levied for these non-acceptable deliveries with recyclable contamination? At what level of contamination does a load become non-acceptable? The document talks about education throughout. School children are specified as a primary target and I agree with this. But the actual generators need to be identified and collaborated with to establish a diversion system that works for all. And this should be elicited in detail to whom and how this will happen in the Plan. I.e.: the food waste generators, Construction, Reno & Demo wood waste producers. Scheduling a deadline to issue an RFP for a compost operator at Hartland as soon as possible would also be beneficial. In short, the general stuff and theory is well covered in this document. It needs further specific action items with deadlines elucidating how the Goals and Targets are going to be achieved. The 5R Strategy Actions are a good start, but need further development to be able to be acted upon and result in tangible deliverables. Completed tasks should be chronologically documented in their own section with updates as to their success. I commend the contributors of this document for doing a good job.
I have recycled anything possible since recycling became possible with the first bins for paper in the shopping malls. What we have now is a confusing patchwork. Recyclebc has been uninformative, or sometimes inaccurate when I have tried to use it. I can, because I have a car, go to the trouble of taking things I believe can be recycled to the multitude of reception points for batteries, light bulbs, electronics, styrofoam, plastic bags etc. Covid has made some of these things more difficult as grocery stores no longer take juice boxes/bottles and plastic bags. So many people without cars can't recycle much of the recyclables and yet we have so many shopping malls with large often underused parking lots that could make it more possible for more people. The plastic bag ban is illogical as it is only a tiny portion of the plastic that comes in, and those bags take the place of bags that I would have to buy. I am still trying to find a way to recycle books that no organization wants. And no-one answers their phone to tell me if they still take them for what I understand is a more complicated shredding and recycling process. There should be a more easy use, accessible process for one stop, or better still additional curbside recycling. Yes it will cost more for all of us communally to have it done more accessibly for more things, but it would be much more environmentally sane and in the long term, against more landfilling, probably less costly.
I agree with and fully support the four main goals of the plan, and am glad to see a commitment to achieving a 125 kg/capita solid waste disposal rate! Continued development of an in region option at Hartland for organics and other materials if possible is important. The strategies and actions are well thought out. The anticipating funding level would likely need to increase to fully support the action beyond the estimated $350k/yr, and more consideration should be given to other funding mechanisms for the solid waste plan beyond simply replying upon landfill tipping fees to fund the entire system.
As a resident of Saanich, I am strongly opposed to the CRD's plans to expand Hartland landfill and remove 73 acres of forest when other alternative, waste management technologies exist including the proposed gasification technology that Esquimalt is exploring or Nanaimo's Solid Waste Management Plan that seeks to divert 90% of municipal waste from the landfill. The CRD's status quo approach to digging a deeper hole, producing more methane emissions, is a move that is strikingly at odds with the declaration by the same board of a climate emergency! While I understand that our region is growing, it's time to stop burying garbage and waste and look at moving towards more bolder incentives to recycle and embrace some of the suggestions put forward to enhance recycling at the community level whether it's moving towards clear use garbage bags, or starting to look at charging people who do not recycle and just dump their recyclables into the clear garbage bags. I would also invite the CRD Board of Directors to halt the draft Solid Waste Management Plan until Esquimalt's business case and feasibility study for the proposed gasifier is publicly available and to look at what other jurisdictions are doing in Europe to divert waste from landfills and the use of alternate technologies. I realize the the CRD's Advisory Task Force only looked at what was available back in 2018 but we are now almost into 2021 and technology and waste solutions have advanced sine that time. Please re-think this plan that will just continue to emit methane into the atmosphere.
This plan is completely inadequate and needs to be comprehensively revised before adoption. 1. The CRD proposes a zero waste strategy and yet falls far short of this in its concrete goals. 2. The proposal to expand the landfill and remove 73 acres of endangered Douglas-fir forest is deplorable and should not happen. Douglas-fir ecosystems are currently at 1% of their former range on the island. As climate change worsens, they will become more imperilled. There is absolutely no justification for clearcutting 73 acres of

forest for garbage dumping. This is not "making a difference...together." 3. Biosolids should not be spread on the landfill site, at all, ever. 4. Landfilling is not the solution. There should be more support for comprehensive recycling (including soft plastics pickup in the region) to reduce waste at the consumer level. Subsequent bans (alongside the plastic bag ban) should be pursued to reduce waste at the producer level. This plan is not worthy of the beautiful, biodiverse region we live in. Please do better to ensure the protection of our natural environment.
I applaud the CRD's efforts to reduce/reuse/recycle/salvage. I would urge that there be some convenient way for apartment dwellers to recycle glass containers. Also that some recycling/salvaging effort be made for hardcover & softcover books. I understand there are businesses on the Island that use them as fuel, and perhaps big bins could be located at the various municipal works yards.
I have several concerns about the draft solid waste management plan & the FAQ documents provided. First, I would like to see an up-to-date audit of what is going into the landfill and where it is coming from. What do sections like "bulky objects" (1.3%) and "other" (2.7%) actually mean? Seeing the massive amount of construction and development going on around the CRD leads one to believe the numbers in your report may not accurately reflect current activities. Is impact on the landfill taken into account before building permits are issued? Why are we allowing garbage from cruise ships to be left on the Island? As a nearby resident, I also have concerns with moving Heartland access to Willis Point Rd. In the spring/summer this stretch of road becomes VERY busy with people enjoying trails and Durrance Lake. Wallace Rd is a rural route that attracts a ton of cyclists and other outdoor enthusiasts. Adding heavy truck traffic, turning left off of West Saanich Rd. seems irresponsible & possibly dangerous. Not to mention the impact on the natural environment and surrounding wetlands. I cannot support Hartland Landfill expansion. We need to move to a zero waste model more quickly and make developers & manufacturers take on more responsibility for their projects & products. Please let me know what I can do to help make this a reality. Thank you for allowing me to share my thoughts (and questions).
I object to more land being cleared to expand the Hartland Rd Waste Site. It is time for the Western Communities to develop their own Waste Site. Why are we trucking waste from Sooke all the way to Saanich, along with waste from the Gulf Islands too ? The Western Communities are a rapidly growing area and need to take responsibility for waste produced in their area. The removal of trees to expand the Hartland Rd site is a retrograde idea when the municipalities are trying hard to protect trees to reduce greenhouse gases.
Just look at the high percentages of demolition and wood waste. This is greater problem than plastic straws or cardboard cups. Steps must be taken to reduce the waste created through building demolition. This can best be accomplished through the building design process, i.e., building components are designed to be re-used for future developments and buildings can be deconstrcuted to facilitate reuse of materials. Buildings must enter into a circular enconomy. Burning the wood waste is unsustainable and contributes to gobal warming.
What is presently being done to ensure that the runoff coming from the recycle and kitchen waste recycle area, which is outside the original constructed berm area is not leaking, flowing into the Prospect Lake watershed?
We need to preserve the forest & re-cycle & re-create new products from our waste.
Please allow for the green bins to be used for yard waste as well as kitchen scraps. The fact that green bins do not take yard waste is a huge burden for victoria residents who do not have access to vehicles to take yard waste to the drop off. People end up putting yard waste in the black bins which goes against the aims of the plan to reduce the impact on the landfill. If Saanich can do it (with bigger properties and most likely lots more green waste), why can't Victoria? Please work this into the plan.
Well, I certainly do not support an expansion of Hartland landfill. We certainly need to manage our waste. However, more attention to source would be most beneficial (but maybe the CRD can't do much about packaging at this point), but we can do more around recycling and food waste. More needs to be diverted from the landfill. I produce just a tiny bit of garbage each month - and I patronize Pacific Mobile Depots and diligently recycle hard and soft plastic and foil (as well as everything else I can). PMD is a once-a-month process and one probably needs a vehicle to get to the locations. Instead, how about working with them (and others) for curbside pickup? Maybe some incentives to recycle - tax breaks, other? - and disincentives for not (e.g. paying more for trash pick up...). And while there are more colourful bins around - you could certainly increase their visibility and locations. Oh, and an educational campaign about how to recycle/repurpose almost everything (maybe some humorous YouTube videos). Well, that's probably enough to read!
The first two steps of the plan are "Promote". I assume this means "educate people about the impact of garbage, and teach them how they should shop differently and recycle better." This approach has been and will continue to be a failure, as it is not built on behaviour science. You should contact Ruben Anderson, who researched pro-environmental behaviour for Metro Vancouver, and ask him to help ground your work in science.
I support extending the lifetime of the landfill provided the CRD continue to look for alternative energy recovery and reduction strategies. Clearly the facility's future needs to be planned given its current 2045 capacity deadline. However if Esquimalt can show the CRD that an alternative process can work then it should do whatever it can to remain the location for energy recovery, especially with options to deal with biosolids and compost/kitchen scraps. An integrated approach looking at reducing and recovering should be pursued. One last point. While zero waste is an admirable intellectual concept, in a region where construction waste is a significant part of the waste stream and that the region is growing it is actually inconceivably naive. Plan for the worst, be prepared for the evolution in waste management and integrated resource management.
I just read Jon O'Riordon's recent article, "Strive for zero waste, not expanding landfill" (Times-Colonist Dec. 17, 2020), and have also read portions of the CRD draft solid waste management plan. I feel that the zero waste target that the CR has set (250 kilograms/person by 2030) is not nearly ambitious enough. I believe that the citizens of the CRD are ready to embrace change in order to a) combat climate change and b) avoid the expansion of the Hartland Landfill, with all the negative consequences that would entail. I was also interested in Mr. O'Riordon's suggestion that garbage collection could be charged on a per-pickup basis, thus giving added incentive to people to reduce their volume of waste. If Nanaimo Regional District can set a target of 109 kilograms/person by 2027, surely we can match this goal!
I believe that the SWMP is supposed to address management of closed landfills, specifically the site of the former Blackburn Landfill on Salt Spring Island. I don't see this in the draft SWMP. Potential contamination from this landfill of drinking water in Cusheon Lake should be investigated. Please respond to this comment to the email from which it was sent.
Please consider options that limit the size of the landfill I note that our neighbour contract out with a private firm and there seems to be no reccycling initiatives going on there. Can we "encourage" folks to take more responsibility for limiting waste? Rob Gage
My feedback is very simple - the CRD should be looking at alternatives rather than cutting down a forest. Forests are critical for the survival of all living creatures on this planet. The methane gas created by a landfill is contributing to the warming of the planet and this warming as scientists and the IIPCC reports have been telling us now for decades is going to result in extinction if we don't make different decisions. We cannot keep doing the same - cutting down forests, over consuming and being a throw away society. Please look at alternatives rather than expanding the landfill by cutting down a forest. I'm not an expert and cannot tell you which alternatives are the best, what I can say with confidence is that an alternative will be better than cutting down a forest.
I am very concerned about several aspects of the Solid Waste Mgmt Plan. Given this is the first update in 25 years (I believe I heard that correctly at the mtg), if there is a risk of waiting another 25 years for the next update, this needs to be a very forward looking plan. It needs to consider the Climate Emergency that is upon us. A comment from the presenter at the mtg indicated "the build out is as it was always contemplated". Of course if this plan is 25 years old, that would be the case, but we need to get ahead of the times. I also heard at the meeting that the plan is not at "the bleeding / leading edge". I think that's what we should be striving for. One other comment by the presenter was "I don't completely understand the carbon balancing piece" - I would suggest the leaders of our CRD waste system SHOULD DEFINITELY understand this. Cutting down 73 acres of trees has a significant impact on our sequestration and other biodiversity issues. Please go back to the drawing board and create a plan that charges appropriately for waste created, that ensures waste reduction levels in keeping with a climate emergency, and that considers new technologies so that our landfill does not continue to create 5% of the CRD's emissions.
The draft SWMP shouldn't be approved until Township of Esquimalt has completed their IRM/gasification business plans, and if successful, the references to a landfill expansion (Hartland 2100) should be removed and plans for future IRM/gasification should

be included in the SWMP. Also Zero waste initiatives should be strengthened in the SWMP, including more robust solutions, financial incentives for entrepreneurs, revisions to relying on tipping fees as revenue streams, elimination of cruise ship waste that is not recycled, and the formation of partnerships with the City of Victoria's Zero Waste plans. Other Greater Victoria municipalities should be asked to do their part and move to IRM/gasification. Hartland Landfill should not be expanded at the expense of our planet. Expanding this landfill means destroying carbon absorbing trees. Note that McGill University released its forecast for climate change "Threshold for dangerous climate warming will likely be crossed between 2027–2042". The CRD needs to take this seriously and respect the total elimination of carbon and methane pollution. There is no time to waste on deploying ineffective plans that continue to increase GHGs and rely on expanding a methane filled landfill.
The CRD cannot reasonably ask or expect residents or businesses to commit to the ambitious targets of net-zero carbon while inviting floating resorts into the city. While "embarrassed by the wastewater" delays, the CRD often spoke of pressure form Seattle/Washington. Yet, the CRD has not taken a stand against receiving American garbage and recycling.
I study the Plan and understand that it sets "focused on reducing the amount of waste landfilled on a per capita basis" (8. Plan targets, p. 33) as target and uses reduce, reuse, and recycle (3R) as the core strategy in waste management. I believe 3R is an efficient and effective strategy in many aspects, especially in overall cost. However, I wonder whether there is, or will be, a specific plan for "carrying out resource recovery from recyclable material" (4.2.14 Bylaws, p. 26) and "Maximize beneficial use of waste materials and manage residuals appropriately" (1.1 Guiding principles, p. 1), for example, adopting anaerobic digestion plants and facilities to recover and upgrade methane gas? Thank you for your time.
I'm appreciative that food scraps have been banned from the landfill. It would be great if construction waste were more expensive to get rid of. Also if bylaws were in place so that salvage companies like Nickel Bros could get permits faster and cheaper than disposal companies. If they had priority in accessing tear downs and reclaiming them or salvaging usable material from them then beautiful and otherwise reusable material would be worth reusing. Thanks for all you do! The CRD seems very progressive and caring of the environment.
The CRD needs to be proactive about stopping the trends it notes that are guiding this plan. More incentives to reduce waste generation per person. Incentives to reduce waste such as charging only for the times when residents use their waste bins. Research Esquimalt's business case study of thermal conversion of residual waste after recycling into a renewable gas used for heating buildings to see if it can be applied at Hartland. It's counterintuitive to remove 73 acres of forest when we need to be increasing carbon storage. Promote recycling and resource recovery in a truly circular economy. Work with the City of Victoria on its Zero Waste Plan.
I do not support the proposed expansion of the Hartland Landfill beyond 2045 because I believe that before that date we should shift to zero waste disposal. Zero Waste The CRD Board supports the principle of zero waste and encourages a circular economy by mid-Century. This goal can be achieved by reducing personal consumption in keeping with achieving carbon neutrality by 2050; requiring producers to be responsible for the full life cycle of packaging; levying user fees on packages that produce waste and encouraging comprehensive recycling in both single family and multi family homes. Resource Recovery - Waste to Energy Solutions The Solid Waste Management Plan must rigorously pursue the 5 R waste hierarchy with top emphasis on reduction, reuse and recycling. The 4th R of resource recovery requires use of waste to energy technology. I support the Township of Esquimalt proposal to complete a detailed analysis of a demonstration waste to energy facility as soon as possible. The CRD should support the operation of this facility if it is technically feasible. Then resource recovery must be implemented throughout the regional municipalities before expansion of the Hartland landfill is considered. Circular Economy Expanding the Hartland landfill is completely inconsistent with achieving a carbon neutral economy by 2050. Removal of 73 acres of public forest that sequesters local carbon, is inconsistent with the CRD and other municipalities' declaration of a climate emergency and the critical need for the Greater Victoria region to become carbon neutral by 2050. Carbon neutrality requires full implementation of a circular economy where there is no waste. All excess carbon produced is captured by restoring the health of our ecosystems to store carbon.
The time has come to take true responsibility for our impact on the earth. We can't continue to produce waste with the expectation that the earth will somehow deal with it at no cost to the planet, or to us. The old ways of disposing of our waste must change. It is not right to increase the size of the Hartland Landfill at the expense of our forest. But what is right is to find alternative ways of dealing with waste. One alternative is to stop producing so much of it in the first place! There are many creative solutions to the food waste, building waste, packaging waste that we produce. Let us put our imagination to work, as well as our dollar, to deal with a problem that could become an asset through innovative thinking. Let's truly recycle, reuse and rethink.
1. My primary concern is that the expansion proposal (which should not be done) is due to the failure to reduce plastic waste. My experience is that retailers are permitted to force consumers to accept unnecessary packaging if they wish to buy almost anything. It is nearly impossible to buy needed items without accepting unnecessary packaging. There are many things that could be done at the local level to pressure or require retailers to reduce unnecessary packaging in grocery stores, for example. 2. Secondly, it is very concerning that the contractors who pick up waste have no apparent incentive to "call out" or penalize homowners or businesses for throwing forbidden materials into the garbage. I read the current procedures and they are unacceptable. Recyclables and organics that are improperly placed in the garbage should be noticed by contractors and reported. Bylaw officers should issue warnings and fines. This may seem expensive and onerous but it is less so than the plan to expand the landfill. 3. Third, I submit that recycling is entirely inadequate. Only 10% or so of recyclables are sent for recycling. I observe that garbage cans in CRD parks are often full of aluminum cans and plastic beverage bottles, or else the people who have disposed of them put them on top or on the edge, in hopes that someone may pick them up and take them to the recycle depot. I request that all parks, arenas, recreational sites and other places where garbage is collected should be given proper recycle bins. I believe that would help somewhat. 4. I attended an open house for the CRD waste management plan and discussed the huge, relatively new problem of dog food bags. Not so long ago, these were made of heavy paper. Now, they are all made of very heavy-duty plastic coated with metal and plastic, which are impossible to recycle. I asked the CRD how they deal with that. They told me that the manufacturers of these and similar problem packaging materials pay a fee for the privilege of forcing consumers to buy them. To add insult to injury, they merely pass on the cost of the fee to the consumer in the form of higher prices. This is unacceptable. The companies have a very easy ride indeed! I demand that the CRD find ways to reduce the garbage produced by the citizens, rather than expanding the landfill. Be creative. You CAN DO IT.
Thank you for the opportunity to provide feedback on your Solid Waste Management Plan. As a local resident and business owner, we are facing higher than market pricing for all classes of waste disposal. We recognize that we are on an island, however the involvement of the CRD in the processing of waste seems to be an overreach. There is very little evidence that active government involvement in the waste disposal business - particularly where it is already established as a private enterprise - leads to cost savings for consumers. Ultimately the CRD faces competition or worse - Competition Bureau challenges - for such activities and these will ultimately set a higher bar for consumer pricing. One can look no further than Seaspan/BC Ferries to see the results that predatory government pricing can have on market conditions. Further, private enterprise is already heavily invested in the development of additional assets for the processing of organics and the diversion of solid garbage. By removing these competitors through investment in taxpayer funded infrastructure, the CRD is sending a clear message that they believe they are better managed, more innovative, and more cost efficient. This is simply not a fair reflection of the time and effort put forth by all levels of waste collectors, waste diversion and recycling facilities and haulers. In closing, I would suggest that the CRD spends the efforts to work with independent contractors to increase their capacity - both at the landfill in district and out of district - in order to meet the needs of tomorrow's waste generators. Anything other than this approach reeks of politics..... a smell much worse than a giant compost pile on Hartland Road.
Moving the access point to Willis Point Road from Hartland Road makes good sense. Willis Point Road is better suited to truck traffic, and the overall safer option. I also understand this change would facilitate maximizing the efficient use of landfill space which I support whole heartedly. the 2030 waste generation reduction target of 250kg/person/year is very ambitious, as a citizen I look forward to the actions CRD pursues to realize this goal.
As a regular user of Hartland Road to access the landfill, I think transitioning the access point to Willis Point Road is a good idea as it will be safer and more convenient for large trucks.
As approved by the CRD Board, we are in a climate emergency. I do not support the expansion of the filling area of the Hartland

Landfill, including the removal of trees. Reviewing the guiding principles in the document, I think more can be done to focus on these principles before removal of trees and expansion of the filling area within the landfill property. Just because the property is approved to be used as a landfill does not mean we should go ahead and use it without first exhausting other means to reduce waste going to the landfill and recover energy/materials from waste. Please see more feedback below for each of the guiding principles. I also request that future documents meant for the public contain executive summaries. It is too cumbersome to be expected to read a 60+ page document to find what is actually being proposed. I believe the proposals start on page 28. 1. Promote zero waste approaches and influence others in support of a circular economy; --> the waste prevention actions are vague and not specific; please indicate which products and producers you would target first. If that is somewhere in the document, I can't find it. 2. Promote the first 3Rs (Reduce, Reuse and Recycle); --> I would like to see the CRD actively work to reduce packaging, particularly single use items. I would like to see curbside recycling of soft plastics. There are so many plastics in packaging that need to go into the garbage. I tried to bring our soft plastics to London Drugs and they were at capacity so I couldn't. We shouldn't have to rely on London Drugs to organize recycling of soft plastics, and realistically most people will put things in the garbage if it's more convenient. 3. Maximize beneficial use of waste materials and manage residuals appropriately; --> I would like the CRD to be a leader to reviewing and implementing technologies that recover energy/material from plastics. 4. Support polluter-pay and user-pay approaches and manage incentives to maximize positive behaviour outcomes; --> increase fees associated with larger garbage bins. People could apply for exemptions/discounts (eg. families with babies requiring disposal diapers) 5. Prevent organics, recyclables and hazardous household waste from going into the garbage wherever practical; --> I sometimes see people with only a garbage bin out on pick up days. These people should be flagged and fined because it is practically impossible to only have garbage and to not have any kitchen scraps/organics.
4.2.2.1.6 Estimated Lifespan I support the extension of the landfill site. The Landfill is an important asset to the community and its growth must grow with the community. I am surprised that the gravel extraction that is currently on going at Hartland landfill was not addressed. The plan should address a plan for the gravel to leave the landfill for a secondary use instead of just burying it into the garbage. This volume of gravel is a waste of valuable air space, $$, a huge % of the landfill volume that is not shown in any of your graphs and not a green environmentally friendly use of this material when this whole thing is about reusing not burying??? 5.1 Reduction and Reuse strategy #6 C-Licensing facilities is a waste of tax payers money. This is not needed in the CRD as local facilities are well operated here. The CVRD and RDN use this to try and monopolize over private companies and control the flow of garbage which means money. The only problem locations in the CRD is First Nations land were illegal dumping occurs daily. CVRD also has this problem and cannot do anything about it even with the licensing process in place. Licensing will bog down CRD staff and burn them out with the constant pressure and negativity that comes with managing licensed facilities and the general public. This does not promote the solid waste industry it removes the solid waste industry. D- this is flow control and monopolizing. This should be taken out of this plan as it is a tool so CRD can direct the flow of recycling and waste to where they want it to go only. This is not in the best interest of the tax payer and business community as it creates a monopoly for the CRD. With flow control, rates will only go up and tax payers will pay more instead of a free market place. This does not promote the solid waste industry it removes the solid waste industry. Strategy #11- Processing facility is not needed at Hartland Landfill. There are three composting facility's that can handle the food waste from the CRD. The Nanaimo facility is expanding their processing capacity to 60,000 tonne annually in 2021, the Chemainus compost facility is switching from biosolids composting to food waste composting and Fisher Road composting will be expanding their composting capacity. This material will be divided amongst the three processing facilities and the CRD will not need to waste tax payers money on building a composting facility that will be redundant. The landfill air space is too valuable and the operation of this facility will be to costly compared to privately owned facility's.
Thank you for the opportunity to provide feedback on the draft Solid Waste Management Plan for the Capital Regional District. In response I would like to raise the following concerns: 1. Waste Composition Looking at the Hartland Landfill Waste Stream Analysis it would appear that a high proportion of the materials that are being landfilled could be diverted e.g. organic waste, wood, paper, metals, textiles and plastics. This strikes me as a significant missed opportunity and calls into question how effective the CRD has been in communicating with its citizens regarding waste. 2. Communication and Public Engagement I appreciate and value the strategies identified for increasing diversion. I also note the repeat references to continuing public education and awareness raising which I agree should be a key part of the CRD's SWMP. But, further to the point above, I think more is needed than a commitment to continue these programs, rather communication around waste in the CRD needs to be significantly expanded and strengthened, such that everyone understands the role they have and/or can play. A first step would be to reorder the goals retaining the 125kg target as #1 followed by having informed citizens (and businesses) that participate effectively. Then #3 extend the life of the landfill to 100 years plus but with the explicit statement of how this should be achieved i.e. through prevention, reduction, diversion and, as necessary, expansion. And lastly, Goal 4, ensure that CRD's waste services are financially sustainable. As a resident who has lived in a number of different rental properties and areas of the CRD over the past 7 years, I have never seen or received any communication from the CRD regarding the waste goals and per capita target. If this is reflective of the typical experience of (private) tenants in the CRD, which make up a significant portion of citizens in the region, then it is likely to significantly undermine efforts to reduce waste in the CRD. As highlighted in the plan raising awareness among ALL citizens is key, this could be achieved by including the target on stickers on our curbside bins, for example. While for property owners an update on average performance (kg/capita) could be included with annual property tax letters. Communication of the target, and performance, at the Landfill itself could also be improved through signage and potentially a handout or similar after payment/use of the scale. Lastly, given that 40% of waste arises from ICI sources, and private waste haulers have a vested interest in not promoting prevention or reduction. I feel it crucial that the CRD expands the scope of its education activities to actively engage business in addition to building managers and strata across the region. 3. Level of Ambition I would like to encourage the CRD to be truly ambitious in its plan. The Regional District of Nanaimo (RDN) is targeting a 90% reduction in waste to landfill by 2027, equal to 109kg per person. While the proposed SWMP for the CRD seems to only hope to achieve a per capita disposal rate of less than 250kg in 10 years time. According to the draft plans it will take the CRD three years to surpass the RDN current disposal rate of 347kg per capita, by which point they will be well on their way to their 109kg target. I am curious as to why the CRD SWMP is not more ambitious, when it is already lagging behind the RDN/other jurisdictions on the Island are already achieving higher levels of diversion. I welcome the suggestion of some kind of on site free-store and would encourage the CRD to look at the highly successful Re-Use it Centre in the Resort Municipality of Whistler, which actually provides goods for donation (not only helping to cover overhead but I believe in doing so, helps to add value to items that may otherwise be considered and treated as disposable). The other important note with respect to this facility is its proximity to the population centre/popular grocery store/transit links. Hence, I ask that the CRD considers going beyond the free-store in the current plan and consider establishing a green business hub or quarter. One of the biggest challenges to a green lifestyle is arguably time and (in)convenience - especially when compared to the ease of, say, shopping at a mall, relying heavily on disposable products and using a car for most journeys. If the CRD is truly seeking to promote less consumption, and foster the circular economy, it could consider establishing a green business quarter through favourable business rates etc. whereby a whole range of green/waste conscious businesses (e.g. CRD reuse store, bulk stores, refill stores, local food markets, repair cafe, bike repair etc.) are co-located in one area that can be accessed easily by transit, bike etc. as opposed to adding a facility at the dump itself, which is only accessible by car. I would also, in relation to the CRD's level of ambition, reiterate my point above (under Communication and Public Engagement) regarding reordering/prioritization of the goals in the SWMP. I hope that you will take the above into consideration as you continue to develop the Plan and thank you for your time.
Landlords of apartment buildings/multifamily housing NEED to be held accountable for the waste services they provide to tenants. I live in a building where the landlord has straight out refused to provide a kitchen scraps program over alleged concern for rats, and has recently stopped glass recycling (my experience is by no means unique). If it is illegal to dump organics at Hartland, how can landlords force tenants into a position where they have no choice but to put kitchen waste and recyclables in the garbage? "Education" of individual citizens doesn't go very far if the landlords managing our rental buildings refuse to provide the necessary services.
I would like to add my support of moving the truck delivery entrance to Willis point rd. as keeping it on Hartland would require a total rebuild of the bridge at start of the road as the heavy trucks keep damaging the road over the bridge sending asphalt into the Tod Creek. As a matter if interest which houses are you supplying with electricity, of the 1,100 houses how much do you charge?

Will CRD be invoking the Precautionary Principle with plastic? Thank you, Larry Wartels, freeusall1@gmail.com
Instead of expanding the landfill, let's figure out new methods of recycling and promoting a more circular economy to reduce solid waste at its source. As an avid hiker and longtime Victoria resident, I like many others place great value in our urban forests. Please reconsider this development action and instead plan for better sorting, recycling, and perhaps municipal bans on certain disposable items.
Do not expand the land area for the Hartland Landfill until all possible alternative solutions and technologies have been thoroughly evaluated. Site expansion must be the last option to be considered.
I am aware that solid waste (biosolids) are being used in various ways around the world but this is no solution either since dangerous heavy metals etc. remain wherever they are used. The only long term solution is to eliminate waste at the delivery end and increase awareness of consumers around this problem. It is necessary to imagine that the consumer must think of the waste stream with every purchase and this can be accomplished if more emphasis is put on both them and manufacturers with the costs associated. Expanding landfill sites and distributing biosolids into the natural world is simply not a lasting solution. Long term thinking must occur.
Halt the expansion of the Hartland landfill!
At this time in history we have the technology to turn solid waste and garbage into resources. Would you take a moment to watch the possibilities in this 2 minute clip: https://www.youtube.com/watch?v=fpDrUwd1uq4 In my opinion it is no longer acceptable to destroy forest land and turn it into a dump! We can do so much better. While forest lands capture carbon dioxide, dumps create CO2 and methane, a greenhouse gas many times more potent than carbon dioxide. Please be climate leaders and public officials who work for a livable future. Vote against expanding the Hartland Dump.
Expanding the garbage tip only helps for a little time. Educate people. ei. Sooke has a disposal company that most Sookies do not know about, lack of knowledge is the main cause of misuse of non disposable items. cutting down trees which among other things prevents run off of water otherwise stored in the ground is a very short sighted way of coping with our lack of resources.
Educating people on their mismanagement of waste would be vastly more productive. There is a wonderful company in Sooke who recycles waste that our blue boxes does not accept. I speak to people and they say good idea but do nothing about it. Please expand the contents of blue box collections. Please do not cut down the trees. They hold water in the ground apart from many other useful things to help stop global warming, with such vast areas of this planet burning out of control we need to keep water underground,
Hi I object to the proposed large expansion to the Hartland dump. I know that good actions are already in place to use and reduce waste. Let's have more. We need the beautiful forest that would be destroyed for carbon sequestration and much more. Thank you
CRD, I urge you to rethink your decision to expand the Hartland landfill. We need to find better solutions to disposing of our waste and increasing the size of landfill will only promote the same behaviour that put us in the crisis we are in. People will continue to consume, purchase and dispose as they have always done if they aren't forced to change. We need leaders who will put limits on our behaviour and not fear the political repercussions, leaders who will tell us that we have to be more responsible for our choices and less self centred. As Einstein said. "Doing things the same way and expecting a different outcome is the definition of insanity." Sincerely, [redacted]
In my opinion it is no longer acceptable to destroy forest land and turn it into a dump! We can do so much better. At this time in history, we have the technology to turn solid waste and garbage into resources. While forest lands capture carbon dioxide, landfills create CO2 and methane, a greenhouse gas many times more potent than carbon dioxide. It is time to be climate leaders and public officials who work for a livable future. Vote against expanding the Hartland Landfill.
I am heartened by your look to the future and input in a plan to manage waste. I am very much against chopping trees down to fill the landfill with waste, despite plans to replant trees. The trees are doing a great service on their own, especially as they are mature. More needs to be done with solid waste management and ridding of toxins. This has always been a known need but we opted for only the basic tertiary steps to treat human waste. Further work needs to be done before we get rid of environmentally sound trees on the property. Planting of trees does not give us back the same level of help by the mature trees. Other options should be explored and planned.
The solution to the garbage problem is not to cut down forests but to educate people in reduce, reuse and recycle. We need our trees.
Why are we tearing out trees to make room for more irresponsible garbage? This is 2021 and we haven't the sense to manage our own rapacious consumption? The population and garbage is only increasing while we look at further degradation as a solution? There must be something more intelligent.
You should be putting resources into Gasification IRM not cutting down trees.
Destroying another 73 acres of forest will achieve nothing. This is a finger in the dyke approach as a tsunami of solid waste overwhelms Victoria and other towns in BC. We must think bigger. Solid waste needs a Province wide solution, where all single use products are banned, all plastic and glass is recycled, all paper and cardboard is recycled and all larger items are returned to the manufacturers or reused under a circular economy model. We need to pay deposits and recycling charges as part of the cost of using/owning these products. Creating bigger and ever more holes in the ground, while destroying carbon sink working forests gets us nowhere except to increase GHG emissions and accelerate climate change.
By digging a bigger hole at Hartland we are simply digging ourselves into a bigger hole environmentally. The current plans for expansion are regressive and newer, sustainable solutions must be considered. Thank you.
Hartland provides valuable recreational opportunities that must not be compromised. We need to move towards zero waste, including restrictions and construction and demolition, and the requirement to unbuild houses. We must find better solutions than landfill expansions
Trees are precious and take hundreds of years to grow into an irreplaceable forest. Please do not sacrifice a precious forest for garbage. I enjoy hiking in the area thanks to the legacy left by my mother who campaigned for years to save places such as Todd Inlet from destruction. Thank you.
I am a primary school student and I want to see this plan use other land (without trees and other life in there). I love the park and I don't want to loose it, my life will be ruined. People can do much more than this, they are just lazy and don't know what to do. If you can encourage more and more people do to their part, I believe this landfill plan will be just a dream. Please consider multiple times before you make the final decision. I love life and I hate people who waste.
It is time to inform the public through various media regarding how they can reduce what goes to our landfill. I have noted in my area that the large dumpsters at apartment buildings do not include a place to recycle clean glass. Also, expanding the Hartland Dump is not a solution with which I can agree. Don't re-invent the wheel. Look at what other more progressive examples from other cities. Sincerely, [redacted]
While the guiding principles of this draft solid waste management plan are laudable, I am appalled that the CRD, after declaring a climate emergency, is planning to destroy a 73 acre forest in order to expand the Hartland landfill. Other regional districts, including Nanaimo, have established progressive policies to achieve significant reductions in waste, and that is exactly what the CRD needs to do. Our communities can meet this challenge and save the economic and ecological costs related to this ill-conceived proposal for Harland. It is simply not acceptable to destroy a forest in order to dump more garbage. Active promotion of campaigns to encourage residents to Rethink, Refuse, Reduce, Reuse, Repair, and Recycle, combined with policies to eliminate single use plastics and other packaging will save this forest and its important roles as a carbon sink, wildlife habitat and recreation area. As a concerned resident of the CRD I call on you to live up to the stated goals of the plan and reject the Hartland expansion.
Thank you for the opportunity to provide feedback on the CRD's draft solid waste management plan. It is time to rethink waste! The CRD continues to operate in an archaic business-as-usual manner that is not in alignment with the climate crisis and future generations. The CRD needs to walk its talk. Expanding landfills is NOT in alignment with the climate emergency and the principles supporting a One Planet Region. The CRD needs to show leadership and make bold moves NOW that include the following

progressive solutions: 1) Make waste socially unacceptable through education, with emphasis on the 6 R's (rethink, refuse, reduce, repair, reuse, recycle); 2) Encourage a circular economy through Repurpose and Repair Centers and Repair Cafes; 3) Change the current business model so tipping fees encourage DIVERSION of waste FROM the landfill vs into the landfill; 4) Use the Township of Esquimalt Waste to Energy proposal as a demonstration waste-to-energy project and make it a leading example of moving towards carbon neutrality; 5) Adopt the City of Victoria's plan to reduce waste by 50% by 2040 and adopt this as a minimum target for diverting waste throughout the region by 2040, and accelerate this to 90% by 2050 at the latest; 6) Recognize that carbon neutrality and zero waste are mandatory pre-requisites if we intend to be carbon neutral and address climate change, one of the greatest global threats to the survival of mankind; 7) Enforce mandatory fully compostable packaging; 8) Legislate that manufacturers are responsible for the full life cycle of their products and enforce this so that products can not be shipped or sold unless manufacturers are certified to do so and are actively regulated, inspected and licensed with mandatory accountability and transparency. Fees collected would be used to support local zero waste initiatives; 9) Create mandatory source separation for single and multi-family dwellings, as well as institutional, commercial and industrial (ICI) use; 10) Delay requesting the expansion of the landfill under the Solid Waste Management Plan until the CRD can publicly demonstrate progress on the following 3 key initiatives: 1) achieving zero waste and a circular economy; 2) operating a waste to energy project, like Esquimalt, to demonstrate its effectiveness in achieving zero waste and lowering carbon emissions; and 3) developing a new business model based on maximizing diversion from the landfill as proposed by the Regional District of Nanaimo. This is possible. Real leadership can make this happen! Frances Litman, on behalf of the Creatively United for the Planet Society
We are in the 21st century, and we have declared a climate crisis. Our solid waste treatment should thus not cut down forest to extend Hartland, maintain Hartland by counterproductive 'tipping fees', transfer trucks to Willis point road thus impairing recreational use of the road itself (by runners, hikers and cyclists), the Mount Work park and Durance Lake and Mckenzie Bite - all this increasingly valuable to increasingly densely housed Victorians. The CRD plan runs counter to its responsibilities to care for our piece of the planet and our inhabitants. What you are risking can never be reclaimed - and it is totally unnecessary. Switch to modern alternative solid waste management systems, like gasification, for example - just as operates in much of Europe. Also, given what we now know about viral particles surviving through current biosolid production, and have suffered with Covid, it is lunatic to land -spread biosolids ever, anywhere. This proposal must be changed: it can't be reversed. Once on land, whatever pollutants are there seep into our aquifers, our wells and are wind-dispersed. Stand up for what is right CRD, think again, follow the evidence and the public interest. We depend on you to change course. With thanks.
The Plan, "Rethinking Waste", is presented as a "plan to reduce how much material is sent to Hartland Landfill and guide how the region's waste is managed in a safe, secure and sustainable way now and in the future." In fact, as presently conceived and presented, it is a plan of insufficient ambition that avoids any serious decisions or commitments to rethinking waste and is instead designed to take the course of least resistance. The current Plan leads inevitably to the enlargement and expansion of the Hartland Landfill. Instead of being called the "Solid Waste Management Plan", it could more accurately be called the "Hartland Landfill Expansion Plan" because that is the inevitable, pre-determined outcome of the current plan. Current Plan is not sufficiently Ambitious The entire plan is premised on the target of reducing per person annual waste amounts from the current 380kg per person per year to 250 kg by 2030, with an undefined "aspirational target" of 125kg. This aspirational target was tacked on at the end of the planning process as a sop to the recommendation of the Solid Waste Advisory Committee, without any plan or commitment to achieving it. Assuming the 250kg target is met, according to the current plan, beginning in 2030 73 acres of forest will be removed in order to begin expansion of Hartland's filling footprint by approximately 50% so that the expanded Landfill will be ready to continue receiving waste beyond 2045. (All this without the benefit of an environmental assessment which CRD staff claims is not required). Expansion is the chosen strategy to extend the life of the Landfill to 2100 and the entire plan is predicated on this outcome. All the assumptions in the plan, including a financial model that relies primarily on continued tipping fees, is based on the expectation of expansion. It is the wrong strategy for a number of reasons, and must be rejected. Instead of the presumption that Hartland must be expanded, with work beginning in 2030, the Plan should start from the goal of avoiding further expansion, and set waste reduction targets and strategies accordingly, based on this goal. Deferral of Approval of Design Concept for Expansion is Required Rather than approve the current plan, the CRD Board should amend the plan by deferring any decision on expansion of Hartland until an effectiveness review is conducted, as required by the Province, in 2025. In the meantime, the CRD should maintain flexibility in the plan allowing for the potential incorporation of current initiatives being pursued within the CRD, such as Esquimalt's evaluation of the business case for Integrated Resource Management and the City of Victoria Zero Waste strategy, and other developments between now and 2025. In 2025 a full evaluation should be undertaken of progress toward waste reduction targets, including the aspirational target of 125kg per person annually (note that the Regional District of Nanaimo has adopted an annual waste reduction target of 109kg per person by 2027, with measures being put in place to achieve that goal). This review could lead to a further modification of the Plan to incorporate new strategies including waste to energy initiatives if they prove practical. In the meantime, CRD Board should not approve the design concept of Hartland expansion that is scheduled to begin in 2030 under the current plan. Environmental Assessment Needed if Expansion Plans Approved The Plan argues unconvincingly that the removal of the trees and the quarrying of the 73 acres is not an "expansion" but merely "maximizing the use of land currently within the property boundary". This ignores the fact that the expansion will remove a significant buffer area that until 2019 was a de facto part of Mount Work Park. It will push the area being used for landfilling operations to the very boundary of the property. The Plan's language also dismisses the fact that the actual filling footprint will expand significantly, both in terms of surface area and removal of rock to create airspace. In fact the expanded filling space will be well in excess of the 30% increase that triggers an environmental review under the Environmental Assessment Act, despite the CRD statement that it does not believe that an environmental assessment is required. This expansion will have a number of significant negative impacts. First removal of forest cover is inconsistent with climate action goals. The statement that new trees will be planted elsewhere is insufficient as replacement of mature trees with seedlings is a suboptimal outcome when the removal of the mature trees can be avoided. Expansion of the Landfill will further put at risk the 16 endangered species in Mount Work Park. It will remove 73 acres from recreational use and create noise, air and water pollution for the adjacent areas, all of which is unnecessary. It will redirect traffic to a busy commuter, residential and recreational road from the current access route that terminates at the Landfill. Most important, expansion will ensure that the CRD continues to dispose of waste through landfilling, creating significant methane emissions in the process to the detriment of federal, provincial and regional greenhouse gas reduction commitments, instead of seriously examining alternatives to continued landfilling. Despite vague language in the Plan that new technology and waste reduction methods might change the planned expansion, there is no commitment or concrete planning to move beyond the goal of 250 kg of waste per person annually. The notation of an "aspirational goal" of reaching 125 kg per person annually by 2030 has no concrete action plan or funding behind it. In fact, CRD staff recommended rejection of the proposal of the Solid Waste Advisory Committee to adopt a target more aggressive than 250 kg because it would cause delay and undermine the current financial model. Most of the strategies in the Plan designed to achieve the relatively modest goal of a reduction of per capita waste production to 250kg per year by 2030 are vague and without any measurable outcomes. The strategies are full of unquantifiable terms such as "continue to", "explore" and "advocate for". Funds allocated to strategies to achieve important reduction goals are modest in the extreme, amounting to only 1% of annual expenditures, or about $300,000 per year for all initiatives. Dependence on Tipping Fee Financial Model is Fundamentally at Odds with Waste Reduction It is true that a waste generation target of 125 kg would upend the financial model of depending primarily on tipping fees to fund Hartland's operating expenses. Staff have confirmed that when waste per person drops below 200 kg per year, tipping fees will no longer cover expenses, and alternative sources of income will have to be found. As it stands now, the Plan has a built-in bias ensuring that waste continues to be brought to the Landfill for disposal. The plan needs to consider a mix of funding models, including the possibility of tax revenues, to avoid the current tipping fee funding model from working against the objectives of zero waste. Primary reliance on tipping fees to fund Hartland's operation is in fundamental contradiction to the expressed goal of reduce, recycle and re-use. Instead, tipping fees should be used to incentivize waste reduction behaviour, as is being done in the new tipping fee and funding model being adopted by the Regional District of Nanaimo. Alternatives to Hartland Expansion There are a number of alternatives. Nanaimo's aggressive waste reduction strategy breaks with the tipping fee financial model. The City of Victoria has embarked on a comprehensive zero-waste initiative and has set a target of 50% waste reduction by 2040 that should result in significantly less waste being sent to Hartland. Saanich is developing a One Planet Saanich strategy that embraces zero waste and

carbon neutrality. Other regional municipalities could do the same. The Township of Esquimalt is undertaking a business study of small-scale waste-to-energy (Integrated Resource Management) processes that will obviate the need to send waste to Hartland. Yet the SWMP makes only passing reference to "new technologies" with no concrete plan to embrace them. Instead, the default setting is "reduce to 250 kg and then begin expansion of Hartland". According to the draft plan, almost 70% of waste deposited at Hartland falls into four categories (organics 21.1%; wood products 17%; paper 15.4% and plastics 14.3%). All of these are highly amenable to reduce, reuse and recycle. Moreover 56% of waste comes from ICI (institutional, commercial and industrial) sources and construction and demolition, yet most of the initiatives in the plan to reduce waste are directed at consumers and households through education rather than dealing with the heavy ICI users and construction industry. Cruise ship waste is another issue that needs addressing. Bans that are in place on kitchen scraps, gardens waste and paper fibres are clearly not being implemented and effectively enforced. The current focus is to accept just about whatever shows up at the gate. The current operation of Hartland is hooked like a drug user on tipping fees. This needs to change. CRD Director Responsibility Directors need to be aware that if they approve the Plan as currently presented, they will be giving the green light to expansion of the Hartland Landfill beginning in 2030. The argument that this is just a "design concept" belies the fact that all planning and financial modelling is premised on reducing per capita waste to just 250 kg per year within a decade, an outcome that feeds directly into the start of construction for expansion. The current plan ignores new commitments to carbon neutrality made by various levels of government, takes no account of zero waste initiatives, and ignores the full potential of the circular economy. It makes only passing reference to the impact of new technologies with no actions in the plan designed to examine or harness such technologies. In effect, this is a plan for the status quo, more suited for a world of the late 20th century, not the first or second quarters of the 21st century. Directors should reject the Plan as currently constructed. Staff should be instructed to go back to the drawing board and revise the plan based on public input to present a plan that is more in sync with the realities of climate change, aggressive waste reduction, innovative financial mechanisms, government commitments and public expectations. A revised plan should defer any decision on Hartland expansion or approval in principle of an expansion design concept at least until the next scheduled review in 2025 and should adopt a more aggressive per person waste reduction target in order to avoid the necessity for expansion in future years. In the meantime, staff should be instructed to develop strategies, proposed actions and financial modelling building on zero waste strategies, new technologies and financial incentives and disincentives, to produce a plan that will extend Hartland's usable life without expansion, avoiding the negative environmental and social impacts that will come with that expansion.
Farmers are interested in compost for the regional farm community, and how a program can be established with you to nurture and build soils, protect our fields and the environment and contribute positively to climate change and soil carbon sequestration or 'carbon sinks'. We would like to discuss approaches to collaborative partnerships within the CRD to achieve regional targets; and can align to your principals by building soils with compost, growing crops and providing nutritious food to the region. If citizens of the region see and know their compost is going onto fields, providing local landscapes of vegetables fruits and berries, grains and forage fields – they will be enthused about recycling organic matter and have more faith in sustainability and climate mitigation practices. The continued application of compost to fields will increase the organic matter and soil structure, increase the nutrient holding capacity and improve the soil biology. This provides less use of fertilizers and water, less runoff and leachate, better crop growth and less GHG emissions.
In order to truly Rethink Waste, the CRD needs to: 1. Make waste socially unacceptable through education, with emphasis on the 6 R's (rethink, refuse, reduce, repair, reuse, recycle); 2. Encourage a circular economy through repurpose and repair centers and repair cafes; 3. Change the current business model so tipping fees encourage DIVERSION of waste FROM the landfill vs into the landfill; 4. Use the Township of Esquimalt Waste to Energy proposal as a demonstration waste-to-energy project and make it a leading example of moving towards carbon neutrality; 5. Adopt the City of Victoria's plan to reduce waste by 50% by 2040 and adopt this as a minimum target for diverting waste throughout the region by 2040, and accelerate this to 90% by 2050 at the latest; 6. Recognize that carbon neutrality and zero waste are mandatory pre-requisites if we intend to be carbon neutral and address climate change, one of the greatest global threats to the survival of mankind; 7. Enforce mandatory fully compostable packaging; 8. Encourage the provincial government to legislate that manufacturers are responsible for the full life cycle of their products and enforce this so that products can not be shipped or sold unless manufacturers are certified to do so and are actively regulated, inspected and licensed with mandatory accountability and transparency. Fees collected would be used to support local zero waste initiatives; 9. Create mandatory source separation for single and multi-family dwellings, as well as institutional, commercial and industrial (ICI) use; 10. Delay requesting the expansion of the landfill under the Solid Waste Management Plan until the CRD can publicly demonstrate progress on the following 3 key initiatives: A) achieving zero waste and a circular economy; B) operating a waste to energy project, like Esquimalt, to demonstrate its effectiveness in achieving zero waste and lowering carbon emissions; and C) developing a new business model based on maximizing diversion from the landfill as proposed by the Regional District of Nanaimo. This is possible and your leadership can make this happen!
This plan sounds ambitious with respect to reducing waste and pushing the 3 Rs but in fact there are no concrete commitments or measurables. Most of the "actions" are simply "to continue to", "to explore", "to work with". There are no measurable outcomes for the strategies so it is impossible to hold the CRD accountable for this plan. When the targets are missed because of weak implementation, it will be impossible to analyze why. Most disappointing is the lack of any significant budget commitment to make this plan work. The budget allocated to support all the initiatives outlined in the plan amounts to only one percent of the annual budget for solid waste management at Hartland. If you are really serious about reducing waste in this region--thereby avoiding the need to expand the Landfill, which is a backward step at a time of a climate emergency--put some meaningful budget behind the 3 R initiatives. Right now, it is mostly empty rhetoric and window-dressing.
Please advocate for less packaging in consumer products! For example, even fresh produce that needs NO packaging at all is now overly packaged. I tried to buy tomatoes the other day and one store I went in to had at least half a dozen varieties of fresh tomatoes, but every single one came only in either bags or clamshell plastic packaging. Other non food items are often worse for unnecessary packaging that cannot be reused or recycled. Consumers will make the right choice if they actually have it to make. Thank you.
I would like to see more details regarding strategy 15 on enhancing capacity. I see the new landfill footprint but if the goal is for circular economy or zero waste why is such a big expansion being planned? Also where are the details to how many trees will be removed/ how long blasting will take place? (Years/months) / how much rock will be removed/The number of trucks going in and out to deal with expansion? I think putting this big item at the end of the draft plan makes it look like there is something to hide also it has so few facts when compared to the other strategies it's hard to provide informed comments or meaningful feedback.
When it comes to solid waste, a key principle should be "polluter-pay" by fully accounting for several factors such as volume, mass and while it would be difficult to measure, environmental impact (1 kg of batteries has a larger impact that 1 kg of dog hair). The user pay cost curve should be exponential to encourage a zero-waste target. These cost factors should should be measured from a low floor threshold. For example, the cost curve should start at the first gram of waste when considering the mass factor and not some higher threshold (such as one garbage can per household that is typical now). Right now, most users have no economic incentive to get to a zero-waste target. To complement the exponential cost curve, users should have a variety of no/low cost and convenient options to recycle their waste and divert it from the solid waste stream. A good example is polystyrene which is very inconvenient to recycle right now and depending on where the user goes in the CRD, can have an associated cost as well. I would want to see something like retailers that are selling products containing polystyrene taking it back as well.
Within your Solid Waste Management Plan there are plans for the expansion of the Hartland Landfill which I feel is counter-intuitive to addressing the Climate Emergency that the CRD declared almost 2 years ago. We need to be finding solutions to stop, not increase the methane emissions coming from the landfill and lower the GHGs coming from all that trucking of garbage and aggregate. We feel that selling the methane to Fortis to produce RNG is definitely not helping us tackle climate change. It is only helping to prop up the continued use of fracked gas. In order for the landfill to provide enough methane we would need to continue dumping more garbage. Where is the logic and the "greenness" in that when we should be working towards zero waste and carbon neutrality? Another one of my concerns regarding the expansion of the landfill would be the worsening of our air quality through the unconscionable destruction of 73 acres of our priceless urban forest coupled with the expanded trucking of garbage. We are losing millions of trees every year so

every tree saved now is critical to our health and survival. CAPE, the Canadian Association of Physicians for the Environment have been sounding the alarm bells on air pollution and how it is taking its toll on our health care system. And as we destroy more nature, they are saying we are giving rise to more zoonotics such as the likes of covid-19. We just cannot afford to lose the 73 acres of forest in order to accommodate garbage! Our planet is losing its biodiversity at breath-taking speed. Did you know that within this forested area are 16 at risk species? Our urban forests are an incredible natural asset for filtering our air and for carbon sequestration. The trees planted today will take decades if not generations to absorb as much carbon as these mature trees currently do. Our trees are worth millions of dollars for all the services they provide. I feel the Hartland Landfill business model really needs to be revised and brought into the 21st century. As it currently stands, the survival of the landfill appears to be dependent on the tipping fees and that does not jive well at all with what we are trying to achieve with zero-waste and a circular economy. The City of Victoria recently set out it's Zero Waste Strategy for a 50% reduction by 2040. If other municipalities start getting on board with this there should be no need to for the expansion of the landfill. And if Nanaimo can shoot for a 90% reduction by 2027 why can't we? If we don't aim for the moon we won't even get off the ground. There are other technologies too like wte that could greatly help reduce the amount of waste going to the landfill. I would like the CRD to support and consider the IRM system that the Township of Esquimalt is currently working on. This is totally different from the Enerkem system proposed for Edmonton that is definitely not what we would want. So, before the CRD makes plans to expand the landfill I would like you to hit the pause button. I understand that you can always amend the SWMP once it is approved but do you truly believe that will ever happen? How many years has it already been since it was last looked at? Too often we citizens have seen our governments kick the can down the road. If all governments had heeded the warnings of the scientists and experts back in the 70's and took the issues head on, we wouldn't be facing these monumental challenges we have now. In your Regional Growth Strategy Indicator Report 2020 under Community GHGs it says, "The current trend suggests we will not meet the target by 2038 unless greater effort is taken." I sincerely hope that the current CRD Board of Directors and staff will take greater effort and will finally be the government that we wish to see and take profound, rapid and real climate action. I hope you will take immediate action to reduce our GHGs before the clock runs out on us. Let's roll up our sleeves together to get this done. I know the people would be willing to do what it takes if we have strong leadership we can trust to get us there.
The CRD needs to focus more on the ICI sector. The educational image of the per person garbage cans is misleading. It makes me think that it is individuals that are generating too much waste, but really ICI generates 40% of the waste. The ICI sector should be fined if they don't recycle or compost. A friend of mine worked at a local Royal Bank branch. There were recycling bins inside, but none outside so the custodian emptied the recycling bins into the dumpster with the trash. Royal bank can afford to recycle and should be held accountable. The Plan's idea of requiring a waste plan with a business licence is great. The CRD could also give awards to companies that are leaders in reducing waste. There could be a competition to see who can reduce the most waste in a year. The media could draw attention to the businesses that don't recycle or compost. My family tries to reduce our waste, but it is hard in a society with so much packaging. Stop blaming the individual and make businesses take responsibility for their products.
Our CRD should be all over this great idea: <https://www.byfusion.com/byblock/>. -- wmj
The regional district on Nanaimo is using tipping fees as a way of incentivizing waste diversion. The CRD SWM plan actually encourages more waste delivery to Hartland by basing financial sustainability (one of the four key principles) on maintaining revenue from tipping fees. The plan needs to recognize the fundamental contradiction between trying to reduce waste while funding the operation on tipping fees. It is time to look at a ne financial model.
The plan to divert commercial traffic to Willis Point Road fails to take adequate account of congestion and safety concerns that will occur because of the poor design on the intersection of West Saanich Road and Wallace Drive. Trucks turning north onto West Saanich will block traffic coming from Hartland trying to turn south. Southbound traffic will find it difficult to merge into traffic on West Saanich streaming southbound downhill. Cyclist exiting the Interurban bike trail will find Wallace Drive clogged with trucks. Compounding these problems are the post boxes on that corner. The move is poorly planned and the remedies are out of CRD's hands as Saanich is responsible for this intersection. A fully costed design is necessary if this move of traffic is to take place, for everyone's safety and for the efficient movement of traffic, and work needs to be completed before the move takes place.
We need to go to zero waste - see city of Nanaimo's strategy. To expand the CRD Hartland Rd. landfill means the loss of 73 acres of forested land, according to an article on the Times Colonist. We cannot afford to sacrifice forests, our best bet for sequestering carbon, in a life-changing climate crisis for wasteful landfill.
Too lengthy Cannot find specific info. Please publish a condensed, stick to specific facts.
As a resident of Hartland Avenue, I am in full support of the plan to move the commercial access of the Hatland Landfill to Willis Point Road as proposed . It is a crucial step to the future of the solid waste management of the CRD.
I am a resident of Hartland Avenue and fully support moving the commercial access of the Hartland Landfill to Willis Point Road. The commercial truck traffic has become very busy and has outgrown the safety of Hartland Road.
Totally ridiculous short-sighted solution. Area surrounded by multiple parkland preserves, Gowland-Todd, Durance Lake, Mt. Work, fragile ecosystem, community on well-water, limited road access.... Bio-solids, sewage treatment plant, truck diversion to Willis Point Road, none of this makes sense and will be fought.
I do not support the proposed expansion of the Hartland Landfill beyond 2045 because I believe that before that date we should shift to zero waste disposal. Zero Waste The CRD Board supports the principle of zero waste and encourages a circular economy by mid-Century. This goal can be achieved by reducing personal consumption in keeping with achieving carbon neutrality by 2050; requiring producers to be responsible for the full life cycle of packaging; levying user fees on packages that produce waste and encouraging comprehensive recycling in both single family and multi family homes. Resource Recovery - Waste to Energy Solutions The Solid Waste Management Plan must rigorously pursue the 5 R waste hierarchy with top emphasis on reduction, reuse and recycling. The 4th R of resource recovery requires use of waste to energy technology. I support the Township of Esquimalt proposal to complete a detailed analysis of a demonstration waste to energy facility as soon as possible. The CRD should support the operation of this facility if it is technically feasible. Then resource recovery must be implemented throughout the regional municipalities before expansion of the Hartland landfill is considered. Expanding the Hartland landfill is completely inconsistent with achieving a carbon neutral economy by 2050. Removal of 73 acres of public forest that sequesters local carbon, is inconsistent with the CRD and other municipalities' declaration of a climate emergency and the critical need for the Greater Victoria region to become carbon neutral by 2050. Carbon neutrality requires full implementation of a circular economy where there is no waste. All excess carbon produced is captured by restoring the health of our ecosystems to store carbon.
We live here and pay property taxes and refuse to let this short-sighted expansion move forward at the expense of Willis Point and Highlands residents and our fragile ecosystem. No!
I don't see how it's going to work when recycling has gotten more and more restrictive. In my own life, here's what I've experienced in the last few years: - Private recycling companies (like the one my apartment building uses) stopped accepting glass - Most bottle depots stopped accepting glass, plastic wrap, styrofoam - Hartland stopped accepting hard plastics - My building (Devon Properties) has no organics cart and is not interested in providing one We throw away literally 8x more garbage now than we did 5 years ago (when we lived somewhere with organics and glass recycling, and other items were easier to recycle). I measured it -- we used to throw out a 1/4 full Costco kitchen bag every 2 weeks, whereas now we throw out a full bag once a week. I can't always take everything to Hartland, and have zero options for composting. If you want to reduce waste, recycling needs to be easier and you need to enforce the food scraps rule (I tried emailing the City of Victoria about it -- they didn't care and told me "my building was probably paying a fine").
The public consultation on traffic changes coming as a result of shifting primary truck access to Willis Point Road revealed a major loophole in the SWMP strategy. The shift in traffic will result in a number of safety issues for regular commuters, cyclists and pedestrians ranging from winter maintenance to the need to redesign and reconstruct the intersection of West Saanich Road and Wallace Drive where the combination of trucks, commuters, cyclists and pedestrians will result in major congestion and safety issues. Trucks turning north from Wallace Drive will impede southbound traffic coming off Wallace Drive. Traffic turning south will have sight lines blocked by trucks turning north and traffic streaming south down West Saanich on the downhill slope leading to the intersection

with Wallace will not be able to see traffic turning south. Plus the Interurban bike lane ends at precisely this point, spilling onto Wallace Drive that is narrow, bordered by deep ditches and has no sidewalk or bike path. These concerns were all raised and acknowledged in the traffic consultation but the response in the FAQ's is that this is all the responsibility of Saanich. Saanich should not be required to bear the full cost of these necessary road changes, and it is unlikely to do so. It will give low priority to these changes as very few Saanich residents will be affected. The increased danger and inconvenience will be borne by commuters from the West Shore, Highlands and Willis Point as well as users of Mount Work and Gowlland Tod Parks. While Willis Point Road will not be at capacity, a huge bottleneck will be created at the confluence of West Saanich Road and Wallace Drive. It doesn't matter how much capacity a road has if traffic cannot enter or exit smoothly. The only solution is for the CRD to fund these necessary safety and traffic flow improvements. Residents are understandably skeptical when given "assurances" by CRD officials that this will be looked at. Residents of Hartland Avenue pointed out that the CRD and Saanich have done nothing over the past half century to improve that road, construct bike lanes or sidewalks, despite it being the primary entry for the landfill. Why should users of Willis Point Road be reassured? The CRD could construct internal roads to access the new tipping faces in the north west corner of the Landfill but is unwilling to commit the funding and engineering resources to do so, arguing that it is not feasible. By shifting the truck traffic to Willis Point Road, the CRD and Hartland will be saving hundreds of thousands of dollars if not more from not having to construct internal roads. Instead of downloading the additional costs off on to Saanich taxpayers, the CRD should take a portion of these savings, and provide them to Saanich on the condition that they are used to fund the necessary safety and traffic flow needs arising from the shift of access to Willis Point Road.
1. Hartland Road at the head of one of the larger watersheds (Tod Creek/Saanich Inlet) in the CRD is not well-situated in the first place. It is finite in its capacity with Phase 1 closure scheduled for 2021. 2. This "plan" focuses solely on Hartland. There is absolutely no mention of seeking an additional site. CRD directors have been remiss not seeking a site, probably in the rapidly developing Western Communities (Esquimalt, Langford, Colwood, View Royal, Sooke). By CRD's own figures over 26% of Hartland refuse now comes from the Western Communities and is trucked from as far away as a transfer site at Port Renfrew. An additional site should be selected. This site could serve the Western Communities - unorganized territories could use the nearest site. It could become the site for the region's fibreglass recycling since Hartland handles the region's sewer sludge. Errors have been made and much has been learned at Hartland in waste management. An additional site could be cutting edge. An additional localized site is preferable to expansion at Hartland and would better reflect the cost of the development in the Western Communities. Thousands of acres were removed from the tree farm licenses in the Western Communities. Surely a suitable site could be found. 3. The carbon footprint must be huge and the trucking of the treated biosolid product to the Lafarge Plant on the mainland increases traffic considerably. 4. The cleanup and disposal of derelict vessels and marine equipment is becoming a major issue. Federal and provincial funds have been made available to clean up the marine environment. The only place for disposal of boats, particularly fibreglass boats is Hartland (no mention is made in the draft plan). Many fibreglass boats, large and small, are reaching the end of basically a 40 year lifespan. Note all the fibreglass boats deteriorating in backyards and the amount of material could be quite huge. There is no capacity to recycle fibreglass. This is not a plan the CRD should support.
This is my response to the Solid Waste Management Plan's request for public consultation. I am completely disheartened by the report which presents platitudes and no real change. It seems that the staff which deals with Hartland Landfill are determined to continue to dig large holes and fill them with garbage. The plan to cut down 72 acres of mature forest directly adjacent to Mount Work Regional Park to make space for that large hole is not well considered. There is a plan for some reforestation in the future but knowing that a single mature tree sequesters a thousand times more carbon than a sapling which will take many decades to mature, it is a very long-term solution at best. In addition, the present forest provides a habitat for endangered species such as the screech owl and other animals, Where is there a real commitment to reduce, reuse and recycle? The plans are so vague and couched in such general terms that there is plenty of wiggle room for not meeting even their low-ball targets. Hartland Landfill is part of Saanich which has recently initiated two programmes to encourage better use of its area, environmentally and ecologically. I think that the CRD should be supporting Resilient Saanich and One Planet Saanich by committing to increasing their waste reduction targets so that by 2030 there will be no need to deforest the 72 acres. The very least they could agree on is not to finalize the SWMP as it is, in the hope that the reduction in waste will be enough to not require expanding Hartland Landfill. The budget provided for reducing the amount of garbage currently coming to Hartland is pathetic at 1% of the total budget and so their plans will inevitably fail due to a severe lack of funding coupled with no real interest in changing the status quo. This inadequate budget needs to be increased so that programmes to reduce waste can actually be funded. Now is the time to really apply strategies that will succeed in eliminating the need for the expansion of Hartland. More and more people and companies are realizing that we have to act now, if we are to save our planet. For example, Loblaws Ltd., one of our largest supermarket chains in the country, is implementing an aggressive programme to greatly reduce the use of plastics. I feel that others will follow this lead. In general, many more people are concerned about our excessive waste and are banding together to make everyone aware of the problem. Victoria's Zero Waste initiative is a good example. Saanich and the CRD need to be attuned to these campaigns and present their own plans for a zero waste target. As well, The CRD has not made much progress, if any, on reducing their greenhouse gas emissions as they continue to spew more and more carbon into the air. Changing their way of operating by using a waste to energy solution would go a long way to purifying the air that we breathe. Please consider rethinking the draft SWMP to better reflect the importance of doing something concrete about the challenges of solid waste reduction in a society that no longer sees burying their garbage as an acceptable practice for the area or the health and safety of the planet. Sent from my iPhone
I wish to congratulate the CRD in setting ambitious goals to reduce per capita waste generation, and ensure the utility of our collective regional landfill site is maximized for many years to come. All levels of government, business, and consumers must work together to reduce the amount of waste generated, which could extend the life of the landfill well beyond 2100.
February 11, 2021 RE: Vehicle Access to the Hartland Landfill To: CRD In 2020 two items related to the Hartland Landfill were reported upon and discussed in local newspapers, television and social media. These two items are 1) Expansion of the Hartland Landfill, and 2) Changing Road Access to the Hartland Landfill. As a 30 plus year resident of 151 Hartland Ave, both of these items directly affect me. I will begin with the Hartland Landfill expansion. To be clear, I am certain no one in the CRD wants to see the landfill expanded - least of all the residents of Prospect Lake, Hartland, Highlands or Willis Point. However, unless a more feasible alternative is readily available, I believe, at this point some form of expansion is most likely inevitable. While I don't like the idea of the landfill expanding, the result of that expansion will more or less affect all local neighbours equally. No one stakeholder will be more adversely affected than another. Which leads me to – "Changing Road Access to the Hartland Landfill". To start, I must confess to procrastinating about writing to voice my opinion on this matter. Why? Simply, I was of the belief that the decision to move all commercial vehicle access from Hartland Ave to Willis Point Rd had already been made – that it was a done deal. A logical conclusion when one considers all information available from and to the CRD. In fact, taking into account all available information, it appears that Willis Point Rd is a far more appropriate choice for all landfill traffic – not just commercial. I have attached a copy of the "Hartland Landfill Alternate Access Transportation Impact Analysis" study for your reference. Since this expensive and comprehensive study was commissioned by the CRD I am sure you are well aware of the report's conclusions and recommendations. Recommendations, that clearly and overwhelmingly support the movement of all primary vehicle access from Hartland Ave to Willis Point Rd. Also important is the fact, that Willis Point Rd's grade and construction were engineered with the intent that it would someday be used as the primary access point for the Hartland Landfill. In any event, the report is 36 pages long and does a far better job of advocating for a change of access from Hartland Ave to Willis Point Rd, than I ever could, so I will let it speak for itself. Instead, I will give you the realistic observations of someone who lives on Hartland Ave and is also a very frequent user of Willis Point Rd. To support my observations, I offer a proposal to any CRD director or Willis Point resident. I invite you to spend an hour sitting with me at the end of my driveway at 151 Hartland Ave - while the Landfill is open. During that time you will get to enjoy the following: Non-stop traffic for the entire hour – literally. Large commercial trucks labouring under the excessive grade of the hill, making so much noise it will be impossible to hold a conversation while they pass. Any vehicle that is able to travel faster uphill than the posted 40 km/h doing so, as to keep up their momentum on the hill. All vehicles coming downhill exceeding the 40 km/h posted limit as the steep grade simply entices them to do so – travelling so fast that you do not feel safe while standing on the shoulder of the road – ever. It is actually uncomfortable being a pedestrian on Hartland Rd. So much so, that whenever my wife and I venture out for a walk we are forced to drive to the bottom of Hartland Rd, park and then

walk from there. Mountain Bike vehicle traffic exceeding the 40 km/h posted limit both up and downhill. In 30 years I have never once seen a traffic enforcement officer on Hartland Ave. Which is logical, since the road is so narrow and winding with inadequate shoulders –they could never safely pull a vehicle over? Understandable, given the volume of dead branches and tree debris that litters the shoulders. My wife has written several letters addressing this issue – to date no action has been taken. Then you have the mountain bikers themselves, on bike, racing downhill at neck-braking speed. I am quite surprised there hasn't been a fatality yet. Throw a little snow in the mix and you really have some entertainment. The steep grade of Hartland makes for many mishaps. The latest snowfall resulted in the Landfill having to close for two days – something that would be avoided by the gentler grade of Willis Point Rd. Finally, though I could go on, the non-stop accumulation of garbage along the side of the road, waste that flies out of the backs of vehicles with unsecured loads – another bylaw infraction that I have yet to see enforced. Except for the mountain bike traffic, moving the landfill access to Willis Point Rd will alleviate all of these problems, for not only me but all residents of Hartland Ave. Hartland residents also acknowledge, that logically the mountain bike traffic must stay on Hartland given the fact that the parking lots and trail access is located at the top of the road. Just think of the increased safety for the mountain bikers that actually ride their bikes up the hill, now being able to do so without dodging the landfill traffic. More importantly, moving the Landfill access to Willis Point Rd doesn't off-load these problems to the residents of Willis Point, because, there are no residential dwellings and not a single driveway on the proposed route. In fact, the residents of Willis Point have never experienced any of the problems listed above and never will, as again, the access point to the Landfill is literally kilometers away from where they live. Unfortunately, their concerns are completely emotional rather than logical. By moving access to Willis Point road, the CRD has the ability to significantly improve the safety and quality of life for 200 Hartland residents. A move that would have virtually zero impact on the quality of life of the residents of Willis Point – even though they would like you to believe otherwise. As I stated before, their arguments, while impassioned and emotional are not logical, and most importantly not supported by the "Hartland Landfill Alternate Access Transportation Impact Analysis" commissioned by the CRD. One has to ask "what was the point and expense of this study if the CRD is simply going to ignore the conclusions and advice of the experts?" Additionally, the access point to the landfill from Willis Point Rd is well before Durance Lake and Mt. Work Park. All of the mountain bikers that park their vehicles on the side of Willis Point Rd do so well beyond the new access point to the landfill. Consequently, the traffic to the landfill will have no impact on any of them. Not so on Hartland Rd, where you regularly see vehicles parked on the side of the road when the mountain bike parking lots are full. This has created a congested and unsafe area directly at the access point to the landfill, a point that all landfill traffic must pass through. One has to know that the commercial truck drivers would welcome the new access route. A route that is easier on their trucks, has better visibility, no adjacent roads or driveways and is far safer. Also, the property on the north side of the proposed route is unlikely to experience future development as it is owned by DND, posted no trespassing, fenced, gated and locked with zero access. Finally, if the landfill traffic is the dangerous burden that the residents of Willis Point espouse, surely that is reason enough to move it from the residential neighbourhood of Hartland to the vacancy of Willis Point Rd. For your convenient reference, in addition to the "Hartland Landfill Alternate Access Transportation Impact Analysis" I have also attached, "Hartland Landfill Access – Frequently Asked Questions" as further support of my argument. Lastly, I have attached a photo of the latest road sign to appear in rural Saanich. These signs are obvious on Goward, Spartan and Prospect Lake Roads but are conspicuously absent from Hartland. Which I find perplexing, as I have walked all four of the roads and in my opinion, Hartland is, by far, the most dangerous. Sincerely, Douglas Carter 151 Hartland Ave Victoria B.C. V9E 1L7
What a bunch of sleazy bastards that put all that together. It needs an independent consultant to say NO
The target to reduce our waste by 1/3 to 250kg/year is not enough. We need to do better. All private contractors serving apartment buildings must be required to separate out organics and recyclables. Wood should be salvaged if possible, or mulched and burned. Takeout containers should be banned. Soft plastics should be collected through the Blue Box program and converted back to fuel. And the CRD should demand that the province expand its EPR programs and increase their fees. If not us, who? If not now, when?
I actually found myself getting excited, reading this draft report. The proposed strategies and actions (p. 27 passim) are great (as always, assuming sufficient political will behind them). 5.1 #4, #5, and #6 align closely with what Zero Waste Sooke is already doing. They already run Repair Cafés, are working at developing a tool library, and run region-wide clean-up days. They are also building political pressure on the District to create a local recycling yard and associated business development park. The long-term waste goals are very good; they are ambitious, have measurable benchmarks, and are politically sell-able. But the most important two words actually appear in this draft report: circular economy. I swear, I welled up when I read that. This is the first time I've seen that phrase in a government document. The most aspirational goal, and one that is driven by the other proposed directions in the report. In short, I can wholeheartedly support the goals in this draft report, and the directions it wants us all to move. (As an aside, have you any idea how long it has been since I could say that? Thank you all for the work that went into this!)
FROM THE DESK OF MOUNT WORK COALITION February 14, 2021 Colin Plant, Chair CRD Board, and CRD Board Directors Feedback to the CRD on the draft Solid Waste Management Plan Please find feedback to the draft Solid Waste Management Plan (the Plan) from the Mount Work Coalition, a non-profit society that formed as a group of concerned citizens with a mission to provide voice and support for the protection and responsible stewardship of the Mount Work Park area through education, advocacy and research. 1. Expanding the landfill The Plan includes a proposal to extend the Hartland landfill site and earmarks 73 forested acres of carbon sequestering trees to be removed to prepare the area for blasting and excavating the side of a mountain. This is not a 21st century solution to waste management. The Plan was written through the lens of a business as usual mindset predicting the landfill will reach capacity and therefore need to be expanded no later than 2045 - rather than through a lens of retaining the size of the existing landfill without expansion by rolling out new aggressive programs to reduce the waste over the next two decades. With less waste being dumped in the landfill, there will be less leachate into the rivers and lakes in the area. The Plan requires concrete waste management actions such as dedicated funding for a public educational campaign and financial incentives to encourage startups and incentivize waste management businesses that reuse waste, such as scrap businesses and plastic and rubber recycling. This biodiverse forest of 73 acres should be kept intact to provide a natural buffer between the park and landfill, to protect species at risk, to protect the lakes and streams and to protect the human health of those using/living next to Mount Work Park directly beside the landfill. The existing trails should remain for the enjoyment of mountain bikers. The Coalition is pleased to see that the Board at its February 10, 2021, meeting reiterated that it was prepared to consider a more aggressive approach to waste reduction a year following the submission of the SWMP this summer. We strongly urge the Board not to trigger the expansion of the current footprint of the landfill until the amended plan is completed by 2025. The much more aggressive best practice solutions including Zero Waste, Circular Economy and emerging waste to energy technologies will reduce methane emissions to net zero through a complete transformation. We firmly believe that the CRD can attain its aspirational target of 125 kg per person per year by 2040 with waste reduction strategies already being contemplated such as Zero Waste Victoria; the proposed waste to energy IRM project in Esquimalt and a change in tipping fees application as we will explain later. This new target should be included in the amended SWMP by 2025. The current plan does not address the climate emergency and the commitment of the CRD and a number of municipalities to become carbon neutral by 2050, continues dumping of over a fifth of total waste in the form of organic matter though banned in law creates more methane and is in direct conflict with the Province's stated Climate Action goals and will not enable us to meet our 2030 greenhouse gas emissions targets. According to the World Meteorological Organization's bulletin, "Carbon dioxide levels continue at record levels, despite COVID-19 lockdown", approximately 40 per cent of methane comes from natural sources, such as wetlands and termites, but 60 per cent comes from human activities, including cattle breeding, paddyfields, mines, landfills and biomass burning. Nature is now sending us a message, through wind storms and wildfires, and we must act now to do our part, as we have the ability to curb harmful methane emissions from a landfill. 2. What alternatives to landfilling has the CRD considered? Landfills are a 19th-century solution to waste disposal. Today there are significant alternative technologies that can generate value from waste products. Furthermore, it is clear that without taking a hard look at how we consume and create waste, we will not be able to address the climate challenge that threatens our environment. Governments across the globe, supported by their citizens have been installing multi-pronged strategies to reduce waste through promoting circular economies, changing consumer behaviour such as banning single use plastics, and investigating alternative uses for waste to energy projects such as gasification now under consideration in Esquimalt. This multi-pronged approach should be a cornerstone to the region's solid waste management plan. It can eliminate the need to build a bigger landfill, instead moving us in the appropriate direction of zero waste. The CRD staff must work in partnership with other leaders using best practices: Esquimalt is looking to be an early adopter of IRM/gasification technology that would see their waste converted to

energy. **The Regional District of Nanaimo is promoting the 4Rs by cultivating a circular economy; uses tipping fees to encourage waste diversion rather that waste dumping and plans to divert 90% of its waste by 2027. If RDN can achieve a target of 109 kg/person/year, so should the CRD. **San Francisco is a global leader in waste reduction, has an effective pricing strategy that uses cost incentives/disincentives between waste and recycling. **Switzerland has 100% waste recovery where they use a combination of material recovery and incineration for energy. **Sweden recovers 99% of its waste, converting it into heat that warms homes, power buses and taxis. **The City of Victoria released its Zero Waste Victoria Plan to reduce current waste to Hartland by 50% by 2040. 3. Traffic Diversion to Willis Point Road The planned relocation of commercial dump traffic to Willis Point Road is part of the draft SWMP. This decision is premature, given the opposition to expanding a landfill in the 21st century, the movement to Zero Waste, a circular economy, and waste-to-energy technologies. The CRD staff should revisit this decision based on the premise that the landfill will not be expanded and that other regional municipalities will be implementing new technologies to manage their own waste. With less waste being trucked to the landfill, there will be less traffic, no expansion and no reason to reroute traffic. The CRD should be able to construct internal roads and fill alternate cells closer to the existing entrance off Hartland Avenue. 4. Biosolids The CRD Board reversed its longstanding ban on the spreading of biosolids on land and will be spreading toxic biosolids within the Hartland perimeter for up to 6-8 weeks a year while the Lower Mainland facility undergoes maintenance. CRD communication describes this as a temporary solution, which is absurd since once spread, biosolid toxins remain in the ground, waterways and air - they are not temporary. CRD characterizes the area around the dump as a rural area, which is incorrect - it is a semi-rural with local residential communities and schools very close to the dump area, and the regional tourist attraction of Butchart Gardens, concerned as they are downstream of the dump and use the water in Todd Creek. The area is also home to many organic farmers in close proximity. The primary challenge with the decision to spread biosolids at the Hartland dump is the lack of scientific evidence to demonstrate that it is safe for the human and wildlife populations in the area. Biosolids, even treated to Class A standards, contain microplastics. The scientific community is now researching the effects of microplastics in our lakes, rivers and streams. As the basic tenet of good environmental governance is the precautionary principle – given the lack of scientific certainty, the decision should be not to spread the biosolids. Biosolids contain over 300 chemicals. Some will survive the drying process, and any trace of toxic chemical even at the lowest risk is unacceptable and will do significant damage to the 16 species that are endangered or threatened in the area, including the Western Painted Turtle and the Western Screech-Owl. Biosolids soak into the ground water and the wetlands and the 16 at risk species will digest or absorb the chemicals from the biosolids, destroying these endangered wildlife. 5. End Reliance on Tipping Fees as the Primary Source of Funding for Hartland Reliance on tipping fees to fund Hartland's operations is counter-intuitive to zero waste. The tipping fee model provides no material incentive to reduce waste; indeed it is a disincentive as is demonstrated by concerns to keep all waste disposal in the region. Tipping fees must be used to incentivize waste diversion as is being done in the Nanaimo Regional District and if alternate sources of funding are required to maintain the Landfill operation, a general tax levy may be required. This is a small price to pay to meet climate change goals. 6. Strategy to Optimize Landfill Gas Management The Hartland landfill signed an agreement with FortisBC to collect methane from the landfill. We disagree with this strategy as it relies on a steady stream of decomposing waste being dumped into a landfill to feed the FortisBC system for a small amount of RNG. Expanding the landfill and relying on a small fraction of the resulting methane gas collection is contrary to the mandate for the region to reduce GHGs. The landfill must be sustainable into the future without relying on outdated expansions. In Summary Our mission is to protect the Mount Work Park region and ensure science-based decisions are made concerning the Hartland landfill activities that impact the parks. As the CRD has declared a state of climate emergency and a goal for carbon neutrality, we believe that expanding a landfill by removing a biodiverse carbon sequestering forest, moving dump traffic and spreading biosolids is contrary to this goal and will lead to an overall increase in carbon. There are opportunities for emissions reductions using new technologies, zero waste initiatives, and increasing carbon sequestration by not expanding the landfill as trees absorb CO2. Minimizing GHG emissions are critical for meeting the CRD's goals. Our Recommendations: 1. Delay any approval for landfill expansion until an updated and amended plan is adopted in 2025. 2. The amended SWMP submitted in 2025 must establish a target of 125kg/person/year by 2040. 3. Notify the Ministry of Environment that the CRD intends to submit an amendment to the plan by 2025 with strategies for attaining this target including an aggressive Zero Waste program, and an independent analysis and testing of alternative technologies such as IRM/gasification/Waste to Energy. 4. The Plan submitted in 2021 should contain a placeholder for the Esquimalt waste to energy project subject to a business case being completed. 5. Conduct an independent environmental assessment prior to any plans to expand or alter the design of the landfill, including the spread of biosolids, to protect the natural ecosystem, wildlife, community health and the recreational users of the area. 6. Strengthen the plan's Zero waste initiatives by adding concrete plans such as dedicated funding to create business incentives for entrepreneurs; create a public education campaign to draw awareness to Zero Waste, and use tipping fees to incentivize waste reduction instead of encouraging continued use of landfilling as a source of revenue. 7. Ensure protection of species at risk in Mount Work Park, we are requesting the BC Ministry of Environment reinstate its longstanding ban (2011 and 2013) on the spreading of biosolids, planned to begin in February 2021. 8. Delay the decision to reroute landfill traffic to Willis Point Road until decisions are made to have regional municipalities manage their own waste with Zero waste and new waste to energy technologies. 9. The Amended Plan by 2025 would be subject to full public consultation during its development to ensure the public has ample opportunity to engage in accordance with Ministry policy. Elaine Klimke, Chair on behalf of Mount Work Coalition cc: Russ Smith, Senior Manager Environmental Resource Management Larisa Hutcheson, General Manager of Parks & Environmental Services · Barb Dejardins, Chair CRD Environmental Services Committee Sources: https://public.wmo.int/en/media/press-release/carbon-dioxide-levels-continue-record-levels-despite-covid-19-lockdown
In Nov. 2019 Coexisting with Carnivores Alliance (CWCA) communicated by letter to the CRD in the first round of public consultations. We chose to engage with the CRD on the SWMP material to that date being the Strategy Dev. Summary Report & the Proposed Strategies and Targets which did not speak to the issue of solid waste as an attractant to wildlife. Our letter requested of the CRD that this issue be addressed in the draft SWMP as a means of educating residents and the industries and providing options of ways to reduce human/wildlife conflicts. And we offered specific comments, suggestions and recommendation for consideration and potential inclusion into the version of the draft which is now Nov. 2020. I am very disappointed that it appears that none of our input has been incorporated into the draft SWMP. Our letter also provided information and links to other Regional Districts in BC where their SWMP's to reduce conflicts for potential bear-human conflicts IS in their Plans. If Okanagan-Similkameen and Squamish-Lillooet Regional Districts can do this why can't the CRD? Our letter also spoke to education and solid waste collection equipment modifications and standards for wildlife resistant garbage bins & collection containers in an effort to reduce conflicts with wildlife such as bears and racoons and take measures to address section 33.1 (2) Attracting Dangerous Wildlife of the Provincial Wildlife Act, where by the way "compost" is listed as an attractant to dangerous wildlife. Again, I am very disappointed that SWAC or CRD staff chose not to address this important educational and awareness issue in the draft SWMP. The opportunity is NOW! The CRD should be helping to increase people's responsibilities, increasing understandings of this issue and enhancing positive behavior outcomes for humans and wildlife. This is also a public safety matter. But, the CRD has chosen for some reason to ignore an issue that is not going to just go away and it is an issue that is directly linked to solid waste. Please review our letter again, look at the other Regional Districts that we provided links to and used this opportunity to do something positive towards the issue! For your information the collective authors of that letter were a sub-committee of CWCA (although the final version was approved by the Alliance) myself, the chair of CWCA Nitya Harris, Mike Badry Ministry of Environment Wildlife Biologist and Provincial Wildlife Conflict Manager, and (former now retired) CRD Parks staff person Todd Golumbia ecologist and Environmental Conservation Specialist. This CWCA is composed of mostly professional experts in the field of wildlife conflicts in BC. We would be happy to work more closely with the CRD on this important issue. [redacted]
Has anyone studied the areas which will receive the run off from the bio solid sites.? It would be great to know the species / population numbers .
Please don't kill wildlife. There's hardly any left.
Please don't dump biosolids where animals, fish, plants will be destroyed. There has to be another safer solution. Yes, it may cost more, but this is our planet's future we're talking about - and that includes your/our grandchildren and all future generations. Can't you see that?
Please Rethink an alternative to this plan as. The toxins will enter our waterways and harm our wildlife who are a precious part of our

progressive solutions: 1) Make waste socially unacceptable through education, with emphasis on the 6 R's (rethink, refuse, reduce, repair, reuse, recycle); 2) Encourage a circular economy through Repurpose and Repair Centers and Repair Cafes; 3) Change the current business model so tipping fees encourage DIVERSION of waste FROM the landfill vs into the landfill; 4) Use the Township of Esquimalt Waste to Energy proposal as a demonstration waste-to-energy project and make it a leading example of moving towards carbon neutrality; 5) Adopt the City of Victoria's plan to reduce waste by 50% by 2040 and adopt this as a minimum target for diverting waste throughout the region by 2040, and accelerate this to 90% by 2050 at the latest; 6) Recognize that carbon neutrality and zero waste are mandatory pre-requisites if we intend to be carbon neutral and address climate change, one of the greatest global threats to the survival of mankind; 7) Enforce mandatory fully compostable packaging; 8) Legislate that manufacturers are responsible for the full life cycle of their products and enforce this so that products can not be shipped or sold unless manufacturers are certified to do so and are actively regulated, inspected and licensed with mandatory accountability and transparency. Fees collected would be used to support local zero waste initiatives; 9) Create mandatory source separation for single and multi-family dwellings, as well as institutional, commercial and industrial (ICI) use; 10) Delay requesting the expansion of the landfill under the Solid Waste Management Plan until the CRD can publicly demonstrate progress on the following 3 key initiatives: 1) achieving zero waste and a circular economy; 2) operating a waste to energy project, like Esquimalt, to demonstrate its effectiveness in achieving zero waste and lowering carbon emissions; and 3) developing a new business model based on maximizing diversion from the landfill as proposed by the Regional District of Nanaimo. This is possible. Real leadership can make this happen! Frances Litman, on behalf of the Creatively United for the Planet Society
We are in the 21st century, and we have declared a climate crisis. Our solid waste treatment should thus not cut down forest to extend Hartland, maintain Hartland by counterproductive 'tipping fees', transfer trucks to Willis point road thus impairing recreational use of the road itself (by runners, hikers and cyclists), the Mount Work park and Durance Lake and Mckenzie Bite - all this increasingly valuable to increasingly densely housed Victorians. The CRD plan runs counter to its responsibilities to care for our piece of the planet and our inhabitants. What you are risking can never be reclaimed - and it is totally unnecessary. Switch to modern alternative solid waste management systems, like gasification, for example - just as operates in much of Europe. Also, given what we now know about viral particles surviving through current biosolid production, and have suffered with Covid, it is lunatic to land -spread biosolids ever, anywhere. This proposal must be changed: it can't be reversed. Once on land, whatever pollutants are there seep into our aquifers, our wells and are wind-dispersed. Stand up for what is right CRD, think again, follow the evidence and the public interest. We depend on you to change course. With thanks.
The Plan, "Rethinking Waste", is presented as a "plan to reduce how much material is sent to Hartland Landfill and guide how the region's waste is managed in a safe, secure and sustainable way now and in the future." In fact, as presently conceived and presented, it is a plan of insufficient ambition that avoids any serious decisions or commitments to rethinking waste and is instead designed to take the course of least resistance. The current Plan leads inevitably to the enlargement and expansion of the Hartland Landfill. Instead of being called the "Solid Waste Management Plan", it could more accurately be called the "Hartland Landfill Expansion Plan" because that is the inevitable, pre-determined outcome of the current plan. Current Plan is not sufficiently Ambitious The entire plan is premised on the target of reducing per person annual waste amounts from the current 380kg per person per year to 250 kg by 2030, with an undefined "aspirational target" of 125kg. This aspirational target was tacked on at the end of the planning process as a sop to the recommendation of the Solid Waste Advisory Committee, without any plan or commitment to achieving it. Assuming the 250kg target is met, according to the current plan, beginning in 2030 73 acres of forest will be removed in order to begin expansion of Hartland's filling footprint by approximately 50% so that the expanded Landfill will be ready to continue receiving waste beyond 2045. (All this without the benefit of an environmental assessment which CRD staff claims is not required). Expansion is the chosen strategy to extend the life of the Landfill to 2100 and the entire plan is predicated on this outcome. All the assumptions in the plan, including a financial model that relies primarily on continued tipping fees, is based on the expectation of expansion. It is the wrong strategy for a number of reasons, and must be rejected. Instead of the presumption that Hartland must be expanded, with work beginning in 2030, the Plan should start from the goal of avoiding further expansion, and set waste reduction targets and strategies accordingly, based on this goal. Deferral of Approval of Design Concept for Expansion is Required Rather than approve the current plan, the CRD Board should amend the plan by deferring any decision on expansion of Hartland until an effectiveness review is conducted, as required by the Province, in 2025. In the meantime, the CRD should maintain flexibility in the plan allowing for the potential incorporation of current initiatives being pursued within the CRD, such as Esquimalt's evaluation of the business case for Integrated Resource Management and the City of Victoria Zero Waste strategy, and other developments between now and 2025. In 2025 a full evaluation should be undertaken of progress toward waste reduction targets, including the aspirational target of 125kg per person annually (note that the Regional District of Nanaimo has adopted an annual waste reduction target of 109kg per person by 2027, with measures being put in place to achieve that goal). This review could lead to a further modification of the Plan to incorporate new strategies including waste to energy initiatives if they prove practical. In the meantime, CRD Board should not approve the design concept of Hartland expansion that is scheduled to begin in 2030 under the current plan. Environmental Assessment Needed if Expansion Plans Approved The Plan argues unconvincingly that the removal of the trees and the quarrying of the 73 acres is not an "expansion" but merely "maximizing the use of land currently within the property boundary". This ignores the fact that the expansion will remove a significant buffer area that until 2019 was a de facto part of Mount Work Park. It will push the area being used for landfilling operations to the very boundary of the property. The Plan's language also dismisses the fact that the actual filling footprint will expand significantly, both in terms of surface area and removal of rock to create airspace. In fact the expanded filling space will be well in excess of the 30% increase that triggers an environmental review under the Environmental Assessment Act, despite the CRD statement that it does not believe that an environmental assessment is required. This expansion will have a number of significant negative impacts. First removal of forest cover is inconsistent with climate action goals. The statement that new trees will be planted elsewhere is insufficient as replacement of mature trees with seedlings is a suboptimal outcome when the removal of the mature trees can be avoided. Expansion of the Landfill will further put at risk the 16 endangered species in Mount Work Park. It will remove 73 acres from recreational use and create noise, air and water pollution for the adjacent areas, all of which is unnecessary. It will redirect traffic to a busy commuter, residential and recreational road from the current access route that terminates at the Landfill. Most important, expansion will ensure that the CRD continues to dispose of waste through landfilling, creating significant methane emissions in the process to the detriment of federal, provincial and regional greenhouse gas reduction commitments, instead of seriously examining alternatives to continued landfilling. Despite vague language in the Plan that new technology and waste reduction methods might change the planned expansion, there is no commitment or concrete planning to move beyond the goal of 250 kg of waste per person annually. The notation of an "aspirational goal" of reaching 125 kg per person annually by 2030 has no concrete action plan or funding behind it. In fact, CRD staff recommended rejection of the proposal of the Solid Waste Advisory Committee to adopt a target more aggressive than 250 kg because it would cause delay and undermine the current financial model. Most of the strategies in the Plan designed to achieve the relatively modest goal of a reduction of per capita waste production to 250kg per year by 2030 are vague and without any measurable outcomes. The strategies are full of unquantifiable terms such as "continue to", "explore" and "advocate for". Funds allocated to strategies to achieve important reduction goals are modest in the extreme, amounting to only 1% of annual expenditures, or about $300,000 per year for all initiatives. Dependence on Tipping Fee Financial Model is Fundamentally at Odds with Waste Reduction It is true that a waste generation target of 125 kg would upend the financial model of depending primarily on tipping fees to fund Hartland's operating expenses. Staff have confirmed that when waste per person drops below 200 kg per year, tipping fees will no longer cover expenses, and alternative sources of income will have to be found. As it stands now, the Plan has a built-in bias ensuring that waste continues to be brought to the Landfill for disposal. The plan needs to consider a mix of funding models, including the possibility of tax revenues, to avoid the current tipping fee funding model from working against the objectives of zero waste. Primary reliance on tipping fees to fund Hartland's operation is in fundamental contradiction to the expressed goal of reduce, recycle and re-use. Instead, tipping fees should be used to incentivize waste reduction behaviour, as is being done in the new tipping fee and funding model being adopted by the Regional District of Nanaimo. Alternatives to Hartland Expansion There are a number of alternatives. Nanaimo's aggressive waste reduction strategy breaks with the tipping fee financial model. The City of Victoria has embarked on a comprehensive zero-waste initiative and has set a target of 50% waste reduction by 2040 that should result in significantly less waste being sent to Hartland. Saanich is developing a One Planet Saanich strategy that embraces zero waste and

ecosystem!
Care needs to be taken to avoid putting toxic substances where they do not belong and where they will adversely affect living organisms
Please care for the animals and environment. We only get one world. And our children need to be able to thrive.
I am concerned about the impact that extending the Landfill will have on mountain bike trail access. A growing number of bike trail users are having to make do with an ever-shrinking area of sanctioned trails. Some of the best trails are slated for demolition with the expansion of the landfill, and if this must happen, we need more area opened up for riding. There is already a shortage of advanced/challenging trails at Hartland, and the growth of the sport has seen the already paltry technical terrain tamed down for newer riders. I understand that our city needs a place to put and process our waste, but expanding the landfill at the expense of recreation will not leave a legacy to be proud of. A solution that I propose is to extend the mountain bike park to include more of the east face of Mt. Work, extending closer towards the hiking trail. Another action that would benefit the growing number of mountain bikers in our community would be to sanction trails on Partridge hills, and instal signage to designate best routes for walking/horseback so as to avoid trail conflict between user groups.
I don't understand how "toxic" biosolids-as per the CRD original plan can suddenly become safe fertilizer!! You guys are insane! You threaten our water, lakes and wildlife by proceeding with the "new" plan. Give your heads a shake.
Please reconsider your plan in order to protect the vulnerable marine ecosystems in the area. We treat the earth terribly as it is and for a city that aims to be greener, this is a step in the wrong direction. There has to be a better option than this one
Bio- solids, aka human shit, should never be spread on fields. It is a very dangerous practice, This means that all the medications, and all the different varieties of pesticides we ingest that find their way into the bio-fuel, after passing in the human intestinal tract,, will be ingested again in food, lettuce, milk when cows grazed the field, etc. Bio-waste should be buried, in a dumpsite area.
As a current Willis Point resident and long time Peninsula resident and active member of the community, this is highly concerning. Every time we now drive by the dump we need to hold our breath to prevent vomiting from the reek of the sewage treatment facility, which is obviously leaking despite the CRD saying otherwise. This is in fact illegal. As for biosolids, this was rejected in the past and numerous studies have clearly concluded it is simply not feasible. Yet here we go again, without adequate consultation.
So many reasons this is impractical, irresponsible, and outright criminal: massive increase in heavy truck traffic though single-access corridor, increased vehicle emissions, increased surface pollution, increased aerial pollution, increased noise pollution, water table contamination, pollution run-off, heavy metal and antibiotic leeching, ground water pollution, ~75 acres of pristine pacific Northwest rainforest decimation, animal habitat destruction, negative ecosystem impact...
Why would this even be considered in an area surrounded by farmland, regional, provincial, and marine parks, pristine watershed, endangered habitats, and delicate ecosystem. This idea has already been rejected. But now, with last minute "consultation", it is being forced through. Discussions of blockades to Willis Point point have already begun, which will cause further disruption.
I do not support the proposed expansion of the Hartland Landfill beyond 2045 because I believe that before that date we should shift to zero waste disposal. Paragraph 1. Zero Waste The CRD Board supports the principle of zero waste and encourages a circular economy by mid-Century. This goal can be achieved by reducing personal consumption in keeping with achieving carbon neutrality by 2050; requiring producers to be responsible for the full life cycle of packaging; levying user fees on packages that produce waste and encouraging comprehensive recycling in both single family and multi family homes. Paragraph 2. Resource Recovery - Waste to Energy Solutions The Solid Waste Management Plan must rigorously pursue the 5 R waste hierarchy with top emphasis on reduction, reuse and recycling. The 4th R of resource recovery requires use of waste to energy technology. I support the Township of Esquimalt proposal to complete a detailed analysis of a demonstration waste to energy facility as soon as possible. The CRD should support the operation of this facility if it is technically feasible. Then resource recovery must be implemented throughout the regional municipalities before expansion of the Hartland landfill is considered. Paragraph 3. Circular Economy Expanding the Hartland landfill is completely inconsistent with achieving a carbon neutral economy by 2050. Removal of 73 acres of public forest that sequesters local carbon, is inconsistent with the CRD and other municipalities' declaration of a climate emergency and the critical need for the Greater Victoria region to become carbon neutral by 2050. Carbon neutrality requires full implementation of a circular economy where there is no waste. All excess carbon produced is captured by restoring the health of our ecosystems to store carbon.
I have been a resident of Hartland Avenue for 15 years, and plan to be here for another 30-50. I have several concerns about the future plans for the landfill. To my mind, we should be working towards eliminating the landfill entirely, so I'm surprised that such an extensive expansion is in the works. We all know that we need a zero-waste future and it's disappointing that this plan seems to support quite the opposite of this goal. It is also disturbing that several acres of forest with be destroyed to do this. Again, we understand that forests are precious, especially the severely degraded Douglas Fir ecosystem that will be destroyed. I also continue to strongly disagree with the spreading of biosolids in the "cultivated" land at the landfill and threat to the waterways. I do support the moving of the landfill entrance to Willis Point Road. Hartland is entirely inappropriate for heavy industrial traffic. I live on a blind corner and have a close call at least once a week. My family drives a truck with trailer, requiring plenty of time to turn, and I ride a motorcycle. I truly believe my life is endangered each time I turn onto my driveway, and there are several folks on our street in a similar situation. I have already been in one serious accident on our road, and I request that if the entrance is not moved, that serious safety improvements are made to slow down vehicles and improve sight lines.
This is an important issue for everyone in the Greater Victoria region because alternatives do exist to better manage and reduce waste, live more sustainably and be more climate accountable, but the CRD draft SWMP fails to seriously consider these alternatives and to swiftly adopt measures that address the climate emergency. What does CRD have planned for Hartland landfill? Expanding the landfill far over its operational capacity and blasting against the slope of Mount Work. Removal of 73 acres of forest and destroying biodiverse habitat. Increasing greenhouse gas emissions, as landfills create deadly methane. Creating more leachate that pollutes the aquifers to the north of Hartland landfill. Risking the safety of recreational users by turning Willis Point Rd into an industrial corridor. CRD has declared a climate emergency - but are doing business as usual. Expanding landfills is an outdated response to the region's waste problems. We need twenty-first century solutions - which other municipalities are adopting successfully. Better solutions exist such as gasification and the CRD should explore and adopt them.
The following item is from your Draft Solid Waste Management Plan: (quotation marks mine) 4.2.2.1.7 Community Benefits and Engagement Some of the undeveloped landfill property is currently used for recreation by users of the adjacent park lands, such as walkers and mountain bike enthusiasts. As the landfill develops and this land is needed, these recreational users of those portions of the landfill property "may be impacted". Additionally, there are residences who share the use of the route to the landfill that "feel impacted" by the landfill's location. The CRD "endeavours" to operate and develop the landfill in a manner that recognizes the interests of the community (recreational and residential) while continuing to provide an essential regional service. The CRD has "engaged" and will continue to engage with these communities to ensure that their perspectives continue to be understood and that the ongoing development the Hartland site is done with these interests in mind. Your deceitful wording of this item alone has many recreational users of the park and residents tearing their hair out!! You say they MAY be impacted and they FEEL impacted when in fact you know they WILL BE MAJORILY IMPACTED by the loss of recreational trails and bike paths, the loss of 73 acres of forest and their creatures as well as the loss of peacefulness and quiet caused by the removal of the dump buffer zone. They WILL ALSO BE MAJORLY IMPACTED by the noise and air pollution caused by the addition of 200 to 300 heavy truck trips a day on Willis Point Road which WILL create a severe traffic safety threat to motorists, school buses, cyclists, wildlife and pedestrians, particularly on the hills and at the intersection of Wallace Drive and the intersection of West Saanich Road. This relocating of the dump entrance to Willis Point Road will also cause Western Community dump customers to shortcut through the Highlands road, most of which is a very dangerous single lane road. In short, this relocation of the dump entrance is irresponsible insanity that is going to result in traffic accidents, injuries and perhaps fatalities. Unfortunately, your idea of "engaging" with the affected communities is to simply TELL them PART of what is planned or already happening and to completely ignore their inputs and concerns instead of undertaking to actually do something concrete about them. Sadly, your process has come across to most of us as disingenuous and condescending. Clearly it is the CRD staff and not the Directors who are making the decisions and who seem to have a vested interest in expanding their

empire with little regard for the welfare of the public they are supposed to serve. It is time for the CRD Directors to take charge of this process and to direct staff to halt landfill expansion and to look into and pursue proven landfill alternatives which are successfully practiced world wide. Even the Municipality of Esquimalt is examining gasification of their waste which will provide an estimated 91% landfill diversion, generate clean energy to displace fossil fuels along with many other specified benefits and will save their taxpayers major dollars in the process. reference link: Microsoft Word - Esquimalt_IRM_Summary.doc If the CRD had properly investigated and pursued landfill and sewage alternatives such as gasification in their decision making process both the landfill expansion and the costly sewage pipeline would have been shown to be unnecessary... sorry taxpayers.
I didn't have time to read the entire plan. Just a few observations about solid waste. (1) Encourage back yard composting and digestors or community composting in a responsible manner to get green waste out of the system. The current system of saving scraps in the fridge is too labour intensive for most people. This would involve education and outreach. (2) Fund and enhance return it centres. The one in Sidney is terrible - too small a facility for the population it serves. Allow capturing and upcycling of some materials - like a store to give working electronics a second life before being shipped to the great graveyard in China or India. (3) Support a municipal pick up of big items once or twice a year. Couches by the side of the road are ridiculous. And this would cut down on illegal dumping and help elderly people that can't get out to the landfill. (4) Pay the people that collect and handle our garbage a decent wage. One person per truck (Emterra) is inhuman. (5) Have a partnership with a local business to recycle hard plastics for things like composite wood. Sponsor and foster these types of businesses. (6) And it would be great if the CRD responded to email inquiries. (7)Check out what they have done in Taiwan.
Please do not spread toxic bio-solids in areas where wildlife will be adversely affected like Mt. Work, these solids seep into ground water, creeks, and streams and end up in the ocean in areas like MacKenzie Bight. Thank you.
Please don't use biosolids. If anything please give a look to the growing health issues caused by biosolids... there are many studies showing how it can cause cancers, thyroid issues, nausea, vomiting, boils and rashes, MRSA etc etc. Eventually something is going to go wrong using this stuff. The waste management industry is just making money off of it. Please consider the community and waterways instead, they're more important. Thanks.
1. "As the landfill develops and this land is needed, these recreational users of those portions of the landfill property may [WILL] be impacted." It is really sad that CRD continues to increase industrial operations in a park area. Recreational space so close to town can never be replaced once destroyed. The plan has a significant impact on the park users with additional traffic, noise from trucks and the operations, garbage stuck in trees, smell, and the unsightliness of it all. That the operations are not "in" the park is immaterial, the proximity makes the adjacent areas of the park unusable. CRD must add to the park significant area away from the landfill interference to make up for what has been done to date. What is the point of going for a hike next to garbage and the rumbling of trucks? 2. It is incredible in this age that CRD is considering cutting down more trees for the landfill. There is no rush, alternative technology is available and needs to be considered and implemented. We cannot keep proceeding as if we are not impacting the environment. 3. Apart from the recreational park destruction, waste to energy alternatives can help reduce our impact on wildlife and the screech owl and other species that live here. I was so thrilled to hear of the progressive efforts of Esquimalt investigating IRM, and that Barb Desjardins and Rory Tooke are leading the SWAC. CRD needs to listen to this committee and to people who make the effort to find the best possible solution, rather than the easiest. 4. More research needs to be done on the biosolids, am VERY concerned about this, especially with proximity to Durrance Lake and farms. It's not necessary, find another solution that is guaranteed safe, not a "hope for the best" path. You cannot un-do contamination. 5. It is extremely difficult in a region with such an incredibly high cost of living to continually force the cost of recycling and waste onto the users. People with lower incomes have to buy cheaper goods, these goods are of low quality, break, and end up in landfill. They can't afford to dump and so things are left by the side of the road. I would like to see more strategy at discouraging the sale of goods that just break and/or have too much packaging. I am always distressed in the dollar store, racks of items that I know will break in a short span of time, encased in plastic packaging. I don't know how you can address this. Strategy always seems to include user pay, but often, it's not our fault. Why is buying in bulk or using low packaging stores more expensive? I do appreciate the attention in the plan to help reuse, upcycle and recycle. It seems though, we need to pressure manufacturers to just stop with the packaging. 6. Lastly, the CRD does not have a good track record of respecting/compensating the residents and communities that bear the impact of landfill and other unpleasant industry. I heard Hartland Rd residents say are afraid to walk on their road and in fact choose not to do so. The Willis Point Rd commuters are rightfully afraid for the hazards they will face, I myself have careened off the road on the flats due to black ice, thankfully there were no trucks. Even that on the other side, the Highlands community has been fighting for years to preserve their aquifers from a strip mine. This is incredible to me that the CRD has so little respect for the land and the residents. Out of sight, out of mind. While I don't live there, I go there often, and I feel for these people that have to fight for safety and the assurance of clean water. Do no more harm.
The island is in desperate need for a proper filtration plant to keeo the environment and its occupants, including us healthy. No more biosolids please.
Make our climate change a priority. We, at Willis Point, care about our inlet. We don't want toxins in our waterway. There is diverse and abundant marine life in our front yard. Don't ruin it with runoff into our waters.
https://www.epa.gov/biosolids/basic-information-about-biosolids?fbclid=IwAR2GRVNADLw2vTTp2WlsrDzqbH3dtSXHSO044BswbnRm7Ca9xLtCoiM_3Jo
Please don't spread biosolids out in the wild! Either burn, or landfill them, please [redacted]
We are extremely disappointed that the CRD's Draft Solid Waste Management Plan did not address or even mention in the Draft Solid Waste Management Plan -the Blackburn Road Landfill site on Salt Spring Island. The environmental concerns and risk to the water quality have been brought to the attention of the CRD staff since 2007 that is over 13 years. In 2007 the Cusheon Watershed Management Plan was completed and sent to all levels of gov't after input from all sources. We have been continuously told to be patient, as this would be addressed in the new SWMP. I guess the CRD, by not mentioning this site in the SWMP, hoped the concerns and risks would magically disappear (out of site out of mind). In case you are not familiar with the site. Please read the Blackburn Road Landfill Closure Plan for details. The letter dated 18 July1991 was sent to the CRD by MoE . Other History of site: -Operated under MoE Waste Management Permit# PR-1839. Waste Management Permit was issued in joint names i.e. owner and CRD. -site accepted municipal solid waste from1966-1991 CRD provided approx. $20,000 from 1984 until 1987towards the cost of daily cover. -disposal site was unsupervised and unmonitored for content being deposited. -no on-going ground water monitoring program was ever completed. -tests on site and off site of surface water courses and existing water supply wells done by MoE showed elevated levels with respect to background data found at the landfill site CRD in a Aug.16, 1988 letter to the Minister asked to have their name removed from the Waste Management Permit PR-1839. This was not granted by the Minister in a Jan 24,1989 response letter. Blackburn Road Landfill Site was ordered by the Ministry of Environment to be closed on Dec.31, 1991 due to environmental concerns that may be affecting water quality. Landfill site was closed at midnight on Dec 31, 1991 Operator/ owner and the CRD were required to submit a Closure Plan for the Blackburn landfill site Closure plan states that Leachate Monitoring will be carried out twice per year using existing surface water courses and water supply wells. Records show Leachate Monitoring was last done in 2000. Why has no monitoring been done in the last 20 years. One of the indicators for leachate contamination is manganese. The Beddis Water Services Treatment Plant operators have noticed an increase in manganese levels Leachate Monitoring of the Blackburn landfill site should be included in the Draft Solid Waste Management Plan. Please allow us to recommend that laboratory assessed water quality parameters included the following need to be done ASAP. • • T otal Alkalinity (total as CaCO3); • • Hardness (dissolved, as CaCO3); • • T otal dissolved solids (TDS); • • pH and electrical conductivity; • • Anions (bromide, chloride, fluoride, and sulphate); • • Nutrients: (nitrate (as N), nitrite (as N), ammonia (as N), dissolved potassium, and dissolved phosphorus); • • Dissolved organic carbon (DOC); • • Total organic carbon(TOC); • • Volatile organic compounds (VOC's – once per year); • • Polycyclic aromatic hydrocarbons (PAH's – once per year); and • • Dissolved Metals (total metals for domestic wells and surface water). This uncontrolled landfill site has no liner and only a final cover of 600 mm of soil. Please note even in the Landfill Criteria forMunicipal Solid Waste(Last Revised June 1993 required the following. 6.2 Water (M) 6.3 Final Cover (M) The disposal of municipal solid waste into water is unacceptable. Surface water diversion to restrict storm water runoff from contacting the wastes is required. Final cover for landfill sites is to consist of a minimum of 1 metre of low permeability (<1 x 10 - 5 cm/s) compacted soil plus a minimum of 0.15 metre of topsoil with approved

vegetation established. The depth of the topsoil layer should be related to the type of vegetation proposed (i.e. rooting depth). Soils of higher permeability may be approved based on leachate generation potential at the landfill site. Final cover is to be constructed with slopes between 4% and 33% with appropriate run- on/run-off drainage controls and erosion controls. It is unfortunate that attachments can not be sent as part of the feedback.
I offer the following comments on the draft Solid Waste Management Plan: 1. Provide evidence (preferably in the form of quantitative estimates) that the 15 Strategies and 69 Associated Actions will achieve the desired annual landfill target of 250 kg per capita. 2. Provide a basis for the expectation that the CRD staff can, with its current and projected (small) increases in resources, manage 15 Strategies and 69 Associated Actions. 3. Indicate the origin and provide an estimate of the solid wastes that are generated in the CRD. 4. Provide evidence that the commercial waste processing capacities exist or can be developed in the CRD to help meet the annual landfill target of 250 kg per capita. Views of the commercial waste processors should be given in summary form. 5. Provide a table that shows the total wastes that need to be processed as the CRD population grows and the annual landfill target of 250 kg per capita is approached by about 2030. Projections beyond 2030 should also be given since they affect decisions on the Hartland Landfill site. 6. Provide qualitative and quantitative information on how composted materials will likely be used as volumes increase. 7. Provide information on the recipients of wastes that are diverted from the Hartland Landfill site. It is presently unclear that these recipients will continue to receive CRD wastes and have the capacity to process them in accordance with CRD expectations. 8. Provide comprehensive information, including major options, regarding the Hartland Landfill site and its future. This information must also include information on the area surrounding the site since it is heavily impacted by current and future operations. 9. Highlight and add innovative ideas pertinent to the future of solid waste management in the CRD. The present draft contains few innovative ideas. 10. Edit the draft Solid Waste Management Plan document with the objective of making it more succinct and readable. In conclusion and for the reasons stated above, I consider the current draft Solid Waste Management Plan to be deficient. These deficiencies can be corrected without great difficulties, time, and staff resources. I hope that this submission provides encouragement to make the corrections.
1. In Strategy 1 (pg. 28), you mention expanding education on reduce/reuse to ICI sectors. This is good, but I believe that there need to be more emphasis on this. If ICI's & Construction & Demo groups are responsible for half of the CRD's waste, then an equal amount of attention to education should be given to them. 2. In your documents, it says there are currently no facilities under the "Bylaw to Regulate the operation of composting facilities in the CRD". I would reach out further and offer a tenure to a group(s) to divert more organics from the waste stream & into compost. This group could then sell/distribute the compost to local markets and agricultural businesses to create a circular economy. (ex. Compost Education Center) 3. I would push companies & ICI's (local and non-local) to reduce the amount of waste and packaging that comes from their products. A lot of packaging that I notice feels unnecessary and wasteful which puts more pressure on your capacity to deal with more waste. There are local companies starting up that limit or eliminate their waste and promote refilling and reusing concepts (ex. Westcoast Refill, Zero Waste Emporium) 4. Looking at the map you provide of Solid Waste Management Facilities (pg. 15), there are none that specifically manage textiles (not just clothing). I would recommend doing researching on how much textile waste is entering the waste stream & then finding new inventive ways to divert it from the landfill. (ex. FABSCRAP)(ex. "Recycling fashion: The town turning waste into clothes- BBC News")(ex. Victoria Eco Fashion Week) 5. The biggest recommendation I can make is to take serious look at the cost-benefit analysis of a "Landfill Waste Reclamation Project". If the Hartland Landfill became responsible for waste in 1973 and major recycling initiatives didn't begin until 1987, then that's about 14 years of potentially recyclable materials sitting in the ground. Furthermore, because the material has been buried and compacted, most, if not all, the organics buried will not have composted due to the lack of oxygen. By taking reclaiming materials out of the landfill, you can make more room for materials that can't be recycled or diverted, thus extending the lifespan of the landfill. An expansion would not be necessary. However, I'm not a economist and I don't have the exact numbers so you will need to see if this could be economically feasible. However there are cities that have started utilizing these concepts (ex. Johnny Poore TED Talk). 6. Be more outspoken and transparent about these things. Maybe I'm wrong, but I'm unsure about how much of the community you are actually reaching. Honestly I don't even think that many people are aware that you are even planning the expand the landfill. I ask that you look into expanding your communication and social media horizons to be more inclusive and get more community participation. 7. Look into the CRD's "urban metabolism"!
We need to stop the spread of toxic biosolids in the region - we don't want them spread in our community. Biosolids are absorbed into the groundwater and enter our streams, rivers and lakes and end up in the ocean. Come on government! Start thinking about the long game and the impact of these dangerous human decisions! I want a protected ecosystem my children can witness!!! So do you! So get with the program and ban use of dangerous chemicals!
This plan starts from the premise that Hartland needs to stay in operation for the next 80 years and in order to do so (1) waste disposal needs to be reduced in the CRD and (2) preparations need to begin for the expansion of the Landfill. While waste reduction certainly has to be part of the Plan, the premise of the current SWMP (The Plan) is wrong. The Plan should start from the premise that Hartland will NOT be expanded, and from there develop a strategy, including actions to be taken between now and 2045 (when Hartland will be full at current waste disposal rates) to avoid expansion of the landfill. With that as the baseline, a strategy can be devised to adopt aggressive waste reduction targets, such as the "aspirational" target of 125kg per person. If the aspirational target was the real target, there would be no need to expand Hartland. Unfortunately the aspirational reduction target has been inserted into the plan SWMP with no concrete actions or budget attached to it, making it certain that it will not be achieved. Instead the default will be to expand Hartland, beginning with the destruction of 73 acres of forest on the eastern slope of Mount Work. Revise the Plan to start from the premise that Hartland will not be expanded, and work from there.
Work more at conservation and limiting the amount of garbage people throw out. Make stores limit the amount of packaging they use which ends up in the landfill. Let's try and reduce as much as possible before recycling and throwing into the garbage. We don't want to use good farm land to expand the landfill or take away forest if we can avoid it. Accessing the landfill from a different direction will definitely impact local rural areas which would be a shame. Keep things small and simple which we all need to be doing these days!
Greetings to the CRD administrators, managers, and other related CRD leadership: As a private citizen residing within the CRD's administration region, I applaud the collective effort to move Victoria forward, especially related to the accomplishment of the completion of the sewage processing facility. However, we are still faced with other significant environmental challenges. On this topic, I appreciate the CRD's openness to invite outside input regarding their long-term plan to create a sensible approach to handling the legacy of waste management. The proposal to reduce the per capita annual waste foot-print from 380kg to 250kg by 2030 is a step in the right direction. Along with this target proposal is the natural outcome of the extension of the life expectancy of the Hartland landfill until 2100. In addition to these goals are the advancements in peripheral processing technologies to handle the methane production from the current landfill and the solid sludge output from the sewage processing facility. Since the governing body of the CRD's board is composed of elected officials, it is of primary importance to keep these leaders accountable regarding the choices they make on behalf of the greater CRD residents. This accountability includes decisions affecting both financial and environmental outcomes. I consider it part of my personal responsibility to maintain a conduit of open communication regarding this topic of accountability. It is with this spirit that I have decided to submit my own personal input on the CRD's long-term solid waste management plan. Given the current serious public conscientiousness regarding sensitive environmental issues, I will cite the importance of how our society deals with the legacy of our archaic landfill philosophy – bury it and forget it. Most of the talk these days focuses on the carbon footprint problem, but then the potentially greater issue of the plastics legacy gets lost in the noise. Combined with the dilemma that the world's waterways and oceans become the living-landfill destination, we must collectively strike at the heart of this monumental issue with gusto. My personal outlook on these topics have been formulated throughout my life. I often think of my maternal grandmother who began her own recycling efforts in a small northern Minnesota town in the mid-80s. Also having had direct exposure to the impact of solid waste mis-management in the suburbs of greater Manila. In addition, consider the affluence of our western society regarding making each of us garbage-producing entities, by default. It is well past time to make a serious effort to create change to this depressing legacy issue. My family legacy also includes the element of technological innovation since my great grandfather was an inventor and industrialist within the US economy. His innovations made life easier for many serving in the railway maintenance industry. I have been made aware of the existence of a particular waste-processing technology that will go a long way to solving this solid-waste

legacy dilemma. And I will do my best to lend credence and offer maximum exposure in order to promote the legitimacy of this significant stride forward in offering hope to humanity. I hope that the CRD leadership will heed my input on this matter and take notice. Qualitatively, the outcome of this new technology would render Victoria a net-zero entity within 3 years of implementation, conservatively. This would make Victoria the world leader and would not only meet the Paris Accord goals, but would put to rest the modest internal 2030 waste-reduction goal referenced at the start of my input statement. Why would the CRD leadership not entertain training their attention to this matter? It most certainly is my intention to make them stand-up and pay attention at this critical decision-making juncture. If not now, when? Why delay on such a critical matter when acting now is most certainly in the best interest of each resident of the CRD – let alone each citizen of the world? It is with sincere intent and of greatest hope that I make my thoughts known to those involved in the overall considerations that will be included in any and all assessment for this purpose of the solid waste management plan. I look forward to further engagement on a personal and professional level in the near future. Sincere regards and all the best for 202[redacted]
Dear crd You have heard all the logical, scientific and emotional responses to the Hartland expansion. It is within your power to change this path. It would be an enormous example of government doing their part to contribute to climate change soulutions.
Waste to energy is a standard to be sought, rather than digging holes to accommodate garbage. How can you support the destruction of paradise to meet the rapacious appetite of Man to operate on the head-in-the -sand principle? Rethink your plan!!
Stop the spread of toxic biosolids in the CRD..... we don't want them spread in our community. Biosolids are absorbed into the groundwater and enter our streams, rivers and lakes and end up in the ocean.
I believe the free store idea to be invaluable to our communities. We need to be reimagining economies and impacts and the ramifications of a free store are far reaching and hugely positive. I also feel that there is now as much as ever, a need for more recycling education. With the plastics ban in 2018, there is even more waste entering our landfills. People often don't know what's recyclable and are even more unaware of the full process of recycling or disposal, cradle to grave. With regards to a free store, what exactly is the hold up? There could be nothing that makes more logical sense. From the consumer's standpoint, there are plenty of things we could be spending our savings on other than overpriced goods that could be relatively easily be transacted, traded and donated through a free store and or a sliding scale store, operated by the CRD, or a non profit, or co operative organization. And of course it is very easy to see the huge potential environmental benefits and pollution reduction of a free store. A recycling education center adjacent to or incorporated into the Free Store, would be brilliant. The mystery of recycling and waste is important - not just for occasional tours or school visits. With the new wastewater treatment plant, continually changing recycling protocols (i.e. plastics ban 2018), an increasingly interested public, and hopefully with a Free Store, further education and involvement of the public should certainly be sought. My hope is you could initiate your investigative review as soon as possible, prior to 2022, and that you would set an implementation date immediately. There is overwhelming support from the public for a free store and the potential is incredible. Also there has never been more need for a more thorough recycling education program. The public cares, and what better place to interact and educate than adjacent to a pollution and cost saving Free Store. Thank you for reading.
The draft plan was informative and I learned a lot about the current situation (projections of CRD population, % of waste from different sources , trends in waste per capita etc.). Although the overall goal of 250kg/capita in 10 years is a significant target, I would like to see some additional information and targets for diversion from each source. It is not clear to me how much waste is currently being diverted from the landfill for each source and what a diversion target would be for each source. The plan does not appear to be bold enough given the increases in population that are expected. I would also like to know the impact of the proposed plan on greenhouse gas emissions, particularly emissions of methane. I think waste accounts for 9% of the current regional emissions. There should be a target for greenhouse gas emissions included in the plan. My apologies if I missed it.
Thank you for the opportunity to comment on the draft solid waste management plan. The existing CRD solid waste management plan was originally created in 1995; the revision process began in 2012 and included a two-year period to investigate integrated resource management opportunities (2015-2017) before resuming. The draft plan mainly seems to address how to extend the life of Hartland landfill from 2045 to possibly 2100. CRD solid waste management mainly consists of diverting and composting organic wastes, diverting and recovering raw materials from recyclable materials, and landfilling the remainder. Sanitary landfilling, although considered an acceptable and mainstream practice since the 1950s, effectively involves burying non-recycled waste in a hole which is lined to prevent the loss of toxic leachate to surrounding surface and ground water, capped when full, and eventually "restored" to useable, if unnatural, space. The waste stays put and breaks down very slowly, but releases greenhouse gases (GHG), of which methane (CH4) is the most potent and of primary concern. In order to conserve useable space at Hartland landfill, CRD has banned an increasing variety of materials from Hartland landfill, and invests in education and outreach programs intended to encourage waste reduction and reuse, maximize diversion and minimize contamination of recyclable and compostable wastes, and educate the community about landfill operations. Landfilling is becoming increasingly problematic for the CRD, given population growth in the region, and a finite (and increasingly expensive) land base and competing demands for land. Minimizing CH4 emissions is increasingly and critically important, given its role as a GHG and as the effects of climate change have become apparent; some of the CH4 is captured and used to generate electricity for on-site use or fed into the regional natural gas network as renewable natural gas (RNG). CRD is obligated to maintain the landfill site after the landfill is full. Current operations (with significant fixed costs) are funded largely by tipping fees; hence, CRD requires inflows of solid waste and tipping fees to cover its costs even while trying to convince the public of the need to reduce its solid waste generation. Under the current business model, CRD's need to reduce solid waste inflow and extend the life of the landfill seems to conflict with its need to maintain sufficient income from tipping fees; decreased waste inflow may, over time, need to be accompanied by steep increases in tipping fees and costs to the public. Clearly, CRD must plan far in advance when considering options for managing the region's future solid waste. It must make appropriate assumptions about population growth, solid waste generation, deployment of alternative technologies for resource and energy recovery, and development of policies by senior levels of government to incentivize reuse and recycling of wastes. In addition, solid waste management options must strongly address now the critical need to minimize net atmospheric emissions of carbon as CH4 or carbon dioxide (CO2). I have read this draft plan several times and read CRD-supplied supporting material. I'm disappointed. I don't feel the plan adequately addresses our future solid waste management issues. The approach seems to be "business-as-usual" with little underlying urgency when more dramatic action is required. The draft plan does not provide a basis for many of its optimistic assumptions and downplays impacts of landfill expansion. Some specific concerns: 1. CRD population projections 10, 20, or more years in the future may be way off. For example, estimates done for the 2008 RGS projected a CRD population of ca. 400,000 in 2019, but the actual CRD population was ca. 412,000. The draft solid waste plan assumes a 2038 population of 475,000, whereas the 2018 RGS assumes a 2038 population of 442,000, but BC Stats (2019) projects a 2038 population of 494,000. It might be prudent to revisit the assumptions of different projections and consider the possibility that southern Vancouver Island may become even more desirable to live in as climate change makes other areas less habitable. This is certainly at least as reasonable as suggesting the current landfill may fill before 2045 "in the event of a major earthquake" (Appendix C, page 54). If there was a major earthquake, how would this affect population, per-capita solid waste generation types and amounts, and ability to even transport waste to the landfill? Reference to earthquakes in this context is absurd and meaningless without additional analyses and discussion. 2. The draft plan has a goal to reduce per capita waste generation from the recent 382 kg/year (2019) to the provincial goal of 350 kg/year, possibly to 250 kg/year by 2030, and then, at some undetermined point, to 125 kg/year. What analyses and assumptions underly those targets? Is that an adequate decrease if population growth is underestimated and "in the event of a major earthquake"? How does CRD propose to decrease per-capita waste generation by 35% by 2030 and (eventually) by 67% from 2019 rates? While the plan states that 2019 per-capita waste generation rates are 43% less than in 1989, that is misleading; effectively, per capita rates have not changed meaningfully since 1995. Table B-2 provides qualitative assessments of strategies to increase diversion rates from landfilling, but the wording suggests few if any strategies will significantly reduce the amount of waste to be landfilled. How can those assumed decreases in per-capita landfill waste happen without significant changes in policies by senior governments, markets for recycled feedstock, or alternative technologies to process non-recyclable waste? 3. The draft plan glosses over the significance of destroying (according to one source) 73 acres of a mature second-growth coastal Douglas-fir-dominated forest in order to expand the current landfill. The plan provides no detail on the number, size, species, and condition of trees which would be removed, nor impacts on other components of that ecosystem. This is a

forest type limited to the most heavily - populated area of Vancouver Island and is considered imperiled (Biodiversity BC). This mature forest not only provides critical habitat in abutting Mount Work Regional Park, but likely sequesters significant amounts of atmospheric carbon. Protection and enhancement of intact mature forest is increasingly recognized as one of many necessary steps to mitigate climate change. However, the draft plan and associated "engagement" materials refers to the impacted area of forest merely as a "strip of land" and do not indicate the area to be impacted or the number, size, species, and condition of trees which could be removed. The materials also claim the landfill is not being expanded, but that the expansion is "not an expansion of the landfill's existing boundaries, it's a filling plan". That is technically correct and clever, but verges on insulting. The plan should clearly describe how much forest will be impacted and how. The plan states that "the development of this land will be offset by the reforestation program already in place for all closed areas of the landfill" and "These trees reduce the greenhouse gas emissions generated by the landfill through carbon sequestration." Please recognize (1) that replanting trees into manufactured soil is not the same as replacing a mature second-growth Douglas-fir ecosystem with respect to biodiversity and resilience to effects of climate change and (2) planted seedlings will not replace the carbon sequestration capacity provided by the mature Douglas-fir they replace for decades; assuming that these forests grow as they did before climate change took hold. 4. Given the uncertainty of how CRD can reduce solid waste inflows to Hartland and the importance of minimizing greenhouse gas emissions from landfill operations, why is integrated resource management (IRM) not discussed more? IRM, presumably referring to a gasification process, has the potential to greatly reduce the volume of material requiring landfilling while recovering more energy than do current landfill practices; and, if a pyrolytic process, could produce biochar with a variety of uses, market value, and potential for long-term sequestration of carbon. Operational-scale advanced gasification / pyrolysis plants to process suitable municipal solid waste are being deployed around the world. The plan refers to IRM only once (page 6), noting that the planning process for expanding Hartland was paused for two years "to investigate integrated resource management opportunities." Well, what happened during that two-year period? What did the CRD learn? I assume this was part of the CRD exploration into IRM for processing sewage sludge (or biosolids), a process that arguably was a bit of a mess. Fortunately, the Township of Esquimalt is investigating the feasibility of IRM / gasification / pyrolysis for processing appropriate wastes. The draft solid waste plan should discuss in greater detail the advantages and disadvantages of IRM as it relates to lengthening the lifespan of Hartland and acknowledge what Esquimalt is doing.
On Section - 1 Guiding Principles Observation: multiple uses of limiting phrase "wherever practical". This is inappropriate for a principle; suggest replacing that posterior qualifier with the prefix "Maximize". This could produce the following re-write of some principles: 5. _Maximize_ upstream handling of all waste categories to minimize their entry into the waste stream going into the landfill. 6. _Maximize_ collaborate across all jurisdictions.
On Section 11 – Plan Monitoring and Measurement Observe that reporting to all stakeholders is, at most, on an annual basis, and some updated after three (3) or five (5) years. Further, observe in Section 5 Strategies and Actions that one Plan goals includes "Have informed citizens who participate effectively in proper waste management practices". Suggest that this SWMP could seek to _maximize_ production of data, such as some form of open data capability, and production of possibly daily, weekly month waste dashboards, broken down by type and source. And with constant inclusion of target versus actual.
Feedback on CRD draft Solid Waste Management Plan Thank you for opportunity to comment and provide feedback on the SWMP. Introduction: Where the plan succeeds: Focusing on the 4 Rs Where the plan fails: In true innovation and community-based planning: • No real strategies or budget for actually reducing waste and ensuring there is no need for landfill expansion. • Failure to specify and adopt technologies and strategies that will significantly reduce waste-to-landfill, reduce waste per person and adopt zero-waste goals. • Failure to hold municipalities responsible (e.g. Langford) for massive increases in waste production. • Failure to investigate ALL alternatives to dumping waste in a landfill, including emerging technologies relevant for this region (and stop looking at Edmonton Enerkem example!). • Rushing to expand the landfill with no real plan to avoid doing so. • SWMP has a heavy focus on profiting from waste, rather than a focus on responsible climate accountability and reduction in GHG emissions from landfilling, blasting, forest destruction. • Declaring a climate emergency and then proposing a Solid Waste Management Plan that ensures significant increases in waste disposal and GHG emissions and environmental degradation. • Failure to allow citizens and the CRD Solid Waste Advisory Committee any real impact towards a better SWMP. Re: RETHINK/RECONSIDER: There is a terrific opportunity for CRD to lead by example, or at least come into alignment with what other progressive municipalities and regions are doing. The CRD draft SWM plan includes what look to be some good measures, but they are vague and do not go far enough and should include: • Implementing a purchasing policy that encourages production of products made from reused, recycled or sustainably-harvested renewable, non-toxic materials and products that are durable, repairable, reusable, fully recyclable or compostable, and easily disassembled. • Develop this in partnerships with member municipalities and regional districts, universities, the provincial government, and institutions to maximize the impact. Join the Canadian Collaboration for Sustainable Procurement to maximize the impact and reduce the work involved in research. • Incentives to reduce waste to landfill - higher tipping fees • Match the CVRD fees to prevent waste migration and provide stronger disincentive to wasting. • Charging significantly higher tipping fees for banned materials and recyclables. • CRD should work with member municipalities to have PAYT at the curb and elsewhere that makes it progressively more expensive by weight or volume to waste. • Adopting similar fee structure to District of Nanaimo: Regional District of Nanaimo (2018). Regional District of Nanaimo: Solid Waste Management Plan -Planning for the Future of Our Waste -Road to 90% Waste Diversion. Accessed at: https://www.rdn.bc.ca/sites/default/files/inline-files/2018%20SWMP%20Amendment_1.pdf. • The plan should included actions and measures to increase the local economy, through procurement policy and fostering local businesses that reduce waste. For example, the Vancouver Economic Commission reports on the green local jobs created through the Greenest City Action Plan. • Initiating a specific working group to develop the Local Circular Economy that goes beyond Plan Monitoring Advisory Committee members and engages citizens, businesses, academia and others to develop Zero Waste businesses beyond what the CRD already has. Ensure this working group has authority. • Investing in education programs, bans on single use and commonly wasted items, and developing more solutions designed to encourage people to consume less. • Leading by example in-house at CRD. • Charging municipalities a surcharge for exceeding per person waste generation, or charge for overdevelopment without waste mitigation strategies (i.e. Langford) – encourage municipalities (like Langford) to take stronger measures towards waste reduction within their communities. • Vancouver Economic Commission (2018). Green Economy. Accessed at: https://www.vancouvereconomic.com/focus/green-economy/ . • Project Zero (2020). Accessed at https://www.project-zero.ca/resources . SUMMARY of RETHINK: Actually rethink – make the primary goal of the SWMP to reduce the footprint of Hartland landfill to actually be consistent with 1.4 of the plan – to make climate action and environmental stewardship a priority. Re: REDUCE Recommendations: • Work to reduce waste at the source and eliminate problematic materials including bans where possible - I don't see enough specifics on this in the SWMP - give it some teeth. • Collaborating with other local governments (and non-governmental organizations) to increase the efficacy of the advocacy to higher levels of government. • Develop a plastic reduction strategy to reduce the use of plastics, plastic waste and microplastics. And ban spread of microplastics (biosolids) on the land including at Hartland. • Collaborate with other governments as well as businesses. The next ten years will be a critical time for this. • Developing a program to encourage renovation of buildings over demolition. • Strengthen the vague strategies to reduce food waste • SWMP should include reducing environmental degradation of Mount Work region by undertaking a regular assessment of the impact of the Hartland facility on the surrounding ecosystem. • In Figure 1-2 it notes that the growth strategy must not exceed the capacity of the natural environment, but I do not see how and where the CRD is assessing and reporting out on the capacity of the Mount Work area to absorb the cumulative impact of all the current and planned industrial activity at the Hartland facility. • Proposed future activity includes the spreading of biosolids at the facility, a natural gas conversion plant, an organics facility, the blasting and expansion of the landfill into 73 hectares of Mount Work, and the transfer of commercial truck traffic to the Willis Point Road (the access route into the Mount Work, Gowlland Tod and Durrance Lake areas) – all are inconsistent with reducing waste and reducing environmental impact on ecosystems and humans. RE: REUSE There is so much more CRD could do – here are a few recommendations I would like to see included in the SWMP: • Hosting a ReBuild it Centre at Hartland. • Mapping out local resources for sharing, rental, reuse, and repair. See Portland as an example. • Hosting or supporting local repair cafes like in Metro Vancouver. • Set reuse/refill targets across CRD buildings/spaces and invest in infrastructure for this. • Support reusable diapers systems. • Advocate for the Right to Repair, mandatory warranties, time frames for parts availability, requirements for online manuals, and plans for components. • Advocate for EPR programs to be responsible for supporting repair and reuse of their products. • Ask for federal and provincial investment in reuse, repair, refill, etc. and circular systems for scaling local initiatives. • Incentivize

house moving and construction material reuse through regulatory strategies, enforcing limits on waste generation and expanding environmental obligations. This should be done in partnership with member municipalities RE: RECYCLE Table A of the Waste Composition study (which is a more detailed look at the data in Figure 4.2 of the draft plan) shows that over 50% of the waste is comprised of materials that are banned or could be recycled. This highlights the needs for more education and enforcement of the bans. Recommendations to add to the Recycle section of SWMP: • CRD should work with member municipalities to require zero waste plans to be part of event permitting process. • The grey box system for glass collection (e.g. City of Vancouver) should be examined to see if this could increase diversion. • Work with service providers to do more checks, education and enforcement of disposal bans at point of collection. • Work to ensure that the EPR programs are fully delivering on their obligations including doing more on the first levels of the hierarchy. • Ask that the Province meet its commitments to the Canada-wide Action Plan for EPR in a timely fashion. • Work with other local governments to ensure the programs are as effective as possible and that local governments have a voice in program delivery and plans. • Develop a Construction and Demolition materials hub at Hartland (as the City of Vancouver is investigating). • Require deconstruction not demolition (building on Metro Vancouver's model bylaw). • Charge a waste levy on materials to drive diversion and track data. • Ask the provincial government to work towards a building code that incorporates future deconstruction needs and factors in embodied carbon and to create a deconstruction step code. • Work with province to include design guidelines in Building Code to ensure adequate space for waste sorting in new developments - both in unit and in building (e.g. Whistler's example). RE: COMPOSTING It would be terrible for CRD to go down the road of other regions in which composting was poorly research and implemented with the result of making regions into unliveable. Recommendations: • Fully research the options – both successes and failures. • Consider also decentralized composting for high generation areas. • Ensure processing is scaled to consider the reduction through reduced food waste and backyard composting. • Add specifics to the SWMP on education and enforcement of bans. RE: RECOVERY There are no specific strategies in the plan under recovery - further work to reduce the use of hazardous materials and increase the coverage of hazardous materials under EPR programs should be done and specifics included in the SWMP. A Final Suggestion: The vibe from the CRD is that the region is not important enough to consider the community and ecosystem impacts of actions undertaken by the CRD; that the CRD is only interested in profiting from waste, rather than truly planning to ensure a healthy and livable region. In the SWMP and in how the CRD staff have approached producing and manipulating this plan into adoption, I do not see priority placed on community – the true sense of community. Nor do I see any real consideration for making this region more climate accountable. There is a missed opportunity here – one of true stewardship innovation and through the lens of values-based leadership. The CRD could really lead the way for the rest of Canada and it is disappointing to see CRD staff and Board be laggards. Thank you.

February 15, 2021 Re: CRD Solid Waste Management Plan: Hartland 2100 Design Concept I am writing to you with grave concern over "the (approximately 28.9 hectares) within the existing property boundary" of Hartland Landfill from which trees are to be removed for future expansion. Specifically, I note that you say, "this work needs to start now to ensure the most effective design." I am a climate change expert and have provided advice to several NGOs, appeared in the media and developed the first major museum exhibit on climate change in Canada at the Royal BC Museum. I regularly lecture on climate change impacts and adaptation. Please see this video (https://www.youtube.com/watch?v=0E2vG8wt2Ck). I also live in the Tod Creek Valley. One of your guiding points from the draft plan is as follows: "In 2019 the CRD Board identified Climate Action & Environmental Stewardship as a priority for the region and approved a motion to declare a climate emergency." Your climate initiatives focus on GHGs from the landfill. Are you aware that conversion and destruction of forest cover is a major contributor to GHG emissions? Maintaining extant forest cover is a vital tool in mitigating climate change and furthermore it helps in adaptation through the preservation of biodiversity (see most recent IPCC assessment report 5) (https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter11.pdf). Recent province of BC and Sierra Club reports emphasize the vital role forest cover has as we progress into a future shaped by anthropogenic climate change. Taking unnecessary action now through the removal of forest cover and conversion to non-forest land use, when forest will be even more valuable in the future is a poor strategy and reflects inappropriate and short-sighted planning. Why does this action need to be undertaken now "to ensure the most effective design"? In the interest of local and global environmental and climatic sustainability, we need every tree that we can keep into the future. This is especially true for second growth and older trees, which have experienced widespread removal for timber. Furthermore, we need to keep naturally-developed soils and organic matter in place and limit its disturbance. Conversion through clearing rapidly releases CO2 and prevents its future removal by living trees just when we need our forests to do so. Forest clearing further exposes our landscape to the risk of increased catastrophic flooding events as we experience intensifying extreme weather. I praise the CRD for the proposed actions to reduce waste and landfill-related GHG emissions. However, we should not be sacrificing the ability of the natural forested landscape to help us mitigate and adapt to our ongoing climatic emergency. In the coming decades, our advancing knowledge and understanding of impacts of climate change will advance by leaps and bounds. Many studies have already demonstrated the importance of forest cover as a key carbon sink (for example, this Sierra Club report) (https://sierraclub.bc.ca/wp-content/uploads/2019-Clearcut-Carbon-report.pdf), and I guarantee that forested landscapes will be recognized to have even greater importance than today. Conceptual and technological advances will offer other mechanisms to meet regional landfill requirements. Please leave the forests alone, focus on the current footprint and fight climate change in the area already in use. Who knows what options the future may bring us? Respectfully submitted; R [redacted]

Please notice - Maura Walker & Associates Environmental Consultants Existing Solid Waste Management System Reports of May 7 2018 and July 27 2012 states the following: May 7 2018 11.5.1 Blackburn Road Landfill pg.51 "The Blackburn Road landfill site is located on Salt Spring Island on approximately 0.7 hectares of privately owned land. The landfill began operation in 1966 under the provincial discharge permit # PR-1839 and was ordered closed by the Province on July 18, 1991 for environmental reasons." July 27 2012 Integrated Solid Waste Management & Resource Management Plan 10.7.1 Blackburn Road Landfill pg.10-11 "The Blackburn Road landfill site is located on Salt Spring Island on approximately 0.7 hectares of private land owned by ..... . The landfill began operation in 1966 under the provincial discharge permit #PR-1839 and was ordered closed by the Province on July 18, 1991 for environmental reasons." As a condition of closure, the permittees owner operator and the Capital Regional District were required to submit a closure plan for the Blackburn Road Landfill. The closure plan submitted can be found at the website address below. https://www.crd.bc.ca/docs/default-source/recycling-waste-pdf/appendix-e.pdf?sfvrsn=e84e8fc9_2 The Blackburn Road Landfill site was open to the general public and operated as an unsupervised, uncontrolled waste site for 25 years. This means that the closed site probably contains or releasing hazardous waste, heavy metals, PCB's insecticides, pesticides, fungicides herbicides, petroleum products such as used oil, filters and other automotive fluids. Many of these manufactured products were readily available under many trade names to the general public. They were used widely and some of these products are now totally banned or have restricted use provincially and or federally. It is unknown what was dumped into this landfill site and being SSI it could be anything. According to the University of Toronto Environmental Health and Safety the Definition of a Polychlorinated biphenyls (PCB). A PCB material is legally defined as any monochlorinated or polychlorinated biphenyl or any mixture that contains one or more of them. This includes equipment, solids [including empty containers] and contaminated liquids. PCBs were used in a variety of applications including additives in lubricants, heat transfer dielectric fluids, adhesives etc. All these uses were banned in Canada in 1977. Hydraulic equipment, oil-filled electromagnets, circuit breakers, voltage regulators, cables and vacuum pumps may contain PCB liquid. Fluorescent light fixtures may contain several ballasts. The small capacitors inside the ballasts are contaminated with high levels of PCB liquid if they were manufactured prior to 1980. Since the Blackburn Land fill site was used from 1966 to 1977 it likely has PCB material buried in it. The stream locally referred to as Hitchcock Creek with tributaries and wetland flows from the closed landfill and current recycling depot should be tested . No monitoring (lab tests) of surface or groundwater for leachate contaminant from this landfill site have not been done since 2000. 2014-2016 Ecology of Blackburn and Cusheon Lake Study, monitoring lake inflows and outflows (hourly to weekly) states the following: -" PO4, TP, NO3, and DOC exports per unit area from Hitchcock Creek catchment that is the site of the garbage transfer station (former garbage dump) were the highest among the nine study catchments. It can take decades for anthropogenic nutrients accumulated in soils to return to normal after inputs stop (Bennett et al. 1990); " The BC Provincial government shut down this landfill site for environmental reasons. There was and is a great risk of leachate contaminating the ground or surface water in the Cusheon Drinking Watershed. Therefore, as co-permitee, the CRD should have addressed these issues in their draft SWMP. Why have they not done this? Thanks for the opportunity to comment and submit information to the draft

SWMP
Change of entrance to Hartland Landfill Hartland Rd has been the entrance for over 50 years and it should remain the entrance. There are many safety concerns changing to Willis Point Rd., Ice conditions in the winter, 2 school buses daily, the intersection of Wallace Dr. and West Saanich and Wallace and Willis Point Rd.not adequate and dangerous. Also, the Interurban Trail entrance and end is just a few feet from the turn at West Saanich and Wallace. It is dangerous now and will be even worse with dump trucks lined up turning there. Many bikes on the road now, proper bike lanes will e needed. The CRD says all these issues are Saanich's concern not theirs. How will the tax payers of Saanich feel about paying for upgrades to this intersection when it affects only a very small number of Saanich residents. The last of 2 Zoom meeting I attended concerning this matter we were told this is a done deal, what kind of consultation is that? One sided from the CRD. Landfill Expansion; The proposed removal of 73 acres of mature second growth forest, destroying the biodiverse habitat and blasting against the slope of Mount Work is unacceptable. This is the 21st Century! Continued expansion of the landfill will increase greenhouse gas emissions, as landfills create deadly methane.This will also create more leachate that pollutes the aquifers. The CRD needs to adopt a more aggressive waste reduction strategy so the volumes of waste going to the landfill are reduced. Other municipalities have now committed to plans to do just this and they will make a difference to the volume of waste coming to the landfill. Also Nanaimo has a plan that is working. The CRD must remove this expansion from their SWMP to be revisited, no approval for expansion need take place before 2030. Report their progress in examining other alternatives annually to the CRD Board. Expanding Landfills is an outdated response to the regions waste problems. Spreading Biosolids at Hartland; Very concerned about the spread of Biosolids at Hartland, as this could affect human, plant, animal life and waterways in areas adjacent to the landfill. There is no scientific evidence to support this plan.
The draft plan does not consider operations at the land fill. You can not make a future plan with out considering operations and how it effects the community. There has been a lack of proper and meaningful consultations with the local residents. The process is more about informing the residents than consulting with them. The SWMP does not take future growth of the CRD into consideration. Talking about reducing waste per person is pointless if you dont consider population growth? Why has there been no consideration for changing the tipping fees? Relocation of the Dump access has not been properly considered. Staff have overlooked many other options and are only presenting one solution. Proper public consultation on dump access has not happened Should the access relocation go ahead, a full passing lane could be feasible, if planned properly taking into the consideration of the need for new natural gas infrastructure. (natural gas pipeline) on Willis Point Rd. Hartland has surplus rock, and a new gas line and passing lane could be installed beside the existing roadway at little additional cost, mediating most concerns with the road usage, and safety concerns. The newer section of Willis Point Rd, from Wallace to Ross Durrance lake Road should be renamed to something else in an effort to limit land value loss in Willis Point.
This is a good draft plan. I appreciate the thoroughness and thought that the CRD puts into managing and maintaining Hartland to ensure that its lifespan is as long as possible so we don't need to create a landfill at another location. Having lived in other municipalities where less effort is put into environmental monitoring and reforestation of the closed parts of the landfill, I am proud to live somewhere where these things are done well and a lot effort and expertise goes into managing all aspects, including moving the access to Willis Point Road. Ultimately, the lifespan of the landfill will depend on the actions of individual residents in the region they are the ones who are truly responsible. Initiatives that I would like the CRD to consider as part of the plan implementation include higher fees for garbage and landfill services and incentives and breaks for those who make the effort not to buy things that will need to end up in the landfill in the first place.
During the initial consultation regarding the Solid Waste Management Plan, I attended an information session at Willis Point, and asked the CRD representative what the plan was for biosolids, and whether this would affect the landfill use. The answer that was provided was that CRD had banned land application of biosolids, and so they would have no impact on the facility since they would all be shipped off-site. In a more recent consultation, I asked the same individual about this, commenting that the position of CRD had changed with respect to land application of biosolids not long after the consultation, and that this led to concern about how I can trust commitments that are made during public consultation, if they can subsequently be changed months later? The answer that was provided by the CRD staff-member was that biosolids are part of the liquid waste plan, and they didn't know much about them. This response is concerning on two levels. First, the concern that was raised about how the public can trust a process in which a direction is changed in the span of months was ignored. And second, biosolids are indeed a solid, and they should be considered in the context of the Solid Waste Management Plan. In particular, given the current uncertainty regarding when biosolids will be produced, where they will be shipped, and how much material will be retained on site, it appears highly appropriate that these matters be addressed in the Solid Waste Management Plan. They are indeed a solid, and they are waste. Unless they are all being shipped away, they should be addressed clearly in the Management Plan.
Please accept this as my feedback on the draft Solid Waste Management Plan February 15, 2021 I have three main suggestions that I feel should be included in the SWMP: 1. The draft Solid Waste Management Plan needs more aggressive measures towards Zero Waste: The CRD Board states that it supports the principle of zero waste and encourages the achievement of a circular economy by mid-Century in accordance with Provincial guidelines. This goal can only be achieved with: -more aggressive measures to reuse, recycle and reduce personal consumption in keeping with achieving carbon neutrality by 2050, following the lead of the City of Victoria's zero waste strategy: by requiring producers to be responsible for the full life cycle of packaging; -levying user fees on packages that produce waste, offering financial incentives for entrepreneurs to reuse materials and encouraging comprehensive recycling in both single family and multi-family homes, -Enforcement of existing bans on dumping of organics and garden waste is also essential. 2. The draft SWMP should rigorously pursue alternative resource recovery options such as waste-to-energy solutions: The Solid Waste Management Plan must rigorously pursue the 5 R waste hierarchy with top emphasis on reduction, reuse and recycling. The CRD must defer increasing the landfill until an independent evaluation and a business plan is conducted on alternative technologies (such as thermal, gasification and waste to energy technology and any emerging technologies). If feasible, alternative resource recovery options must be implemented throughout all regional municipalities to avoid expanding the Hartland Landfill. If not feasible, the CRD must conduct an Environmental Assessment prior to implementing plans that increase the landfill. The BC Ministry of Environment also has the responsibility to ensure that this is carried out. A minimum five year deferral is required to fully evaluate emerging technologies. 3. The draft SWMP should include specific plans to support a Circular Economy towards Carbon Neutrality: Expanding the Hartland landfill is counter-productive to achieving a carbon neutral economy by 2050. Removing 73 acres of public forest that sequesters local carbon emissions is inconsistent with the CRD and other municipalities' declaration of a climate emergency and the critical need for the Greater Victoria region to become carbon neutral by 2050. THE SWMP should specify action towards full implementation of a circular economy and means in which excess carbon produced is captured to restore the health of our ecosystems which, in turn, naturally store carbon. The Minister of Environment should not approve any CRD plan without first requiring the CRD adopt aggressive waste reduction measures that would avoid an unnecessary expansion of the Hartland landfill and be in conformity with the climate change policies adopted by the Province of British Columbia. Thank you.
Submitting feedback on CRD draft solid waste management plan: While there are some good points in the plan, they are vague and the plan is too focused on continuing to dump garbage in the ground. I want to see more aggressive and specific strategies in the solid waste management plan: 1. The draft Solid Waste Management Plan needs more aggressive measures towards Zero Waste: The CRD Board states that it supports the principle of zero waste and encourages the achievement of a circular economy by mid-Century in accordance with Provincial guidelines. This goal can only be achieved with more aggressive measures to reuse, recycle and reduce personal consumption in keeping with achieving carbon neutrality by 2050, following the lead of the City of Victoria's zero waste strategy: by requiring producers to be responsible for the full life cycle of packaging; levying user fees on packages that produce waste, offering financial incentives for entrepreneurs to reuse materials and encouraging comprehensive recycling in both single family and multi-family homes. Enforcement of existing bans on dumping of organics and garden waste is also essential. 2. The draft SWMP should rigorously pursue alternative resource recovery options such as waste-to-energy solutions: -Rigorously pursue the 5 R waste hierarchy with top emphasis on reduction, reuse and recycling. -The CRD must defer increasing the landfill until an independent evaluation and business plan is conducted that studies alternative technologies (such as thermal, gasification and waste to energy technology). -If feasible, alternative resource recovery options must be implemented throughout all regional municipalities to avoid

expanding the Hartland Landfill. -If not feasible, the CRD must conduct an Environmental Assessment prior to implementing plans that increase the landfill. The BC Ministry of Environment also has the responsibility to ensure that this is carried out. A minimum five year deferral is required to fully evaluate emerging technologies. 3. The draft SWMP should include specific plans supporting a Circular Economy towards Carbon Neutrality: Expanding the Hartland landfill is counter-productive to achieving a carbon neutral economy by 2050. Removal of 73 acres of forest (that sequesters local carbon emissions) and blasting holes in the ground to dump garbage into is inconsistent with the CRD and other municipalities' declaration of a climate emergency and the critical need for the Greater Victoria region to become carbon neutral by 2050. Carbon neutrality requires full implementation of a circular economy in which excess carbon produced is captured by restoring the health of our ecosystems which naturally store carbon. The CRD needs to take the climate crisis seriously and this draft SWMP does not come close. The Minister of Environment must require the CRD to adopt aggressive waste reduction measures and not approve any plan that unnecessarily expands Hartland landfill. CRD should be in conformity with the climate change policies adopted by the Province of British Columbia. The CRD has a chance to be leaders and this SWMP falls short. Thank you.

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Solid Waste Management Planning — PHASE II FEEDBACK – *Local Governments*

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Provide information regarding solid waste management to Tsartlip, Tsawout and Tseycum community members through W̱SÁNEĆ Leadership Council (WLC) portals	W̱SÁNEĆ Leadership Council	No	Revised (Action 1E)	Action 1E was revised to specify First Nations community groups as a stakeholder
Create a WLC/CRD negotiation table and related meeting schedule to continue conversations regarding Hartland Landfill	W̱SÁNEĆ Leadership Council	No	No	This recommendation is being brought to the CRD Board for focused consideration
Include a section regarding integrated resource management/gasification	Township of Esquimalt	Yes (Action 15D)	Revised (Action 15D)	Action 15D was revised to specify integrated resource management and gasification as alternatives to landfilling
Accelerate the creation of requirements for source separation in multi-family and commercial businesses, including through a model bylaw	City of Victoria	Yes (Action 6D, 8B, 9F)	N/A	These actions would enable the creation of regulations such as a model bylaw.
Accelerate the development of guidelines for the use/acceptance of compostable and bio-based food service ware	City of Victoria	Yes (Action 11D)	N/A	These actions will be considered for implementation in the short term action plan.
Establish a waste stream management licensing bylaw for private solid waste transfer stations and recycling facilities operating in the region	City of Victoria	Yes (Action 6C, 6D)	N/A	This will be investigated as part of these actions.
Work with local governments to advocate for flow control to regulate the export of solid waste	City of Victoria			
Prioritize implementing bans and/or surcharges for clean wood waste and mixed construction waste at Hartland	City of Victoria	Yes (12E/F)	N/A	These actions will be considered for implementation in the short term action plan.
Prioritize work with municipalities to develop requirements and guidelines for construction waste diversion, including measures to grow the regional market for salvaged materials	City of Victoria	Yes (12A/B/D)	N/A	These actions will be considered for implementation in the short term action plan.

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Lead regional collaboration and leverage municipal authority with regards to zero waste and building a circular economy	City of Victoria	Yes (5A)	N/A	
Provide bold leadership and accelerate regional collaboration on actions that achieve waste disposal targets	District of Saanich	Yes (Strategies 1-5	N/A	This is the broad intent of the Solid Waste Management Plan.
Maximize the use of municipal authorities to reduce waste, including the development of additional bans, surcharges, CRD bylaws, model bylaws, processing facilities, requirements and guidelines that support actions such as waste stream management licensing, construction waste diversion, source separation in multi-family residences, use and acceptance of compostable items	District of Saanich	Yes (Strategies 5-12)	N/A	These will be investigated as part of these strategies.
Reference additional benefits of a regional organics processing facility associated with greenhouse gas emissions savings from reduced transportation outside the region	District of Saanich	Yes (Section 6)	Revised (Section 6)	Section 6 of the plan has been revised to reflect current on-island processing capacity, and to reference transportation-related greenhouse gas benefits associated with a facility at Hartland.

Solid Waste Management Planning — PHASE II FEEDBACK – *Community Associations*

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Implement illegal dumping prevention education campaigns	Prospect Lake District Community Association	Yes (Action 13A/B)	N/A	
Implement illegal dumping reporting education campaigns	Prospect Lake District Community Association	Yes (Action 13E)	N/A	
Install 'No Dumping' signage in problem areas	Prospect Lake District Community Association	No	No	This is the responsibility of the jurisdictional authority of the location.
Clean up illegal dumping quicker	Prospect Lake District Community Association	No	No	This is part of the landfill operating plan and is reviewed regularly.
Open Hartland Landfill on Sundays so that residents don't dump illegally when they drive up and find the landfill closed	Prospect Lake District Community Association	No	No	Details such as operating hours are part of the landfill operating plan and are reviewed regularly.
Increase bylaw enforcement of dumping and unsecured loads	Prospect Lake District Community Association	No	No	Unsecured/uncovered loads arriving at Hartland are already subject to fines. Illegal dumping is regulated by municipalities and the CRD in Electoral Areas.
Build a transfer station in the West Shore	Prospect Lake District Community Association	Yes (Action 5B, 7B)	N/A	*Note: private facilities already exist in Langford and Sooke.*
Continue to enhance mountain biking trails in Mount Work Regional Park	Prospect Lake District Community Association	No	Revised (Section 4.2.2.1.7)	Revised this section to discuss actions related to mitigating trail loss.

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Secure Mountain Road Forest as parkland if the Habitat Acquisition Trust (HAT) fundraising campaign is unsuccessful; support of HAT's fundraising project in the interim	Prospect Lake District Community Association	No	No	This project is a partnership between Regional Parks and HAT. HAT anticipates having sufficient funding however, staff will continue to monitor unmet need.
Overhaul the playground at Hamsterly Beach in Elk/Beaver Lake Regional Park	Prospect Lake District Community Association	No	No	This Regional Parks project is underway, with construction set to start in fall 2021.
Do not remove trees to extend the use of Hartland Landfill to 2100 and beyond	Willis Point Community Association	No	Revised (Section 4.2.2.1.6)	Revised this section to clarify rationale for and potential impact and decision making process for Hartland 2100
Delay approval of the Hartland 2100 design concept	Willis Point Community Association	No	Revised (Section 4.2.2.1.6)	Revised this section to clarify rationale for and potential impact and decision making process for Hartland 2100
Adopt a more aggressive waste reduction target	Willis Point Community Association	Yes (Plan Goals)	N/A	An aspirational goal to reduce per capita waste volume to 125kg/year was included in the draft plan based on public feedback
Align the regional plan's targets with the City of Victoria's Zero Waste strategy	Willis Point Community Association	Yes (Plan Target)	N/A	The City of Victoria's Zero Waste strategy target is aligned with the CRD's target. With both following the same trajectory.
Consider Esquimalt's waste-to-energy plan in the Solid Waste Management Plan	Willis Point Community Association	No	Revised (Action 15D)	Revised action to clarify investigation of landfilling alternatives.
Do not landfill Class A biosolids	Willis Point Community Association	No	No	Management of biosolids is within the scope of the CRD's Liquid Waste Management Plan.

Solid Waste Management Planning — PHASE II FEEDBACK – *Public Feedback*

**Orange shading indicates a comment that appeared 3+ times*

FEEDBACK	IN DRAFT?	ADDED TO PLAN?	RATIONALE
STRATEGY 1: Continue and Enhance Education Programs			
Educate people about reduce, reuse and recycle	Yes (Action 1A/E)	N/A	
Apply behavioural science to education programs	Yes (Action 1B)	N/A	
Make waste socially unacceptable by funding education campaigns promoting zero waste	Yes (1D)	Revised (1D)	Action revised to include specific reference to zero waste
STRATEGY 2: Encourage Waste Prevention			
Provide funding for start-up businesses aimed at reducing waste	Yes (2B)	N/A	
Ban single-use items	Yes (Action 2C/E, 5A)	N/A	The CRD will continue its advocacy and education role to support others that have authority to regulate in this area.
Ban/work with government to ensure manufacturers reduce non-recyclable packaging	Yes (Action 2F)	N/A	
Enforce mandatory fully compostable packaging	Yes (Action 2E/F)	N/A	
Legislate that manufacturers are responsible for the full life cycle of their products	Yes (Action 2E/F and 10A/C/D)	N/A	
Allow green bins to be used for yard waste as well as kitchen scraps	No	No	These items are banned from garbage disposal at Hartland. Organics drop-off and collection services are provided by the private sector and some municipalities. The CRD provides drop-off and transfer services for kitchen scraps and yard waste material at Hartland.
Fund drop-off points or curbside pick-up of organic materials, including yard waste	No	No	
Introduce tax breaks for people who recycle properly/do not put banned items in the garbage	No	No	Curbside recycling services are not funded by taxpayer requisition.
STRATEGY 3: Support Reduction of Avoidable Food Waste			
Encourage backyard composting	Yes (Action 3A)	Revised (Action 3A)	Action revised to include reference to backyard composting.
STRATEGY 4: Support Reuse Activities in Region			
Support organizations that create a sharing economy	Yes (Action 2B, 4B/C)	N/A	

FEEDBACK	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Encourage a circular economy through Repurpose and Repair Centers and Repair Cafes	Yes (Action 2B & 4C)	Revised (Action 4C)	Action revised to include reference to repair centres.
Explore ways to divert textile waste from the landfill, including building a processing facility	Yes (Action 4A, 4B)		Programs are in place to support existing textile collection and reuse industry in the region.
Support a book recycling program	Yes (Action 4A, 4B)	N/A	
Consider attaching a recycling education centre to the potential free store at Hartland Landfill	Yes (4D)	N/A	This option can be considered in the free store research project under Action 4D.
Consider attaching a build-it centre to the potential free store at Hartland Landfill	Yes (4D)	N/A	
Go beyond the free store at Harland and consider establishing a green business hub in the region	Yes (4D)	N/A	
Create a map of local resources for sharing, rental, reuse, and repair	Yes (4C)	N/A	The CRD's MyRecyclopedia (Section 4.2.7) provides this function.
STRATEGY 5: Support Local Governments in Working Towards Zero Waste and Circular Economy			
Require municipalities to incorporate zero waste plans as part of their community event permitting process	Yes (Action 5A, 13A)	N/A	Although the CRD cannot require municipalities to do this, the creation of a model policy for zero waste event planning could be included in this action.
Implement user-pay/pay by weight model for garbage collection	Yes (Action 5D)	N/A	The user-pay model for garbage collection services provided by the private sector and municipalities supports the intent of these ideas.
Hold specific municipalities accountable for massive increases in waste disposal (e.g. charge municipalities a fine per resident for exceeding waste per capita targets)	No	No	
Create a multi-disciplinary working group to develop the local circular economy	No	No	CRD staff participate in already established working groups focused in this area.
STRATEGY 6: Continue and Enhance Policy Development			
Implement a purchasing policy with other public organizations that encourages products made from reused, recycled or sustainably harvested materials and products that are durable, repairable, reusable, recyclable or compostable	Yes (Action 6A)	N/A	
Set reuse/refill targets across CRD buildings and invest in infrastructure for this	Yes (Action 6A)	N/A	These targets will be considered in the model procurement policies.

FEEDBACK	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Ensure municipal and private waste collectors fine banned materials and contaminated loads at the household level to enforce source separation	Yes (Action 6D, 9G)	N/A	Although the CRD doesn't have the authority to issue generator fines, landfill bans are enforced by the CRD when materials are delivered to the landfill.
Do not explore licensing for waste management facilities	No	No	Licensing programs provide a level playing field, support diversion activity and subsequently reduce garbage disposal. Review of this option is included in Action 6D.
STRATEGY 7: Increase Residential Diversion			
Build a transfer station in the West Shore	Yes (Action 5B, 7B)	N/A	*Note: private facilities already exist in Langford and Sooke.*
Fund return-it centres across the region	Yes (Action 2B, 7B)	N/A	The CRD has an advocacy role in this area.
Build processing plants to ensure more material is recycled	Yes (Action 7C)	N/A	The CRD will encourage local processing of recyclable material
STRATEGY 8: Increase Multi-Family Diversion			
Engage businesses in addition to building managers and strata across the region with waste prevention education	Yes (Action 8A, 9A)	N/A	
Hold landlords, building managers and stratas accountable for organics diversion and glass recycling	Yes (Action 8B)		Municipalities have the authority to regulate activities in multi-family buildings. Licensing programs identified for exploration in the plan have the potential to regulate this activity through the service provider.
Hold waste haulers accountable for organics diversion and glass recycling in multi-family residences	Yes (Action 6D, 8B)		
Enforce mandatory source separation for multi-family residences through fines	Yes (Action 8B)		
Find a solution for multi-family residents to recycle glass	Yes (Action 8B)		
Work with the Province on building code guidelines that ensure adequate space for waste sorting in new developments	Yes (Action 8C)	Revised (8C)	Revised action to note policy recommendations in this area
STRATEGY 9: Increase Industrial, Commercial and Institutional Diversion			
Prioritize 3R education funding for Industrial, Commercial and Institutional sector	Yes (1C, 9A)	N/A	
Give awards to companies who are waste prevention leaders	Yes (1F)	N/A	

FEEDBACK	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Enforce mandatory source separation for the Industrial, Commercial and Institutional sector through fines	Yes (9F, 9G)	N/A	Municipalities have the authority to regulate activities in multi-family buildings. Licensing programs identified for exploration in the plan have the potential to regulate this activity through the service provider.
STRATEGY 10: Support Existing and New Extended Producer Responsibility Programs			
Demand that Extended Producer Responsibility programs be expanded and fees be raised	Yes (10A/D)	N/A	Point-of-sale recycling fees are province-wide and established by the obligated producers and their stewardship agencies.
Advocate for the Right to Repair, mandatory warranties, time frames for parts availability, requirements for online manuals and plans	Yes (10 A/D)	N/A	The CRD can advocate for this when commenting on Extended Producer Responsibility program plan reviews.
Reduce the amount of plastic being landfilled, including microplastics	No	No	Production and distribution of plastic products and packaging are regulated by Federal and Provincial governments.
Fund curbside pick-up of recyclable materials not included in the current recycling program	No	No	Packaging and printed paper materials collected in curbside vs depot programs is determined by Recycle BC.
Fund curbside pick-up of soft plastics	No	No	
Enhance access to soft plastic recycling options, especially for rural communities	No	No	
STRATEGY 11: Increase Organics Diversion and Processing Capacity			
Do not build an organics processing facility at Hartland Landfill	No	No	Enabling language in the Solid Waste Management Plan (11B) is there to allow for exploration in this area.
Partner with local farmers to supply compost from organic processing	Yes (Action 11C)	N/A	
STRATEGY 12: Increase Construction, Renovation and Demolition Material Diversion			
Include a section in the plan for the recycling of fibreglass from marine debris	Yes (Action 12A)	N/A	Construction, Renovation & Demolition material pilots will consider the inclusion of types of structures, including boats
Ask the Province for a building code that incorporates future deconstruction needs and factors in embodied carbon and to create a deconstruction step code	Yes (12C/D)	N/A	The CRD has an advocacy role in this area.
Develop a program that encourages the renovation of buildings over demolition	Yes (Action 12 B/C/D)	N/A	

FEEDBACK	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Support building design and demolition regulations that require re-use/recycling	Yes (12D)	N/A	
Prioritize demolition permits for companies doing deconstruction/salvage work vs. straight disposal	No	No	Municipalities are responsible for building/demolition permits.
Consider attaching a build-it centre to the potential free store at Hartland Landfill	Yes (Section 4.2.6)	No	CRD support for existing organizations/facilities that encourage reuse of building materials is outlined in Section 4.2.6
Develop a construction and demolition materials hub at Hartland	Yes (Section 4.2.6)	No	
STRATEGY 13: Encourage Proper Public Space Waste Management Activities			
Support municipal big/bulky item pick-up day programs	Yes (Action 13F)	N/A	
Ensure all parks and recreational areas in the region have recycling bins	No	No	While the CRD has limited authority in this area, Strategy #13 broadly supports responsible waste management in public spaces
STRATEGY 14: Optimize Landfill Gas Management			
Develop a strategy to optimize landfill gas at Hartland that doesn't require input from new organic material	Yes (Strategies 2, 3, and 14)	N/A	The approach to landfill gas utilization was developed in alignment with Solid Waste Management Plan waste diversion targets and goals — including organic material diversion strategies.
STRATEGY 15: Enhance Hartland Disposal Capacity			
Implement/increase the CRD's fine system for banned materials	Yes (Action 15A)	N/A	
Increase tipping fees to incentivize waste prevention	No	Revised (Action 15A)	Revised action to capture regular review of tipping fee structure.
Incinerate garbage instead of landfilling it	Yes (Action 15D)	Revised (Action 15D)	Revised action to clarify investigation of landfilling alternatives.
Explore gasification options to create energy from solid waste	Yes (Action 15D)	Revised (Action 15D)	
Explore disposal options that integrate organic, solid and liquid waste (integrated resource management)	Yes (Action 15D)	Revised (Action 15D)	
Consider Esquimalt's waste-to-energy plan in the Solid Waste Management Plan	No	Revised (Action 15D)	
Report progress on exploring alternatives to landfilling to the CRD Board annually	Yes (Action 15D)	Revised (Action 15D)	Revised action to include a reporting component.
Mine Hartland Landfill for recyclable materials	Yes (15D)	No	Investigation of emerging technologies may include this activity in the future

FEEDBACK	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Include an action that addresses mountain bike trail loss due to the Hartland 2100 design	No	Revised (Section 4.2.2.1.7)	Revised this section to discuss actions related to trail loss.
Do not design options to extend the use of Hartland Landfill to 2100 and beyond	No	Revised (Section 4.2.2.1.6)	Revised this section to clarify rationale for and potential impact and decision making process for Hartland 2100
Do not remove trees to extend the use of Hartland Landfill to 2100 and beyond	No	Revised (Section 4.2.2.1.6)	
Delay approval of the Hartland 2100 design concept	No	Revised (Section 4.2.2.1.6)	
Conduct an Environmental Impact Assessment before extending the life of Hartland Landfill	No	No	The CRD will adhere to all applicable regulatory requirements. Based on current provincial feedback, the Hartland 2100 design concept does not require an Environmental Impact Assessment.
Build a new landfill in the Western Communities	No	No	Siting and building a new landfill facility has a much higher environmental impact than using the existing landfill and transfer station infrastructure network as efficiently as possible.
Explore how the CRD will move past its reliance on tipping fees for funding, including potential future taxation	No	Maybe require adjusting wording in plan	Revenue received each year currently exceeds expenditures and the remaining funds are placed in a sustainability reserve for future needs when garbage volumes significantly decrease. Alternative funding methods will need to be explored as reserve fund depletes.
Do not accept cruise ship waste at Hartland Landfill	No	No	In Canada, solid waste from cruise ships is managed according to the International Waste Directive under the authority of the Canada Border Service Agency and the Canadian Food Inspection Agency. At Hartland, international waste is received at a higher rate than general refuse.
FEEDBACK UNRELATED TO SPECIFIC STRATEGIES OR ACTIONS IN THE DRAFT PLAN			
Include a regional greenhouse gas emissions calculation in the Solid Waste Management Plan	No	Yes	*Added language to talk about fugitive emissions/portion of regional greenhouse gases that solid waste management and/or the landfill contributes?

FEEDBACK	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Adopt a more aggressive waste reduction target (e.g. the Regional District of Nanaimo's plan)	Yes (Goal 1)	N/A	An aspirational goal to reduce per capita waste volume to 125kg/year was included in the draft plan based on public feedback
Align the regional plan's targets with the City of Victoria's Zero Waste strategy	Yes (plan targets)	N/A	The City of Victoria's Zero Waste strategy target is aligned with the CRD's target. With both following the same trajectory.
Include population growth considerations in the Solid Waste Management Plan	Yes	N/A	Population growth projections are included in Section 3.1.
Do not landfill Class A biosolids	No	No	Management of biosolids is within the scope of the CRD's Liquid Waste Management Plan.
Move commercial access to Hartland Landfill from Hartland Avenue to Willis Point Road	No	No	This is an operational decision and is not part of the formal plan.
Do not move commercial access to Hartland Landfill from Hartland Avenue to Willis Point Road	No	No	
Include a section in the plan on the management of closed contaminated sites (e.g. Blackburn Landfill on Salt Spring Island)	No	No	Closed landfills are not within this Solid Waste Management Plan based on advice from the Province.
Include specific plans to support a circular economy toward carbon neutrality	No	No	As identified by the Province, solid waste management plan's should be guided by the 5R hierarchy. In doing so, plans support reuse, recycling and, ultimately, a circular economy.
Include a section in the plan for the beneficial use of gravel extracted from Hartland Landfill	No	No	Use of aggregate at Hartland is addressed in the Operating Plan
Include an action to reduce wildlife/human conflict by educating the public about solid waste as a wildlife attractant	No	No	Educational information related to this issue exists on the CRD website
Ensure residents are aware of the region's per capita waste rate on an annual basis	Yes (Section 11)	N/A	
This plan should rigorously pursue the 5R waste hierarchy with top emphasis on reduction, reuse and recycling.	Yes	N/A	The strategies and actions in the plan have been designed to emphasize the first 3Rs of the pollution prevention hierarchy

Solid Waste Management Planning — PHASE II FEEDBACK – *Advocacy Groups*

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Plan Direction				
Adopt zero waste as a the goal and engage all sectors of society in pursuing this	Zero Waste BC	Yes (Guiding Principle 1)	Revised (Glossary)	A zero waste definition has been added to the plan
Adopt the zero waste hierarchy as a guide	Zero Waste BC	No	No	The existing pollution prevention hierarchy in the plan aligns with the Ministry guide.
Adopt stronger targets (similar to the Regional District of Nanaimo)	Zero Waste BC	Yes (Goal 3)	No	The Ministry requires regional districts set targets that are achievable, time-bound and demonstrate continuous improvement. The adjustment to the plan's goals provides opportunity to work towards 125kg/yr while implementing the actions identified in the plan over the 10-year time frame.
Amend the Solid Waste Management Plan and submit in 2025 with a target of 125kg/person/year by 2040.	Mount Work Coalition	No	No	
Gather information and add targets for reduced waste generation and waste diversion that at least match the C40 Zero Waste Declaration	Zero Waste BC	Yes (Goal 3)	No	The aspirational goal in the CRD plan exceeds that in the C40 plan. Numerous waste reduction actions have been incorporated into the plan.
Reduce (Rethink/Reconsider)				
Increase tipping fees to align with neighbouring regional districts, ensure kitchen scraps are at a lower fee than the waste and add a mixed waste fee at	Zero Waste BC	No	Revised (Action 15A)	Fees and fines associated with garbage disposal and kitchen scraps processing will be reviewed as part of the implementation of

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
double or more the regular waste tipping fee to encourage waste diversion				the plan's actions to maximize waste diversion.
Work to address fees on rimmed tires	Zero Waste BC	No	No	The Extended Producer Responsibility program in place in BC for tires excludes tires on rims. The fee associated with the drop off of rimmed tires at the Hartland depot limits quantities and directly reflects the cost of preparing them for management through the program.
Add a fee for unsecured loads	Zero Waste BC	No	No	Unsecured loads arriving at Hartland Landfill are already subject to a double charge.
Add an action to promote the local circular economy potential	Zero Waste BC	Yes	No	Many of the actions in the plan are intended to promote a circular economy. The grant money identified in Action 2B would be available to support local circular economy initiatives.
Develop a program for the CRD corporate entity to model zero waste actions	Zero Waste BC	Yes (5A,6A)	No	Could be considered as part of the corporate climate action plan.
Join the Canadian Collaboration for Sustainable Procurement	Zero Waste BC	No	No	Could be investigated with implementation of 6A.
Have the CRD lead by example	Zero Waste BC	Yes (5A,6A)	No	
Work with federal and provincial government on policies to reduce material throughput and waste.	Zero Waste BC	Yes (2E,2F,10A, 10D)	No	
Strengthen the plan's zero waste initiatives by adding concrete plans such as dedicated funding to create business incentives for entrepreneurs; create a public education campaign to draw awareness to Zero Waste, and use tipping fees to incentivize waste reduction instead of encouraging continued use of landfilling as a source of revenue	Mount Work Coalition	Yes (Action 1 A/B/D/E; 2B)	No	
Reduce				

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Developing common regional signage to assist in correct sorting of materials. This should be done in conjunction with member municipalities, businesses and Extended Producer Responsibility programs. An example of this has been done by the Squamish-Lillooet Regional District.	Zero Waste BC	Yes (1A,B,E,7A, 7D,8A,9A)	No	Standardized signage opportunities could be explored with implementation of the plan.
Banning materials before Extended Producer Responsibility programs exist. For example, Metro Vancouver have banned mattresses from their facilities and this ensures materials for the mattress recycling businesses that have arisen.	Zero Waste BC	Yes (5C, 15A)	No	This is a long-standing ongoing practice, landfill bans are implemented when viable alternatives are in place regardless of whether a product is regulated under EPR.
Working with service providers to provide bi-weekly service for curbside garbage collection and weekly service for organics pickup. This has proven to reduce waste in other regions.	Zero Waste BC	No	No	CRD does not have authority to regulate collector's frequency of services.
Targeting funding towards recycling materials that are not currently recycled by encouraging non-profit and private sector innovation such as in the Regional District of Nanaimo's plan.	Zero Waste BC	Yes (2B, 5C)	No	
Educate around and enforce the bans. Feedback at each step of the process (at collection, at transfer and at the landfill) is essential to help educate waste generators on how to reduce their waste. This will require partnership with other organizations that deliver these waste collection and management services. This could require friendly waste educators monitoring collection runs and cameras on waste trucks checking each tip.	Zero Waste BC	Yes (15A)	No	Approaches for executing actions associated with landfill ban education and enforcement will be further explored as plan implementation develops.
Organics				
Consider decentralized composting for high generation areas.	Zero Waste BC	No	No	See revised Section 6. Existing on island processing capacity to be

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Processing scaled to consider the reduction in volumes through reduced food waste generation and backyard composting activity	Zero Waste BC	No	No	utilized and the need for a facility at Hartland will be monitored.
Education and enforcement for bans.	Zero Waste BC	Yes (9G,11A, 15A)	No	
Identify and develop other end market.	Zero Waste BC	Yes (11C)	No	
Hartland Capacity				
Conduct regular waste audits and bi-annual waste composition studies. Work with Extended Producer Responsibility programs to have them pay for their share of waste composition studies. Make the data public. Make changes based on results.	Zero Waste BC	No	No	The next audit is scheduled for 2022. As in the past, Extended Producer Responsibility program stewards will be approached, study's results will be public and initiatives (actions) will be prioritized based on findings.
Understand and restrict waste flows outside of the region.	Zero Waste BC	No	No	While waste flow management is not a specified action in the plan, licensing and policy actions will provide an opportunity to explore opportunities to manage waste material within the region.
Delay any approval for landfill expansion until an updated and amended plan is adopted in 2025.	Mount Work Coalition	No	Revised (Section 4.2.2.1.6)	Revised this section to clarify rationale for and potential impact and decision making process for Hartland 2100
Delay work on landfill expansion and pursue Zero Waste actions instead.	Zero Waste BC	No	No	Provincial legislation requires the CRD to provide disposal needs for the community into the future. While planning for the future is an ongoing item, the work to build out the remaining landfill area wouldn't begin until approximately 2030, a time when this plan's actions are scheduled to have been implemented.
Mandate clear bags for waste as soon as possible.	Zero Waste BC	Yes (5E)	No	Could be considered as a priority when developing a more detailed plan implementation schedule
Ensure the public is aware of the progress (or not to date) through publishing the	Zero Waste BC	Yes (Strategy 1)	No	Annual progress and plan monitoring reports are public

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
annual report along with advertising and creative means such as a waste thermometer at the landfill.				documents. New public engagement opportunities will be reviewed as part of implementation of the plan's actions.
Notify the Ministry of Environment & Climate Change Strategy that the CRD intends to submit an amendment to the plan by 2025 with strategies for attaining this target including an aggressive Zero Waste program, and an independent analysis and testing of alternative technologies such as integrated resource management/gasification/Waste to Energy.	Mount Work Coalition	No	Revised (Action 15D)	Revised action to clarify investigation of landfilling alternatives.
The amended plan by 2025 would be subject to full public consultation during its development to ensure the public has ample opportunity to engage in accordance with Ministry policy.	Mount Work Coalition	No	No	Any future plan amendments would be subject to full public consultation according to Ministry guidelines for solid waste management planning
The Plan submitted in 2021 should contain a placeholder for the Esquimalt waste-to-energy project, subject to a business case being completed.	Mount Work Coalition	Yes	Revised (Action 15D)	Revised action to clarify investigation of landfilling alternatives.
Conduct an independent environmental assessment prior to any plans to expand or alter the design of the landfill, including the spread of biosolids, to protect the natural ecosystem, wildlife, community health and the recreational users of the area.	Mount Work Coalition	No	No	The CRD will adhere to all applicable regulatory requirements. Based on current provincial feedback, the Hartland 2100 design concept does not require an Environmental Impact Assessment.
Burning of Waste				
Include clear language to prevent the use of destructive thermal technologies for managing waste.	Zero Waste BC	No	No	Investigation of emerging technologies will be explored as they relate to the 5R hierarchy.
Supporting Systems				
Outline what the five-year plan review will include like the Regional District of Nanaimo plan.	Zero Waste BC	No	No	Plan monitoring will be reported annually.

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
The climate strategy also notes many outreach programs and campaigns with other partners - the same needs to happen for the Solid Waste Management Plan.	Zero Waste BC	No	No	Roles and partnerships will be further explored through implementation of the plan's actions.
Value the remaining landfill space.	Zero Waste BC	No	No	There is no standardized methodology for valuing landfill space.
Increase funding and staff time to support this plan to ensure it can achieve higher targets.	Zero Waste BC	No	No	There is a $5.8 million annual budget already in place to divert materials from disposal. An additional $360,000 in new funding will also be added to the budget with the approval of the plan and resource requirements will be monitored and adjusted as plan implementation unfolds.
Funding				
Fund part of the solid waste system through property taxes and utility fees.	Zero Waste BC	No	No	As outlined in Section 9, the plan's investments including associated garbage reductions can be funded from existing sources. Future funding needs will continue to be monitored and will take into account new funding opportunities and reduced garbage volumes and associated revenue.
Raise tipping fees to match the Cowichan Valley Regional District rates.	Zero Waste BC	No	No	
Adjust funding sources as waste levels change.	Zero Waste BC	No	No	
Consider a levy and discount system similar to the Regional District of Nanaimo's.	Zero Waste BC	Yes (5C,6C,6D,12F)	No	
Ensure Extended Producer Responsibility programs pay their way.	Zero Waste BC	No	No	The CRD has a long history of developing waste diversion programs in advance of products being added to Extended Producer Responsibility. Transition to fully producer funded programs has historically lead to a reduction in service for the community.

FEEDBACK	STAKEHOLDER	IN DRAFT?	ADDED TO PLAN?	RATIONALE
Apply for grants and support other local partners applications as well.	Zero Waste BC	No	No	This is an ongoing item and there is further opportunity for this built into existing actions.
Ensure fines are applied after education measures and that they are sufficient to change behaviour.	Zero Waste BC	No	Yes (15A)	Education is conducted with warnings issued in advance of fines. Action 15A has been expanded to include a review of the Hartland tipping fee structure in addition to ban enforcement levels.
OTHER FEEDBACK				
Ensure protection of species at risk in Mount Work Park, we are requesting the BC Ministry of Environment & Climate Change Strategy reinstate its longstanding ban (2011 and 2013) on the spreading of biosolids, planned to begin in February 2021.	Mount Work Coalition	No	No	Management of biosolids is within the scope of the CRD's Liquid Waste Management Plan.
Delay the decision to reroute landfill traffic to Willis Point Road until decisions are made to have regional municipalities manage their own waste with Zero waste and new waste to energy technologies.	Mount Work Coalition	No	No	This is an operational decision and is not part of the formal plan.

Note:

- Zero Waste British Columbia's report included a significant number of suggestions for implementation of each action, review of feedback focused on the report's recommendations.

COMMERCIAL ACCESS TO HARTLAND LANDFILL

Consultation Results — March 2021

Operational Context

The Capital Regional District (CRD) is required to move Hartland Landfill's commercial vehicle access point from Hartland Avenue to Willis Point Road for a number of operational reasons, including safety considerations for landfill staff, commercial vehicles and residents accessing Mount Work Regional Park.

The eventual need for this vehicle access change was identified in the CRD's first solid waste management plan in 1987. Although this entrance has always been a secondary access point to the site, this permanent change for all commercial vehicle access will be triggered by the location of the active face in approximately 2023.

The internal roads from the south will eventually be buried in waste, and constructing a wide, two-way roadway from the south is not feasible due to both the internal topography of the site and the location of critical underground gas, lagoon and leachate infrastructure. The cost to move this infrastructure and to build an internal perimeter road is exorbitant and would not meaningfully address the safety issues for staff, contractors and patrons. For these reasons, the only viable route for trucks to safely access future filling areas at Hartland Landfill will be from the north off Willis Point Road.

Two independent traffic studies were conducted to understand the implications of these requirements, including both road safety and greenhouse gas emission considerations.

Following these studies, some area residents expressed strong concerns about how this change will impact commute times and safety for a range of Willis Point Road users. As a result, the CRD Board directed staff to consult directly with Hartland neighbours to answer questions, understand concerns and discuss ideas for risk mitigation.

Consultation with Area Residents

CRD staff published information related to this operational change, including the Bunt & Associates traffic study and a list of questions received from the public, to the CRD website when phase two of the broader solid waste management planning consultation process began on November 18, 2020.

Staff then invited input from Highlands District Community Association, Prospect Lake District Community Association and Willis Point Community Association members on this issue through a number of opportunities, including:

- Emails to each community association outlining available materials and feedback opportunities when consultation began in November 2020
- Hartland Landfill tours for area residents (group tours in November 2020 and individual tours by request following public health orders from December 2020 to February 2021)
- Two focused public meetings via Zoom with area residents about Hartland Landfill road access in January 2021

Seven residents participated in tours and 65 residents participated in one or both of the virtual meetings dedicated to this topic.

During these conversations, CRD staff gave a short presentation explaining the rationale for this operational change and invited participants to share their concerns, questions and ideas for potential safety improvements and community benefits.

These conversations generated the following ideas for Board consideration:

Potential Traffic Infrastructure Improvements

- Construction of a passing lane on the uphill portion of Willis Point Road between Wallace Drive and the landfill entrance
- Construction of pull-outs on the uphill portion of Willis Point Road between Wallace Drive and the landfill entrance
- Construction of bicycle lanes on Willis Point Road between Wallace Drive and Ross Durrance Road
- Design and construction of intersection improvements where Wallace Drive meets West Saanich Road
- Design and construction of intersection improvements where Wallace Drive meets Willis Point Road
- Design and construction of trailhead improvements where the Interurban Rail Trail crosses Wallace Drive
- Implementation of electronic signalling to control commercial vehicle flow on Willis Point Road
- Enhanced winter weather condition road maintenance (de-icing, plowing, etc.) on Willis Point Road
- Ongoing communication with commercial customers to ensure they are using designated truck routes to access Hartland Landfill

Potential Community Benefits

- Expansion of parking facilities for Durrance Lake users
- Expansion of parking facilities on Ross Durrance Road for Mount Work Regional Park
- Improvement of parking facilities on Hartland Avenue for Mount Work Regional Park
- Installation of sound barriers between Hartland Landfill, Willis Point Road and Mount Work Regional Park
- Signage and infrastructure improvements near the Mount Work Regional Park trailhead on Meadowbrook Road
- Siting and construction of a community transfer station for West Shore based residents
- Renaming the portion of Willis Point Road between Wallace Drive and Ross Durrance Road
- Additional police enforcement for speeding, illegal dumping and unsecured loads
- Enhanced illegal dumping education for the region and signage in problem areas near Hartland Landfill
- Securing Mountain Road Forest as parkland if the Habitat Acquisition Trust (HAT) fundraising campaign is unsuccessful; support of HAT's fundraising project in the interim

Area residents also requested that the impacts of this operational change be monitored closely following implementation, and that the Prospect Lake District, Highlands District and Willis Point community associations be invited to participate in conversations about area traffic on an ongoing basis.

In addition to generating a number of risk mitigation and community benefit ideas, these conversations presented an opportunity to clarify a number of questions related to this operational change that were also published to the CRD website. These frequently asked questions have been included for reference as Attachment 3.

Additional Feedback

Both the Prospect Lake District Community Association and Willis Point Community Association submitted additional risk mitigation and community benefit ideas following the public meetings on this topic. These letters have been included for reference as Attachment 1 and 2.

A number of comments related to this operational change, both supporting the shift in commercial access from Hartland Avenue to Willis Point Road and opposing it, were received through the solid waste management planning process and have been included verbatim in Appendix A of this summary's covering staff report ('Finalizing the Solid Waste Management Plan'). Several letters on this issue, both in support of and in opposition to this change, were also submitted to the Board for consideration during the consultation period.

Conclusion

Although moving commercial access to Hartland Landfill from Hartland Avenue to Willis Point Road in 2023 has raised both opposition and support from area residents, this operational change utilizing an existing truck route has the potential to generate a number of traffic safety improvements and community amenities that could benefit both road and recreational users in the area of Mount Work Regional Park and Hartland Landfill.

While the CRD's jurisdiction over some of the ideas presented by area residents is limited, the CRD could provide a funding package to the District of Saanich to support priority road safety improvements from this list.

The perspectives and ideas shared by Hartland neighbours during this targeted consultation process will continue to benefit CRD planning in this area as a package of specific options for Committee and Board consideration is prepared.

Attachments

Attachment 1: Prospect Lake District Community Association Letter – February 4, 2021
Attachment 2: Willis Point District Community Association Letter – February 14, 2021
Attachment 3: Hartland Landfill Access FAQs

Prospect Lake District
COMMUNITY ASSOCIATION

February 4, 2021
RE: Commercial vehicle access to Hartland

To: Mr. Russ Smith
Senior Manager, Environmental Resource Management
Capital Regional District (CRD)

Thank-you for hosting the community conversations about commercial vehicle access to Hartland Landfill last month. As previously discussed, we have canvassed our members and compiled a list of concerns and mitigation suggestions for the CRD to consider as this project progresses.

On behalf of our members, we submit the following list of concerns, both directly related to the operational change, and additional concerns the CRD can support within our community:

1. Vehicle, cyclist, and pedestrian safety, specifically at the following locations:
    a. The intersection of West Saanich Road and Wallace Drive
    b. The intersection of Wallace Drive and Willis Point Road
    c. Rural roads in the area that often have illegal truck traffic (Wallace Drive, Prospect Lake Road)
2. Meadowbrook Road concerns:
    a. Increased use of the trail at the end of Meadowbrook Road has led to concerns including dog poop, traffic, parking, speeding, and litter
3. Illegal dumping
    a. Some notable locations include the BC Hydro right-of-way on Prospect Lake Road and several mailbox pull outs on Prospect Lake Road.
4. Roadside litter from poorly secured loads travelling to the landfill
5. The loss of peaceful parkland in our community due to noise and traffic near Durrance Lake

Further to these concerns, we offer the following mitigation ideas for your consideration:

1. The first, and most urgent way the CRD can help our community is to secure the Mountain Road Forest as parkland. While we are grateful the CRD has committed great deal of money from the Land Acquisition Fund, there is still risk the sale will fall through without enough funding. No amount of sidewalks, parking, infrastructure, or litter pick up can replace a natural forest. With the loss of forest in Mount Work Park and the detrimental effects of the construction at Hartland on the Durrance Lake area, we are

losing greenspace. The single most effective thing the CRD can do for our community is to ensure the Mountain Road Forest fundraising goal is reached.

   a. The CRD should spread awareness of the fundraiser on social media and other available outlets to encourage community fundraising support.
   b. The CRD should commit any outstanding money at the culmination of the fundraising efforts. This land is not going to be for sale again; we cannot miss this opportunity. It would be a tragedy if we missed the target by a narrow margin. We need to add greenspace, not remove it.

2. Meadowbrook Road
   a. Speed limit and/or "respect the neighbours" sign on Meadowbrook Road
   b. Signage at the trailhead indicating "pack in, pack out" for trash
   c. Signage reminding dog owners to pick up poop and control their dogs
   d. Garbage receptacle installed and maintained at trailhead
   e. "No parking" signage along right-hand side of Wildview Crescent, or an assessment of parking issues in the area
3. Illegal dumping
   a. Campaign educating people about illegal dumping, something to make them think of how it affects us all. The average mattress or couch is not an expensive as many think it is to dispose of at the landfill; education goes a long way.
   b. Install no dumping signage with threats of fines in problem areas.
   c. Educate people on how to report illegal dumping.
   d. Clean up illegal dumping quicker.
   e. Expand landfill hours to include Sunday, possibly for residents only.
      i. Many people do their clean-ups and junk removal on weekends. This leads to people wanting to take their loads to the landfill on Sunday, finding the landfill closed, and then dumping illegally in our neighbourhoods.
4. Better road cycling infrastructure
   a. Bike lane along Wallace Drive to connect to Interurban Rail Trail
   b. Safe crossing for cyclists at the termination of the Interurban Rail Trail to cross or continue onto Wallace.
   c. A bike repair station in the area (many cyclists experience flat tires due to debris on the road in the area). Either the intersection of Wallace and West Saanich or Sparton and West Saanich would be excellent choices, as they would capture casual riders on the trail as well as road biking enthusiasts who ride along West Saanich Road.
5. Many residents live here for the access to mountain biking. It would serve a great deal of our community to continue to better the mountain biking trails on Mount Work, specifically ensuring a sustainable multi-use trail network throughout the entire park.

Prospect Lake District
COMMUNITY ASSOCIATION

6. Ensuring the safety of the parking situation for Durrance Lake. Residents do not want a huge parking lot encouraging more visitors than the natural space can handle, but they do want to be sure those parking are doing so safely.
7. Increased by-law enforcement for dumping, illegal truck traffic, and unsecured loads.
8. Increased police enforcement for speeding and other unsafe driving.
9. A transfer station serving the continuously growing Westshore community would have positive impacts for GHG emissions, road safety, and general traffic volume in our community. If it is unreasonable to have the landfill open to residents on Sundays, having a transfer station open could serve weekend users, in addition to these other benefits.
10. As the number of young families in the area is increasing, there is always desire for more playgrounds and other outdoor play areas for children. One idea is that the playground at Hamsterly Beach is in need of an overhaul, with plenty of space available.

As a Community Association Board, we are aware that we are not experts on implementing these changes, but we hope to inspire the CRD to help our community in a tangible way. Thank-you for considering these issues.

Sincerely,

Zoe Hole,

Secretary, Prospect Lake District Community Association

The Willis Point Community Association, 6933 Willis Point Road, Victoria BC, V9E 2A1

February 14, 2021

Colin Plant
Chair, Capital Regional District
625 Fisgard Street
Victoria, BC, V8W 1R7

Copies to:

All CRD Board Members
Hon. George Heyman, Minister of the Environment and Climate Change
Hon. Lana Popham, MLA
Adam Olsen, MLA
Russell Smith, CRD Staff
Larisa Hutcheson, CRD Staff

Dear Mr. Plant,

I am writing on behalf of the Willis Point Community Association in response to the invitation for public comment on the CRD's Solid Waste Management Plan (SWMP).

The CRD is to be commended for looking ahead at the waste disposal requirements of the region up to the year 2045 and beyond. This plan needs to take into account a number of variable factors; population growth in the region, particularly on the West Shore, new technologies and strategies targeting zero waste and the climate emergency facing the region, the province, the nation and the globe. Unfortunately, we find the SWMP wanting in several respects with regard to these factors.

Landfill Expansion-Destruction of Natural Habitat

As the community association representing the Willis Point area, we are particularly concerned about the impact that the current plan will have on the Hartland Landfill, particularly the Plan's goal (based on the current waste reduction targets and strategy) to expand the waste disposal cells to the full perimeter of the property, in the process removing 73 acres of forest and engaging in extensive blasting and quarrying. These 73 acres are immediately adjacent to Mount Work regional park, and indeed have been a de facto part of the park for a number of years. They provide recreational opportunities for the community, particularly the mountain bike community, and are home to a number of endangered plant and animal species. Moreover, destruction of 73 acres of mature second-growth trees undermines the CRD's commitments to address climate change by removing a significant area of carbon sequestration. Continued expansion of the Landfill will also create more methane emissions, notwithstanding the intention to capture a portion of the increased emissions as renewable natural gas.

Explore More Aggressive Waste Reduction Alternatives

The alternative to Landfill expansion is to adopt more aggressive waste reduction strategies so that volumes of waste going to Hartland are significantly reduced, thus extending the life of the Landfill without expanding it and destroying part of Mount Work. There are several such initiatives underway in the region, such as the City of Victoria's Zero Waste Strategy, the waste-to-energy project being

explored by Esquimalt and Saanich's ***One Planet Saanich***. The current SWMP takes no account of these initiatives, and instead relies on a series of underfunded "best efforts" campaigns to reduce waste targets to 250kg per person in the region by 2030, in the process continuing to rely of a steady flow of waste in order to generate tipping fees to fund Hartland's operation. The Plan needs to go much further, as has been recommended by your own Solid Waste Advisory Committee.

Postpone Decision on Hartland Expansion

Given these developments, it would be irresponsible in our view for the CRD Board to approve any planned expansion of Hartland at this time. Instead, new more aggressive waste reduction targets and strategies should be explored and adopted. In the meantime, approval of any expansion of Hartland should be put on hold until progress in reducing waste is assessed.

In specific terms, the WPCA would like approval of any expansion of Harland to be Stage-Gated so that both actual waste reduction achieved in the CRD, and the effectiveness of alternative methods of dealing with MSW be reviewed by Hartland staff and the CRD board in 2028 prior to any approval of plans to expand the landfill.

Beyond planning for a Phase or Stage Gated review in 2028 to verify that there is a need for expansion, it would seem **no approval of expansion plans needs to be part of the current SWMP**.

Since no expansion implementation needs to take place before 2030, that allows time to consider expansion if necessary, and the Board and public will have had ample opportunity to apply new waste reduction strategies. We urge you to amend the SMWP accordingly, before it is submitted to the Ministry of the Environment for approval.

Moving Hartland Traffic to Willis Point Road

In addition to opposing the expansion of Hartland Landfill, we have grave concerns over the plan to redirect commercial truck traffic accessing the Landfill from Hartland Avenue to Willis Point Road, beginning in 2023, and diverting all Landfill-bound traffic in 2040. Despite earlier assurances in 2019 received from CRD staff that there were no plans to divert traffic, it would seem that a decision has already been made to do so. Our Association was offered two public consultation sessions to discuss this "proposed" change and was told that the decision was a "fait accompli", with the only thing left to discuss being mitigation efforts. While earlier discussion had argued for a road change based on "safety considerations" (despite the fact that Hartland Avenue has served quite adequately as the point of entry for the past half century), the rationale now put forward is "operational requirements". We have been told that there is "no viable alternative" to changing the access owing to the configuration of the Landfill which makes construction of internal access roads too expensive and challenging.

Safety Concerns

Unfortunately, the process of dealing with the traffic question has been less than transparent. That said, if this change is going to happen regardless of community opposition, then it is important that the CRD address a number of safety, traffic circulation and perception issues that will inevitably arise. The transfer of heavy truck traffic on to Willis Point Road will lead to several safety concerns, notably icy surfaces in winter on the straight 9 percent grade, and the impact of heavy traffic on the numerous

mountain bikers, recreational and competitive cyclists that regularly use the road. A proper bike lane should be constructed up to the point where trucks will enter the Landfill.

Willis Point Road is also heavily used by recreational users of Durrance Lake in Mount Work Park and McKenzie Bight in Gowland Tod Park, by commuters using the route through the Highlands to the West Shore and by residents of Willis Point. Willis Point Road is our only secure means of reaching the rest of the region. While the Bunt traffic study argues that Willis Point Road is designed for a heavier traffic load than Hartland Avenue, it ignores that fact that unless there is smooth traffic flow on to and off Willis Point Road, there will be traffic congestion and safety issues affecting residents, school bus operations, casual users and indeed the trucks accessing the Landfill. The biggest problem is the intersection at the junction of Wallace Drive and West Saanich Road.

Intersection of Wallace Drive and West Saanich Road

This intersection was not designed with heavy traffic loads in mind. It has a pull off area for residential mail collection and is also where the Interurban bike trail terminates. At the same time, it will be where heavy trucks collect to turn either north (left) on to West Saanich Road or south (right). In either case, trucks turning north will block sight lines and vehicles turning right. Wallace Drive joins West Saanich Road at the bottom of a hill where south bound traffic tends to pick up speed. Unless this intersection is redesigned, there will be serious safety and traffic concerns. The response from CRD staff during the traffic consultation was not encouraging. They noted the problems raised but indicated that the responsibility for addressing them lay with the District of Saanich. We are concerned that funding the necessary redesign and reconstruction will not be a priority for Saanich as relatively few Saanich residents will be directly affected. Therefore, it is important that the CRD recognize its responsibility to allocate funding for this work. If internal roads were constructed within Hartland to avoid shifting access to Willis Point Road, this would be feasible but costly. As the CRD will be saving considerable funds by using the public infrastructure of Willis Point Road, provided and funded by Saanich, it should allocate some of these savings to address the imminent real traffic and safety concerns of regular users of Willis Point Road.

Truck Bypass on Willis Point Road Northbound

Given the regular use of this road by Willis Point residents and the likely delays that will occur when traffic is stuck behind a slow moving heavily-loaded truck going uphill, we believe it is essential that a couple of truck pull-offs be created, with appropriate signage to ensure that trucks moving below 40 kph comply. The road speed limit is 60 kmph (although it is constructed for higher speed) and if traffic is impeded, there is a risk that drivers will take chances to pass despite only limited areas to do so. The traffic report, which argued against the construction of a passing lane, claims that traffic will be held up by less than a minute but that assumes that all trucks will maintain a speed of 60 kmph on the uphill grade, which is most unlikely. The provision of pullouts would be a compromise between doing nothing and risking impeding traffic and inviting unsafe driving, and constructing a full passing lane, which has apparently already been ruled out.

Renaming Lower Part of Willis Point Road

In addition to addressing concrete congestion and safety concerns on Willis Point Road and at the intersection of Wallace Drive and West Saanich Road, there is an additional, low-cost measure that the CRD can take to address concerns of Willis Point residents. In the minds of many, there will be an

unfortunate association of Willis Point with the Landfill once the new access point becomes the primary entry for trucks. This could have an impact on public perceptions, ultimately affecting property values, leaving the impression that Willis Point Road is the "access to the dump". We have discussed and support re-naming the lower part of Willis Point Road, the section running from Wallace Drive to Ross Durrance Road. Willis Point Road would begin at Ross Durrance Road and run north to connect Willis Point residences with the southern section of the road. We propose that the new name be connected to the prime function of this section of the road, which is to access Mount Work Park. The name "Mount Work Parkway" has been suggested.

Fortunately there are no residences on the part of the road to be re-named, and only one street sign (at Wallace Drive) to be changed. The new Residuals Treatment Plant is designated as "280 Willis Point Road". It has already been sign-posted so one small address change would be required but otherwise a change of road name would have no postal or property registration implications. While a cosmetic change, this would decouple the name "Willis Point" from the Landfill and is something that the Willis Point Community Association strongly endorses and advocates. We hope the CRD will work with Saanich to effect this name change.

Biosolids

We are one of the communities most affected by changes to the use of Hartland. Our community suffered through two years of construction as the new sewage pipeline was constructed and there continue to be occasional road interruptions. We have been subjected to odour problems arising from the commissioning of the Residuals Treatment Plant (RTP), which are ongoing. We are also concerned about the plan to spread biosolids at Hartland, once the RTP begins to produce them, as this could affect human, plant and animal life in areas adjacent to the Landfill. Given these and other concerns, we are hopeful that the CRD Board will review our input carefully and take action where possible.

Summary and Thank you

The CRD SWMP is important to the WPCA because of both proximity and general love of nature and concern for the environment among Willis Point residents. I believe that the general environmental and climate concerns expressed affect the greater community of the CRD well beyond Willis Point.

I thank you for the opportunity to provide the views of the Willis Point Community Association on the current draft of the Solid Waste Management Plan and related traffic issues.

Yours sincerely,



Daniel J. Kenway, P.Eng
President

Hartland Landfill Access

Frequently Asked Questions

Capital Regional District | January 2021

1. Why will commercial vehicle access to Hartland Landfill be moved to Willis Point Road?

The CRD is required to move the commercial access for Hartland Landfill to Willis Point Road by 2023 for a number of operational reasons, including safety considerations for landfill staff, commercial vehicles and residents accessing Mount Work Regional Park.

Willis Point Road has a single, large hill with a max grade of 8% while current transportation routes to and within Hartland Landfill have grades of up to 15%. BC's Landfill Criteria suggests a maximum grade of 10% for large vehicles in this environment as the probability for trucks to rollover and cause accidents increases when loaded commercial vehicles are travelling excessively steep grades.

Due to its internal topography, the only viable route for trucks to safely access future filling areas at Hartland Landfill will be from Willis Point Road to the north of the landfill. An independent traffic study was conducted to understand the implications of these requirements, including both road safety and greenhouse gas emission considerations.

2. How will road traffic be impacted by this change?

The findings of the independent Hartland Traffic Study suggest that moving commercial access to Willis Point Road will improve overall traffic safety in the area. As a rural collector street, Willis Point Road is designed for higher vehicle use than Hartland Avenue. Willis Point Road's current use is less than half of what it was designed for (up to 5,000 vehicles per day) and this capacity is forecast to remain at least 20% below the typical threshold for this kind of road when landfill access is relocated to Willis Point Road. Landfill-related trucks will account for less than 15% of traffic on Willis Point Road and West Saanich Road when access to the landfill is moved from Hartland Avenue.

Starting in 2023, a daily average of 120 commercial trucks (80-90 large load trucks and 30-40 small load trucks) will access Hartland Landfill via Willis Point Road instead of Hartland Avenue. Starting in 2040, a daily average of 350 vehicles including both commercial haulers (120 per day) and residents (230 per day) will access Hartland Landfill from Willis Point Road when all access is relocated to the north in the future.

3. How has the Willis Point entrance been used in the past?

Originally built to provide access to a composting operation for yard and garden material, this entrance was constructed in the early 1990s. The composting facility operated for approximately 10 years and at its peak served 100 vehicles/day.

Hartland Landfill Access

Frequently Asked Questions

Capital Regional District | January 2021

4. How will GHG emissions be impacted by the relocation of commercial access to Hartland?

The findings of the independent Hartland Traffic Study suggest that moving commercial access to Willis Point Road will reduce greenhouse gas emissions by 2-3% as a result of lessening the steepness and total climb of trucking routes along internal and external roads.

5. How will parks users be impacted by the relocation of commercial access to Hartland?

Commercial vehicles are currently required to access Hartland Landfill through the Mount Work Regional Park trailhead and mountain biking parking lot. Relocating commercial access to Willis Point Road will create the opportunity of a safer, more inviting Hartland Avenue trailhead through the Mount Work management planning process.

6. How long has the CRD known that it would be required to access Hartland Landfill from Willis Point Road?

Future landfilling in the northwest corner of the landfill site was first described in the regional solid waste management plan that was approved by the CRD Board in 1987.

7. When was the need to access Hartland Landfill from Willis Point Road disclosed?

The first solid waste management plan to reference this eventual operational need was made public in 1989 following Provincial approval of the plan. Constructed in the early 1990s, the Willis Point Road entrance has always been a secondary access to the Hartland site yet the requirement to make it the primary access point for commercial vehicles will be triggered by the location of the new active face starting in 2023.

8. Why can't the future filling areas be accessed from the existing road within the landfill that allows access to the new Residuals Treatment Facility?

The Residuals Treatment Facility, part of the region's wastewater treatment infrastructure, is located in the northwest corner of the landfill site and is currently accessed from the Willis Point Road entrance due to the same safety and efficiency reasons being considered for all commercial vehicle access to this part of the Hartland property.

Hartland Landfill Access

Frequently Asked Questions

Capital Regional District | January 2021

9. What would be the cost of ensuring access to the new fill cells from the existing access at Hartland Avenue?

The internal roads from the south will eventually be buried in garbage and constructing a wide, two-way roadway from the south is not feasible due to both the internal topography of the site and the location of critical underground gas, lagoon and leachate infrastructure. The cost to move this infrastructure and to build an internal perimeter road is exorbitant and would not meaningfully address the safety issues for staff, contractors and patrons. For these reasons, the only viable route for trucks to safely access future filling areas at Hartland Landfill will be from the north off Willis Point Road.

10. Since it is planned that non-commercial traffic will continue to access the landfill from Hartland Avenue for the next 20 years, how will this waste reach new filling areas?

Non-commercial vehicles do not access the active face directly—they deposit waste into bins in the residential drop-off area. If bound for the active face, waste collected here is transported in a transfer bin weighing less than 10 tonnes (much smaller than a typical commercial truck that weigh up to 30 tonnes). The daily volume received at Hartland amounts to approximately 8-10 loads per day that will continue to be transported to the active face using internal roads until approximately 2040 when these roads will be buried in garbage. Smaller commercial vehicles that may pose safety concerns will also access the new filling area via Willis Point Road starting in 2023.

11. What additional provisions will be made for the safety of vehicles and cyclists when trucks are diverted to Willis Point Road?

This portion of Willis Point Road is already a designated truck route and, as such, is designed and maintained to a higher standard. Any safety recommendations—for example, the opportunity to reduce the speed of vehicles turning right from Wallace Drive to West Saanich Road—will be submitted to the District of Saanich for consideration by the Traffic Engineer. The CRD currently works with Saanich to increase the level of deicing on Hartland Avenue and a similar program could be explored for Willis Point Road.

12. Will the CRD consider widening and constructing bike lanes on either side of Willis Point Road as far as the turnoff to Hartland?

This suggestion can be included in the mitigation opportunities that will be considered by the CRD Board in spring 2021.

13. What mitigating factors will be undertaken to ensure that vehicles that regularly use Willis Point Road for access to their community are not impeded by this truck traffic?

The current design of this road does not cause commercial trucks to travel below the speed limit. Two passing lane options were analyzed and it was found that their maximum impact would be reducing travel times westbound on Willis Point Road by 15 and four seconds respectively. Even with this operational change in place, landfill traffic will account for less than 15% of all traffic on Willis Point Road.

14. Although a passing lane has been rejected, would consideration be given to one or to pull-outs on the uphill with signage requiring trucks travelling below 50 km/hour to pull over?

This suggestion can be included in the mitigation opportunities that will be considered by the CRD Board in spring 2021.

15. How will the CRD ensure that trucks turning off or on to West Saanich Road from Wallace Drive can do so safely while not impeding through traffic?

The traffic study recommended that Saanich consider options to reduce vehicle turning speed by reducing the turning radius while still providing sufficient space for large vehicles at this location.

16. Will the CRD provide assurance that the entry and exit point to the landfill from Willis Point will not provide priority right of way to trucks, and that through traffic (north or south bound) will not be impeded or forced to yield to turning truck traffic?

The CRD has no plans to provide priority right-of-way to trucks turning on to Willis Point Road from the landfill site. There is a turn lane for trucks turning off of Willis Point Road into the landfill site.

17. What measures or amenities is the CRD considering to mitigate the impact of this change on residents of Willis Point?

The CRD is currently seeking public feedback on this operational change to understand concerns and potential mitigation opportunities. Suggested measures from residents will be considered by the CRD Board in spring 2021.

18. What are your safety plans for the start and end of Interurban trail as there is no safe way to cross Wallace Drive?

Wallace Drive and the Interurban Trail are owned and managed by the District of Saanich. The CRD does not have any authority to make changes to these roads and trails. The traffic study for the landfill identified the opportunity to create a

Wallace Drive crossing either at the West Saanich Road intersection or at a safe location further from West Saanich Road than the existing trail entrance.

19. How do you conclude that Willis Point Road has more capacity than Hartland Avenue?

Willis Point Road has been designated as a truck route by the District of Saanich and is designed to accommodate more vehicles than Hartland Avenue since it has milder grades, paved shoulders, wider curves and fewer driveways.

20. What is the time of day that you measured the number of vehicles on each road for the traffic study?

Vehicle use on Willis Point Road was measured for nine full days. Vehicle use on Hartland Avenue and West Saanich Road was measured for three full weekdays. Additional data was collected at the study intersections on weekdays from 7:30 - 9:30 am and 3:30 - 5:30 pm as well as on Saturdays from 1:00 - 3:00 pm.

21. If the Hartland 2100 design concept isn't needed, will traffic access still need to move to Willis Point Road?

Yes, the Willis Point Road entrance for Hartland Landfill will need to become the primary access point for commercial vehicles by approximately 2023 to ensure safe access to existing filling areas in the northwest corner of the landfill.

22. Willis Point Road was never designed to accommodate 300 cars on the side of the road for parking—how was this traffic accounted for in the independent study?

The transportation study accounted for all vehicles travelling on Willis Point Road between Wallace Drive and the existing landfill entrance. All cars that travelled along this road section were measured including those that parked on the side of Willis Point Road to access the nearby regional parks. Managing parking at nearby regional parks is not included in the scope of the Solid Waste Management Plan but can be addressed as part the ongoing Mount Work Park Management Plan.

23. Who has the overall traffic and design information for both Willis Point Road and Hartland Avenue?

Both roadways are managed and maintained by the District of Saanich.

Hartland Landfill Access

Frequently Asked Questions

Capital Regional District | January 2021

24. There is a much higher frequency of accidents on Willis Point Road than Hartland Avenue. Why was this not considered in the traffic study and how do you consider what is safer without doing so?

The traffic study considered the frequency of collisions and identified potential safety improvements for the District of Saanich to consider. A variety of factors was considered to evaluate the vehicle access routes including collision frequency, a street design and safety review, vehicle capacity, street grades, active transportation, vehicle emissions and vehicle circulation on the landfill property. Design changes to the intersection of Willis Point Road and Wallace Drive can be discussed with the District of Saanich to ensure drivers are making safe decisions as they move through that area.

25. Why is it not possible to build a new internal road to access future landfilling areas? Could CRD staff please confirm whether or not it is possible to engineer a road on site from Hartland Rd that meets the grade requirements?

The internal roads from the south will eventually be buried in garage and constructing an alternate wide, two-way roadway from the south is not feasible due to both the internal topography of the site and the location of critical underground gas, lagoon and leachate infrastructure. Landfill sites produce significant volumes of landfill gas and leachate and any damage to the required buried infrastructure will pose significant risk to road users as well as the environment. The cost to move this infrastructure and to build an internal perimeter road is exorbitant and would not meaningfully address the safety issues for staff, contractors and other users. Significant roads are not typically constructed on top of waste and hence the only viable route for trucks to safely access future filling areas at Hartland landfill will be from the north side off Willis Point Road.

26. Given the traffic levels and safety concerns on Hartland are already high, why wait until 2023 to move the access to the safer route?

Moving commercial access to the north right now would make it difficult to access the current active face of the landfill which is closer to the south end of the property. Implementing use of the north access in 2023 aligns with our timeline for landfilling of the new cells along the northwest portion of the site.

27. Given the bins are currently sitting outside of the Landfill's berm, are they not technically sitting exposed to the Prospect Lake watershed?

The CRD will move the bins from their current location to a new space within the landfill footprint in summer 2021.

28. Will CRD commit to ensuring excellent winter road safety on Willis Point Road?

The CRD currently works with the District of Saanich to increase the level of de-icing on Hartland Avenue and a similar program could be explored for Willis Point Road.

29. Would it be reasonable to consider the other road users, number of residential driveways and side roads as factors in assessing the safety of Willis Point Road?

Additional provisions will be made for the safety of other road users when trucks are diverted to Willis Point Road.

30. What measures will be taken to decrease the risk to bike park users as they cross Hartland Avenue in front of the public access to Hartland Landfill?

Significant safety improvements were made at this intersection near the Hartland Landfill entrance in 2018 and 2019, including a new stop sign for downhill traffic leaving the landfill and additional parking to alleviate congestion. Staff will continue to monitor the safety and performance of this intersection.

31. Is there any possibility that a change of name for the lower part of Willis Point Road might be considered?

This suggestion can be included in the mitigation opportunities that will be considered by the CRD Board in spring 2021.

32. Why can't a road to Hartland Landfill be built from the Western communities?

The construction of a new road to Hartland Landfill from the Western communities would be very challenging to build, both from a land availability perspective and due to the extremely high cost of this type of project—particularly when access to the landfill is already available via a designated trucking route along Willis Point Road.

33. If Willis Point Road didn't exist what would your plan be?

CRD staff would consider the needs of all potential road users, study alternate route options and build a trucking route similar to Willis Point Road..

APPENDIX F

Motions from April 9, 2021 Solid Waste Advisory Committee

Organics

That Capital Regional District staff, as part of the Solid Waste Management Plan implementation, report back on an annual basis on on-island organics processing capacity.

Solid Waste Management Plan

With the plan approval, as part of the Solid Waste Management Plan implementation and monitoring, the Solid Waste Advisory Committee will look for the following information:

1. disposal estimates for each waste strategy and action in order to confirm that the annual solid waste disposal target of 250 kg per capita is indeed achievable by 2030, following the progress indicated on page 46 of the SWMP;

2. evidence of the interest and ability of waste recyclers and processors to support the CRD solid waste disposal target by 2030;

3. outlines of the fate of each major waste component diverted from the Hartland Landfill, including components diverted for export from the CRD;

4. a description of the Circular Economy concept, together with its strengths and limitations, and the applicability of the concept to the major waste components identified in the CRD SWMP;

5. information from other cities on solid waste innovations with applicability to the CRD, stating also where the CRD would benefit from innovation through research and advanced professional practice; and

6. more definitive strategic options for the Hartland Landfill that address its capacity limitations, potential capacity extensions, and neighbourhood impacts, referenced to total waste disposal estimates.

Making a difference...together

REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 05, 2021

SUBJECT Bylaw No. 4421: 2021 to 2025 Financial Plan Bylaw, 2021, Amendment No. 1, 2021

ISSUE SUMMARY

The 2021 to 2025 Financial Plan was adopted on March 24, 2021. Amendments to the Plan are required to authorize revised operating and capital expenditures.

BACKGROUND

The Capital Regional District (CRD) Board approved the 2021 to 2025 Financial Plan (Bylaw No. 4409) on March 24, 2021. Amendments are required in accordance with Section 374(2) of the *Local Government Act* (LGA), which states that the financial plan may be amended at any time by bylaw to incorporate changes in budget, for certainty. As new information becomes available and pursuant with Section 374 of the LGA, the CRD Board may further revise the financial plan.

The following table highlights the 2021 impact of the proposed amendments to the five-year 2021-2025 Financial Plan.

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT	COMMITTEE / COMMISSION APPROVAL
Corporate Emergency	COVID-19 Safe Restart Grants for Local Governments	Operating	Provincial Grant Revenue	$250,000	CRD Board 14-Apr-21
Salt Spring Island – Pool, Parks & Land, Art & Recreation Program	Pool Ductwork and HVAC maintenance	Operating	Reserve Fund	$8,500	Salt Spring Island Parks and Recreation Commission 16-Mar-2021
Salt Spring Island – Community Parks	Centennial Park Playground Donation project	Capital	Donation	$70,000	
Panorama Recreation	Jumpstart Multi-Sport Court and Playground Relocation	Capital	Reserve Fund, Grants	$1,268,238	Peninsula Recreation Commission 25-Mar-2021 CRD Board 14-Apr-2021

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT	COMMITTEE / COMMISSION APPROVAL
Regional Parks	Lochside Trail Paving (700m) – phase 1	Capital	Donation, Capital Funds on Hand	$150,000	Regional Parks Committee 28-Apr-2021

The proposed Financial Plan amendment Bylaw No. 4421 incorporates these changes, and is attached as Appendix A, inclusive of an updated Schedule A and Schedule B.

ALTERNATIVES

Alternative 1
The Finance Committee recommends to the Capital Regional District Board:
1. That Bylaw No. 4421, "2021 to 2025 Financial Plan Bylaw, 2021, Amendment Bylaw No. 1, 2021" be introduced and read a first, second, and third time; and
2. That Bylaw No. 4421 be adopted.

Alternative 2
That Bylaw No. 4421 be deferred pending further analysis by CRD staff.

IMPLICATIONS

Financial Implications

Corporate Emergency
In November 2020, the province of BC distributed $415 million of the $425 million of the Safe Restart Grants for Local Governments. The program was intended to assist local government operations that had been impacted by COVID-19. In March 2021, the Province announced the remaining $10 million would be allocated to regional districts. In November 2020, the CRD received $1.4 million for this program. Through the incremental allocation, the CRD is receiving an additional $0.6 million for a total of $1.9 million.

The Board approved apportioning the incremental $0.6 million between Corporate Emergency and the Electoral Areas services. The amendment will increase grant revenue by $250,000 within the Corporate Emergency service, and staff will advance the Electoral Area amendments following consultation from each EA director.

Salt Spring Island – Pool, Parks & Land, Art & Recreation, and Community Parks
The facility ductwork and HVAC have been identified as a concern at the Rainbow Road Aquatic Centre and recommended to be cleaned and serviced. It is unknown when this work was last completed over the 12 years of the aquatic centre's operations; the CRD began management of the aquatic centre in 2018. It is recommended that ductwork be cleaned every three to five years. The Salt Spring Island Parks and Recreation Commission has recommended this work be funded from the Salt Spring Island Pool and Park Land Operating Reserve Fund in 2021, at $8,500.

The Commission also endorsed that a donation of $70,000 be accepted, and the financial plan be amended to add the Centennial Park Playground Donation project. This donation was made

known to the Commission in mid-February, and has been accepted to fund upgrades to the Centennial Park Playground, including additional toddler play features.

Panorama Recreation
The Peninsula Recreation Commission has endorsed the inclusion of the Jumpstart Multi-Sport Court and Playground Relocation project to the capital plan for 2021. The Canadian Tire Jumpstart Charities has proposed the project to build a multi-sport court located at Panorama Recreation, for a total cost of $1,268,238. The charity will provide grant funding and in-kind donation of $604,277, while the balance of the project, including relocation of the playground, is to be funded by the capital reserve fund.

The multisport facility would allow for inclusive programming for all ages and could include fitness classes, childminding, designated drop-in sport times for youth and adults, children's multisport programs and inclusive sport party options.

Regional Parks
A private organization, via the Victoria Foundation, has offered to fund a large portion of the cost to pave a gravel section of the Lochside Trail. For 2021, they have offered $115,000, which would be matched with $35,000 in capital funds from Regional Parks to pave approximately 700 meters of trail. A budget amendment of $150,000 in 2021 allows Parks to conduct the paving during the summer or fall.

CONCLUSION

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4421 authorizes the changes required to the 2021 to 2025 Financial Plan Bylaw No. 4409, which the CRD Board approved on March 24, 2021.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
1. That Bylaw No. 4421, "2021 to 2025 Financial Plan Bylaw, 2021, Amendment Bylaw No. 1, 2021" be introduced and read a first, second, and third time; and
2. That Bylaw No. 4421 be adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Bylaw 4421, with Schedule A and Schedule B

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4421

****

A BYLAW TO AMEND THE FIVE YEAR FINANCIAL PLAN FOR THE YEARS 2021 – 2025

****

The Board of the Capital Regional District in open meeting assembled enacts as follows:

1. Bylaw No. 4409, "2021 to 2025 Financial Plan Bylaw, 2021", is hereby amended by replacing Schedules A and B with the attached schedules hereto.

2. This Bylaw may be cited as “2021 to 2025 Financial Plan Bylaw, 2021, Amendment Bylaw No. 1, 2021”.

READ A FIRST TIME THIS	th	day of	202__
READ A SECOND TIME THIS	th	day of	202__
READ A THIRD TIME THIS	th	day of	202__
ADOPTED THIS	th	day of	202__

_____ _____

CHAIR CORPORATE OFFICER

Attachments: Schedule A
Schedule B

CAPITAL REGIONAL DISTRICT 2021 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2021	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2021	Surplus 2020	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2021
1.010	Legislative & General Government	25,887,694	25,045,329			576,080	266,285	25,887,694	450,000	13,359,786	864,500	2,600,129	84,000		8,529,279	8,529,279
1.10X	Facilities and Risk	3,343,746	3,159,152				184,594	3,343,746		2,965,267		216,605	2,700		159,174	159,174
1.101	G.I.S.	559,343	536,313			23,030		559,343		491,222		3,220			64,901	64,901
1.103	Elections	25,070	37				25,033	25,070				66			25,004	25,004
1.104	U.B.C.M.	12,893	12,893					12,893	5,169			97			7,627	7,627
1.109	Electoral Area Admin Exp - JDF	60,767	60,767					60,767	3,952			133			56,682	56,682
1.110	Electoral Area Admin Exp - SGI	429,198	418,623				10,575	429,198	37,166		33,000	17,468			341,564	341,564
1.111	Electoral Area Admin Exp - SSI	800,916	795,416				5,500	800,916	37,102	240,729		5,509			517,576	517,576
1.112	Regional Grant in Aid	1,457,513	1,457,513					1,457,513	1,435,513			22,000				-
1.114	Grant-in-Aid - Juan de Fuca	65,061	65,061					65,061	36,941			28,120				-
1.116	Grant-in-Aid - Salt Spring Island	56,685	56,685					56,685	6,398			235			50,052	50,052
1.117	Grant-in-Aid - Southern Gulf Islands	143,732	143,479		253			143,732				40,751			102,981	102,981
1.119	Vancouver Island Regional Library	310,943	310,897		46			310,943				549			310,394	310,394
1.121	Sooke Regional Museum	196,593	196,593					196,593	44			332			196,217	196,217
1.123	Prov. Court of B.C. (Family Court)	149,360	55,006				94,354	149,360				149,360				-
1.124	SSI Economic Development Commission	97,588	95,028				2,560	97,588			20,000	580			77,008	77,008
1.125	SGI Economic Development Commission	119,726	119,726					119,726	1,700			1,042			116,984	116,984
1.126	Victoria Family Court Committee	15,904	15,904					15,904	31			873			15,000	15,000
1.128	Greater Victoria Police Victim Services	292,562	292,486		76			292,562				14,732			277,830	277,830
1.129	Vancouver Island Regional Library - Debt	213,900	60,000	153,900				213,900				213,900				-
1.133	Langford E.A. - Greater Victoria Public Library	31,086	31,086					31,086	9			92			30,985	30,985
1.137	Galiano Island Community Use Building	61,968	33,051	27,417			1,500	61,968				253			61,715	61,715
1.138	Southern Gulf Islands Regional Library	227,895	227,895					227,895	1,735			2,107			224,053	224,053
1.141	Salt Spring Island Public Library	663,395	466,065	197,330				663,395				2,043			661,352	661,352
1.15X	Municipalities' Own Debt - M.F.A.	15,032,079	70,460	14,961,619				15,032,079				70,460			14,961,619	14,961,619
1.170	Gossip Island Electric Power Supply	57,220	777	56,443				57,220	79			293		56,848		56,848
1.224	Community Health - Homeless Sec.	806,116	806,116					806,116	18,326			192,253			595,537	595,537
1.226	Community Health (CHR) Facilities	1,580,254	1,026,584				553,670	1,580,254				1,580,254				-
1.227	Saturna Island Medical Clinic	32,553	32,553					32,553				373			32,180	32,180
1.228	Galiano Health Service	129,258	129,258					129,258	183			46			129,029	129,029
1.230	Traffic Safety Commission	137,652	137,652					137,652	63,067			3,473			71,112	71,112
1.232	Port Renfrew Street Lighting	8,875	8,875					8,875	2,148			336	3,070	3,321		3,321
1.234	S.S.I. Street Lighting	25,995	25,995					25,995	3,428			40			22,527	22,527
1.235	S. G. I. Small Craft Harbour Facilities	396,645	223,450	3,195			170,000	396,645				6,241	99,300	291,104		291,104
1.236	Salt Spring Island Fernwood Dock	31,453	19,143				12,310	31,453				170		31,283		31,283
1.238A	Community Transit (S.S.I.)	506,175	442,295				63,880	506,175				323,923			182,252	182,252
1.238B	Community Transportation (S.S.I.)	171,382	75,265				96,117	171,382				1,150			170,232	170,232
1.280	Regional Parks	12,363,073	9,254,007	498,815		114,670	2,495,581	12,363,073		66,923		836,872	407,200		11,052,078	11,052,078
1.280A	Regional Parks - Land Acquisition	4,028,308					4,028,308	4,028,308							4,028,308	4,028,308
1.290	Royal Theatre	580,000	100,000			100,000	380,000	580,000							580,000	580,000
1.295	McPherson Theatre	784,851	350,000			92,000	342,851	784,851				34,851			750,000	750,000
1.297	Arts Grants	2,942,074	2,942,074					2,942,074		13,552	19,955	180,710			2,727,857	2,727,857
1.299	Salt Spring Island Arts	118,602	118,477		125			118,602				90			118,512	118,512
1.309	Climate Action and Adaptation	588,818	587,770				1,048	588,818	45,082		10,000	75,317			458,419	458,419
1.310	Land Banking & Housing	2,785,019	1,763,046	1,009,463		8,510	4,000	2,785,019	57,195	903,390	65,236	386,506	35,130		1,337,562	1,337,562
1.311	Regional Housing Trust Fund	4,511,970	4,511,970					4,511,970	3,430,738			81,232			1,000,000	1,000,000
1.313	Animal Care Services	1,175,450	1,165,450				10,000	1,175,450				715,593	29,440		430,417	430,417
1.314	SGI House Numbering	9,340	9,340					9,340	33			104			9,203	9,203
1.316	SSI Building Numbering	9,478	9,450		28			9,478				20			9,458	9,458
1.317	JDF Building Numbering	12,900	12,900					12,900	73			38			12,789	12,789
1.318	Building Inspection	1,653,290	1,613,750			6,240	33,300	1,653,290		29,486	126,400	4,218	1,055,922		437,264	437,264
1.319	Soil Deposit Removal	5,661	5,661					5,661				40			5,621	5,621
1.320	Noise Control	39,140	39,140					39,140				255			38,885	38,885
1.322	Nuisances & Unsightly Premises	51,990	51,990					51,990				306			51,684	51,684
1.323	By-Law Enforcement	509,296	472,336				36,960	509,296		480,016		29,280				-
1.324	Regional Planning Services	1,662,662	1,660,162				2,500	1,662,662	197,639	197,268	36,491	63,033			1,168,231	1,168,231
1.325	Electoral Area Services - Planning	865,106	789,336				75,770	865,106		17,798	71,248	60,035	32,000		684,025	684,025
1.330	Regional Growth Strategy	379,205	379,205					379,205	45,000		21,250	16,830			296,125	296,125
1.335	Geo-Spatial Referencing System	179,599	120,723				58,876	179,599				8,398	7,970		163,231	163,231
1.350	Willis Point Fire Protect & Recreation	176,399	123,489			6,300	46,610	176,399	14,582			32,875			128,942	128,942
1.352	South Galiano Fire Protection	424,362	293,194	43,418		5,700	82,050	424,362				310		66,417	357,635	424,052
1.353	Otter Point Fire Protection	497,245	342,155			5,090	150,000	497,245				310			496,935	496,935
1.354	Malahat Fire Protection	63,814	63,814					63,814	4						63,810	63,810
1.355	Durrance Road Fire Protection	2,990	2,770				220	2,990						2,990		2,990
1.356	Pender Fire Protection	1,115,136	851,194	116,400			147,542	1,115,136			116,400	10,249			988,487	988,487
1.357	East Sooke Fire Protection	509,420	227,341	155,109			126,970	509,420	21,058			26,160	56,010		406,192	406,192
1.358	Port Renfrew Fire Protection	148,139	120,581	2,898			24,660	148,139				1,144	59,230		87,765	87,765
1.359	N. Galiano Fire Protection	210,298	150,066	48,872		6,270	5,090	210,298	12,270			714		24,440	172,874	197,314
1.360	Shirley Fire Protection	154,153	83,183			10,000	60,970	154,153				200			153,953	153,953
1.363	Saturna Island Fire	168,292	168,269		23			168,292				10,620			157,672	157,672
1.369	Electoral Area Fire Services - JDF	97,153	88,245			3,452	5,456	97,153			30,448	100			66,605	66,605
1.369	Electoral Area Fire Services - SGI	110,137	100,028			3,918	6,191	110,137			34,552				75,585	75,585
1.370	Juan de Fuca Emergency Program	92,825	76,945				15,880	92,825	6,000			222			86,603	86,603
1.371	S.S.I. Emergency Program	139,100	139,100					139,100	6,000		5,000	187			127,913	127,913
1.372	Electoral Area Emergency Program	619,967	612,643				7,324	619,967	14,486	459,671		888			144,922	144,922
1.373	S.G.I. Emergency Program	273,227	257,127				16,100	273,227	28,000			2,619			242,608	242,608

CAPITAL REGIONAL DISTRICT 2021 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2021	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2021	Surplus 2020	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2021
1.374	Regional Emergency Program Support	169,443	169,443					169,443			32,760	7,435			129,248	129,248
1.375	Hazardous Material Incident Response	344,703	335,143				9,560	344,703			10,000	17,875			316,828	316,828
1.377	J.D.F. Search and Rescue	89,344	84,879		4,465			89,344				20,681			68,663	68,663
1.378	S.S.I. Search and Rescue	28,303	28,303					28,303	4,870			97			23,336	23,336
1.40X	SEAPARC	3,684,094	3,165,128	103,966			415,000	3,684,094				293,541	473,422		2,917,131	2,917,131
1.405	JDF EA - Community Parks	190,953	170,953				20,000	190,953				778			190,175	190,175
1.408	JDF EA - Community Recreation	88,526	88,526					88,526				20,216			68,310	68,310
1.44X	Panorama Rec. Center.	8,071,561	6,710,364	756,214			604,983	8,071,561	259,421		51,000	1,226,383	1,441,035		5,093,722	5,093,722
1.455	Salt Spring Island - Community Parks	975,615	909,587		55,938		10,090	975,615		356,700		201,404			417,511	417,511
1.458	Salt Spring Is.- Community Rec	265,655	264,320		1,335			265,655				1,374	210,770		53,511	53,511
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Pr	1,759,079	1,491,103	26,976			241,000	1,759,079		96,138	8,500	44,372	141,150		1,468,919	1,468,919
1.465	Saturna Island Comm. Parks	24,060	18,582				5,478	24,060				1,194			22,866	22,866
1.468	Saturna Island - Community Rec.	20,109	20,109					20,109	6,361			777			12,971	12,971
1.475	Mayne Is. Com. Parks & Rec	83,484	76,464			7,020		83,484				269			83,215	83,215
1.476	Mayne Is. Comm. Parks (reserve)	20,433	20,433					20,433	16,510			3,543	380			-
1.478	Mayne Is. Community Rec.	42,441	42,441					42,441	8,174			58			34,209	34,209
1.485	North & South Pender Com. Parks	157,082	114,082				43,000	157,082				1,733			155,349	155,349
1.488	North & South Pender Com. Rec	64,922	64,307		615			64,922				765			64,157	64,157
1.495	Galiano Parks	92,140	77,659				14,481	92,140				67			92,073	92,073
1.498	Galiano Community Recreation	41,174	41,174					41,174	4,454			15			36,705	36,705
1.521	SWMP -Solid Waste Disposal (Refuse Disposa	25,260,498	23,175,348				2,085,150	25,260,498	1,008,244			6,548,024	17,704,230			-
1.523	Port Renfrew Refuse Disposal	86,737	80,737				6,000	86,737		15,590		37,823			33,324	33,324
1.525	Solid Waste Disposal - Debt	203,660	1,390	202,270				203,660				1,390	202,270			-
1.531	Stormwater Quality Management - Sooke	66,404	66,404					66,404			28,855	79			37,470	37,470
1.533	Stormwater Quality Management - S.G.I.	38,336	38,336					38,336				461			37,875	37,875
1.535	Stormwater Quality Management - S.S.I.	27,528	27,528					27,528				28			27,500	27,500
1.536	LWMP-Stormwater Quality Management-Core	720,359	720,359					720,359			6,003	89,696			624,660	624,660
1.537	Stormwater Quality Management - Peninsula	115,765	112,943				2,822	115,765				3,945			111,820	111,820
1.538	Source - Stormwater Quality - Peninsula	62,480	62,480					62,480			7,816	1,514			53,150	53,150
1.57X	Environmental Services	22,861,504	22,458,881			105,000	297,623	22,861,504	259,995	22,509,109		92,400				-
1.911	911 Systems	2,595,230	1,487,161	1,011,949			96,120	2,595,230			66,843	2,233,722	141,320		153,345	153,345
1.912A	911 Call Answer - RCMP	-						-								-
1.912B	911 Call Answer - Municipalities	26,344.00			26,344			26,344.00		751,860		(60,243)			(665,273)	(665,273)
1.913	913 Fire Dispatch	725,219	722,219				3,000	725,219				16,214			709,005	709,005
1.921	Regional CREST Contribution	1,723,234	1,723,234					1,723,234	962			101,434			1,620,838	1,620,838
1.923	Emergency Comm - CREST - S.G.I.	180,064	180,064					180,064	122			1,754			178,188	178,188
1.924	Emergency Comm - CREST - J.D.F.	121,470	119,336		2,134			121,470				221			121,249	121,249
1.925	Emergency Comm - CREST - S.S.I.	142,105	142,105					142,105	215			119			141,771	141,771
2.610	Saanich Peninsula Water Supply	7,169,999	6,419,999				750,000	7,169,999				500	7,169,499			-
2.620	SSI Highland Water System	31,272	514	30,758				31,272	33			120		31,119		31,119
2.621	Highland / Fernwood Water - SSI	515,341	303,047	43,416	100,918		67,960	515,341				750	439,591	75,000		75,000
2.622	Cedars of Tuam	49,363	41,563				7,800	49,363			12,500	50	36,813			-
2.624	Beddis Water	259,352	175,550	42,962	13,650		27,190	259,352			8,000	320	177,562	73,470		73,470
2.626	Fulford Water	207,368	164,823	14,145			28,400	207,368			20,000	870	148,998	37,500		37,500
2.628	Cedar Lane Water (S.S.I.)	89,751	76,557	7,824			5,370	89,751			25,000	180	54,547	10,024		10,024
2.630	Magic Lakes Estate Water System	979,675	678,211	199,074			102,390	979,675			40,000	9,603	361,555	568,517		568,517
2.640	Saturna Island Water System (Lyall Harbour)	248,197	166,017	30,077	22,103		30,000	248,197			10,000	997	109,462	127,738		127,738
2.642	Skana Water (Mayne)	69,509	51,334	2,115			16,060	69,509			2,000	110	44,514	22,885		22,885
2.650	Port Renfrew Water	121,108	107,108				14,000	121,108				1,083	60,009	60,016		60,016
2.655	Snuggery Cove (Port Renfrew)	-						-								-
2.660	Fernwood Water	14,753	408	14,345				14,753	1,200			60		13,493		13,493
2.665	Sticks Allison Water (Galiano)	59,999	48,999				11,000	59,999			5,000	100	49,899	5,000		5,000
2.667	Surfside Park Estates (Mayne)	108,251	91,251				17,000	108,251			5,000	100	81,151	22,000		22,000
2.670	Regional Water Supply	34,921,283	16,992,896	8,333,667		9,297,180	297,540	34,921,283				615,670	34,305,613			-
2.680	Juan de Fuca Water Distribution	20,799,372	13,374,117	1,888,336		5,278,916	258,003	20,799,372		6,000	69,941	181,230	20,542,201			-
2.691	Wilderness Mountain Water Service	149,544	120,957	23,587			5,000	149,544	2,932			130	86,962	59,520		59,520
3.700	Septage Disposal - Municipal	206,222	140,331			65,891		206,222				154,843	2,540		48,839	48,839
3.700	Septage Disposal - JDF Service Area	297	297					297							297	297
3.701	Millstream Remediation Service	374,541	1,911	138,920		233,710		374,541			176,961	20,620			176,960	176,960
3.705	S.S.I. Liquid Waste Disposal	897,276	706,913	160,573			29,790	897,276			5,000	1,580	534,000	356,696		356,696
3.707	On Site System Management Program - LWMP	293,643	206,437				87,206	293,643	102,986			9,217			181,440	181,440
3.71X	Trk Swrs & Swge Disp - oper	34,299,994	32,495,177				1,804,817	34,299,994	53,528	1,524,485	200,000	26,844,730			5,677,251	5,677,251
3.7XX	Trk Swrs - debt	24,223,646	457,450	9,194,296	2,087	5,529,745	9,040,068	24,223,646	1,153,089			16,994,428			6,076,129	6,076,129
3.720	LWMP (Peninsula) - Implementation	82,728	82,728					82,728			29,658	200			52,870	52,870
3.750	LWMP	364,063	314,061				50,002	364,063				154,776			209,287	209,287
3.752	Harbours Program	342,124	342,124					342,124				23,356			318,768	318,768
3.755	Regional Source Control	1,685,236	1,685,236					1,685,236	67,096	54,610	94,967	91,623	53,900		1,323,040	1,323,040
3.756	Harbours Environmental Action	65,290	65,290					65,290							65,290	65,290
3.810	Ganges Sewer	1,059,376	695,390	245,813			118,173	1,059,376				2,073	1,000,303	57,000		57,000
3.820	Maliview Estates Sewer System	217,583	147,987	3,299	27,727		38,570	217,583			5,000	27,160	180,753	4,670		4,670.00
3.830	Magic Lake Estates Sewer System	854,863	587,500	174,103			93,260	854,863		10,654	15,000	2,175	250,203	576,831		576,831
3.830D	Magic Lake Estates Sewer Debt	79,210	37,600	41,610				79,210						79,210		79,210
3.850	Port Renfrew Sewer	118,030	100,828		2,202		15,000	118,030				1,265	57,309	59,456		59,456
21.ALL	Feasibility Study Reserve Fund - All	171,749	171,749					171,749	19,737			2,012			150,000	150,000
21.E.A.	Feasibility Study Reserve Fund - E.A.	10,000	10,000					10,000	10,000							-

CAPITAL REGIONAL DISTRICT 2022 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2022	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2022	Surplus 2021	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2022
1.010	Legislative & General Government	24,565,301	23,930,696			360,100	274,505	24,565,301	400,000	13,594,875		1,345,980	84,880		9,139,566	9,139,566
1.10X	Facilities and Risk	3,403,092	3,217,984				185,108	3,403,092		3,023,894		214,141	2,700		162,357	162,357
1.101	G.I.S.	563,902	540,412			23,490		563,902		494,422		3,280			66,200	66,200
1.103	Elections	227,301	197,438				29,863	227,301			122,331	74,970			30,000	30,000
1.104	U.B.C.M.	13,157	13,157					13,157				90			13,067	13,067
1.109	Electoral Area Admin Exp - JDF	57,038	57,038					57,038				120			56,918	56,918
1.110	Electoral Area Admin Exp - SGI	407,813	394,690				13,123	407,813			30,000	16,886			360,927	360,927
1.111	Electoral Area Admin Exp - SSI	787,630	782,130				5,500	787,630		262,527		640			524,463	524,463
1.112	Regional Grant in Aid	-						-								-
1.114	Grant-in-Aid - Juan de Fuca	22,123	22,123					22,123				310			21,813	21,813
1.116	Grant-in-Aid - Salt Spring Island	55,313	55,313					55,313				200			55,113	55,113
1.117	Grant-in-Aid - Southern Gulf Islands	104,030	104,030					104,030				890			103,140	103,140
1.119	Vancouver Island Regional Library	317,636	317,636					317,636				540			317,096	317,096
1.121	Sooke Regional Museum	200,487	200,487					200,487				330			200,157	200,157
1.123	Prov. Court of B.C. (Family Court)	149,359	55,850				93,509	149,359				149,359				-
1.124	SSI Economic Development Commission	79,140	76,579				2,561	79,140				570			78,570	78,570
1.125	SGI Economic Development Commission	122,222	122,222					122,222				710			121,512	121,512
1.126	Victoria Family Court Committee	15,888	15,888					15,888				888			15,000	15,000
1.128	Greater Victoria Police Victim Services	298,542	298,542					298,542				14,571			283,971	283,971
1.129	Vancouver Island Regional Library - Debt	369,767		369,767				369,767				369,767				-
1.133	Langford E.A. - Greater Victoria Public Library	31,596	31,596					31,596				80			31,516	31,516
1.137	Galiano Island Community Use Building	63,197	33,686	27,417			2,094	63,197				247			62,950	62,950
1.138	Southern Gulf Islands Regional Library	232,441	232,441					232,441				1,640			230,801	230,801
1.141	Salt Spring Island Public Library	667,152	478,426	173,726			15,000	667,152				2,070			665,082	665,082
1.15X	Municipalities' Own Debt - M.F.A.	14,654,933	70,460	14,584,473				14,654,933				70,460			14,584,473	14,584,473
1.170	Gossip Island Electric Power Supply	57,079	636	56,443				57,079				293		56,786		56,786
1.224	Community Health - Homeless Sec.	815,787	815,787					815,787				192,253			623,534	623,534
1.226	Community Health (CHR) Facilities	1,607,863	1,054,193				553,670	1,607,863				1,607,863				-
1.227	Saturna Island Medical Clinic	32,559	32,559					32,559				1,760			30,799	30,799
1.228	Galiano Health Service	135,736	135,736					135,736				40			135,696	135,696
1.230	Traffic Safety Commission	76,160	76,160					76,160				3,630			72,530	72,530
1.232	Port Renfrew Street Lighting	9,037	9,037					9,037				300	3,983	4,754		4,754
1.234	S.S.I. Street Lighting	26,553	26,553					26,553				40			26,513	26,513
1.235	S. G. I. Small Craft Harbour Facilities	411,546	212,847	48,699			150,000	411,546				5,500	107,680	298,366		298,366
1.236	Salt Spring Island Fernwood Dock	31,813	19,253				12,560	31,813				170		31,643		31,643
1.238A	Community Transit (S.S.I.)	508,278	498,278				10,000	508,278			131,536	182,870			193,872	193,872
1.238B	Community Transportation (S.S.I.)	173,551	76,701	2,850			94,000	173,551				1,360			172,191	172,191
1.280	Regional Parks	12,800,651	9,745,710	498,815		117,190	2,438,936	12,800,651		32,057		755,648	413,200		11,599,746	11,599,746
1.280A	Regional Parks - Land Acquisition	4,245,865					4,245,865	4,245,865							4,245,865	4,245,865
1.290	Royal Theatre	580,000	100,000			100,000	380,000	580,000							580,000	580,000
1.295	McPherson Theatre	785,843	350,000			88,000	347,843	785,843				35,843			750,000	750,000
1.297	Arts Grants	3,001,369	3,001,369					3,001,369		13,582		185,665			2,802,122	2,802,122
1.299	Salt Spring Island Arts	120,213	120,213					120,213				70			120,143	120,143
1.309	Climate Action and Adaptation	544,190	544,190					544,190				76,600			467,590	467,590
1.310	Land Banking & Housing	3,340,480	1,493,492	1,842,988			4,000	3,340,480		654,929		516,173	35,129		2,134,249	2,134,249
1.311	Regional Housing Trust Fund	262,475	262,475					262,475							262,475	262,475
1.313	Animal Care Services	1,193,807	1,183,807				10,000	1,193,807				731,290	29,960		432,557	432,557
1.314	SGI House Numbering	9,486	9,486					9,486				130			9,356	9,356
1.316	SSI Building Numbering	9,585	9,585					9,585				30			9,555	9,555
1.317	JDF Building Numbering	13,122	13,122					13,122				50			13,072	13,072
1.318	Building Inspection	1,678,455	1,638,795			6,360	33,300	1,678,455		30,076	37,409	4,212	1,105,181		501,577	501,577
1.319	Soil Deposit Removal	5,660	5,660					5,660				40			5,620	5,620
1.320	Noise Control	39,754	39,754					39,754				200			39,554	39,554
1.322	Nuisances & Unsightly Premises	52,734	52,734					52,734				270			52,464	52,464
1.323	By-Law Enforcement	512,709	475,749				36,960	512,709		482,849		29,860				-
1.324	Regional Planning Services	2,289,313	2,286,813				2,500	2,289,313		203,635	771,428	66,760			1,247,490	1,247,490
1.325	Electoral Area Services - Planning	804,998	729,228				75,770	804,998		18,150	33,398	2,520	32,640		718,290	718,290
1.330	Regional Growth Strategy	342,159	342,159					342,159			15,000	23,580			303,579	303,579
1.335	Geo-Spatial Referencing System	175,932	115,882				60,050	175,932				8,560	8,130		159,242	159,242
1.350	Willis Point Fire Protect & Recreation	180,831	106,901			6,430	67,500	180,831				49,395			131,436	131,436
1.352	South Galiano Fire Protection	478,646	277,344	112,052		5,810	83,440	478,646				320		112,052	366,274	478,326
1.353	Otter Point Fire Protection	512,336	351,346			5,190	155,800	512,336				310			512,026	512,026
1.354	Malahat Fire Protection	65,550	65,550					65,550							65,550	65,550
1.355	Durrance Road Fire Protection	3,050	2,730				320	3,050						3,050		3,050
1.356	Pender Fire Protection	1,140,798	873,905	116,400			150,493	1,140,798			116,400	9,294			1,015,104	1,015,104
1.357	East Sooke Fire Protection	496,932	211,823	155,109			130,000	496,932				26,670	57,130		413,132	413,132
1.358	Port Renfrew Fire Protection	151,438	123,540	2,898			25,000	151,438				1,110	60,410		89,918	89,918
1.359	N. Galiano Fire Protection	214,681	154,219	48,872		6,400	5,190	214,681				720		24,440	189,521	213,961
1.360	Shirley Fire Protection	156,260	85,260			10,000	61,000	156,260				200			156,060	156,060
1.363	Saturna Island Fire	178,468	178,468					178,468				7,510			170,958	170,958
1.369	Electoral Area Fire Services - JDF	68,036	57,480			3,523	7,033	68,036				100			67,936	67,936
1.369	Electoral Area Fire Services - SGI	77,094	65,116			3,997	7,981	77,094							77,094	77,094
1.370	Juan de Fuca Emergency Program	88,795	72,835				15,960	88,795				220			88,575	88,575
1.371	S.S.I. Emergency Program	129,890	129,890					129,890				180			129,710	129,710
1.372	Electoral Area Emergency Program	621,907	614,437				7,470	621,907		468,864		830			152,213	152,213
1.373	S.G.I. Emergency Program	249,589	234,989				14,600	249,589				2,120			247,469	247,469

CAPITAL REGIONAL DISTRICT 2022 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2022	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2022	Surplus 2021	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2022
1.374	Regional Emergency Program Support	144,868	144,868					144,868				7,560			137,308	137,308
1.375	Hazardous Material Incident Response	354,669	345,109				9,560	354,669				17,970			336,699	336,699
1.377	J.D.F. Search and Rescue	87,108	87,108					87,108				21,090			66,018	66,018
1.378	S.S.I. Search and Rescue	23,436	23,436					23,436				100			23,336	23,336
1.40X	SEAPARC	3,896,148	3,372,182	103,966			420,000	3,896,148				299,008	483,195		3,113,945	3,113,945
1.405	JDF EA - Community Parks	193,897	173,497				20,400	193,897				780			193,117	193,117
1.408	JDF EA - Community Recreation	90,593	90,593					90,593				20,610			69,983	69,983
1.44X	Panorama Rec. Center.	8,688,393	7,155,393	923,437			609,563	8,688,393				1,305,372	2,039,233		5,343,788	5,343,788
1.455	Salt Spring Island - Community Parks	962,936	938,396	14,250			10,290	962,936		363,830		148,070			451,036	451,036
1.458	Salt Spring Is.- Community Rec	298,844	298,844					298,844					228,020		70,824	70,824
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Pr	1,948,716	1,701,541				247,175	1,948,716		98,254		16,155	275,000		1,559,307	1,559,307
1.465	Saturna Island Comm. Parks	24,640	18,889				5,751	24,640				1,180			23,460	23,460
1.468	Saturna Island - Community Rec.	13,920	13,920					13,920				390			13,530	13,530
1.475	Mayne Is. Com. Parks & Rec	85,728	78,578			7,150		85,728				270			85,458	85,458
1.476	Mayne Is. Comm. Parks (reserve)	3,887	3,887					3,887				3,507	380			-
1.478	Mayne Is. Community Rec.	34,953	34,953					34,953				60			34,893	34,893
1.485	North & South Pender Com. Parks	160,094	117,094				43,000	160,094				1,470			158,624	158,624
1.488	North & South Pender Com. Rec	65,999	65,999					65,999				880			65,119	65,119
1.495	Galiano Parks	94,720	79,720				15,000	94,720				60			94,660	94,660
1.498	Galiano Community Recreation	37,675	37,675					37,675				20			37,655	37,655
1.521	SWMP -Solid Waste Disposal (Refuse Disposa	24,251,374	23,194,807				1,056,567	24,251,374				6,547,144	17,704,230			-
1.523	Port Renfrew Refuse Disposal	88,384	82,384				6,000	88,384		15,900		38,627			33,857	33,857
1.525	Solid Waste Disposal - Debt	203,660	1,390	202,270				203,660				1,390	202,270			-
1.531	Stormwater Quality Management - Sooke	79,190	77,292				1,898	79,190			40,890	80			38,220	38,220
1.533	Stormwater Quality Management - S.G.I.	39,329	39,329					39,329				410			38,919	38,919
1.535	Stormwater Quality Management - S.S.I.	27,530	27,530					27,530				30			27,500	27,500
1.536	LWMP-Stormwater Quality Management-Core	734,760	732,690				2,070	734,760			6,120	91,490			637,150	637,150
1.537	Stormwater Quality Management - Peninsula	118,040	115,200				2,840	118,040				3,980			114,060	114,060
1.538	Source - Stormwater Quality - Peninsula	55,820	53,603				2,217	55,820				1,610			54,210	54,210
1.57X	Environmental Services	22,888,199	22,570,576				317,623	22,888,199		22,795,799		92,400				-
1.911	911 Systems	2,606,188	1,496,199	1,011,949			98,040	2,606,188			59,000	2,246,637	141,320		159,231	159,231
1.912A	911 Call Answer - RCMP	-						-								-
1.912B	911 Call Answer - Municipalities	-						-		759,700		(54,678)			(705,022)	(705,022)
1.913	913 Fire Dispatch	753,372	747,072				6,300	753,372				12,760			740,612	740,612
1.921	Regional CREST Contribution	1,757,539	1,757,539					1,757,539				104,970			1,652,569	1,652,569
1.923	Emergency Comm - CREST - S.G.I.	183,635	183,635					183,635				1,630			182,005	182,005
1.924	Emergency Comm - CREST - J.D.F.	121,750	121,750					121,750				210			121,540	121,540
1.925	Emergency Comm - CREST - S.S.I.	144,909	144,909					144,909				120			144,789	144,789
2.610	Saanich Peninsula Water Supply	7,420,483	6,588,183	32,300			800,000	7,420,483				500	7,419,983			-
2.620	SSI Highland Water System	31,079	321	30,758				31,079				120		30,959		30,959
2.621	Highland / Fernwood Water - SSI	503,837	347,787	86,640			69,410	503,837			27,000	760	396,077	80,000		80,000
2.622	Cedars of Tuam	40,014	31,056	98			8,860	40,014			1,500	50	38,464			-
2.624	Beddis Water	250,918	172,241	44,387			34,290	250,918				320	175,491	75,107		75,107
2.626	Fulford Water	195,370	147,675	14,145			33,550	195,370				880	154,085	40,405		40,405
2.628	Cedar Lane Water (S.S.I.)	68,626	52,272	7,824			8,530	68,626				180	56,342	12,104		12,104
2.630	Magic Lakes Estate Water System	955,190	653,726	199,074			102,390	955,190				9,603	371,387	574,200		574,200
2.640	Saturna Island Water System (Lyall Harbour)	258,743	170,487	30,756			57,500	258,743			10,200	330	118,213	130,000		130,000
2.642	Skana Water (Mayne)	68,600	49,985	2,115			16,500	68,600				110	48,490	20,000		20,000
2.650	Port Renfrew Water	131,021	109,021				22,000	131,021				1,110	64,955	64,956		64,956
2.655	Snuggery Cove (Port Renfrew)	-						-								-
2.660	Fernwood Water	14,583	238	14,345				14,583				60		14,523		14,523
2.665	Sticks Allison Water (Galiano)	61,718	44,718				17,000	61,718				100	50,618	11,000		11,000
2.667	Surfside Park Estates (Mayne)	104,711	87,711				17,000	104,711				100	83,611	21,000		21,000
2.670	Regional Water Supply	35,626,618	17,164,279	8,658,848		9,500,000	303,491	35,626,618				615,672	35,010,946			-
2.680	Juan de Fuca Water Distribution	21,831,756	13,697,884	2,370,709		5,500,000	263,163	21,831,756		6,000	30,596	181,230	21,613,930			-
2.691	Wilderness Mountain Water Service	169,328	133,741	23,587			12,000	169,328			10,000	130	88,359	70,839		70,839
3.700	Septage Disposal - Municipal	201,612	145,982			55,630		201,612				164,950	2,590		34,072	34,072
3.700	Septage Disposal - JDF Service Area	207	207					207							207	207
3.701	Millstream Remediation Service	140,140	1,220	138,920				140,140			69,836	470			69,834	69,834
3.705	S.S.I. Liquid Waste Disposal	923,253	719,340	160,573			43,340	923,253				1,140	544,680	377,433		377,433
3.707	On Site System Management Program - LWMP	190,200	190,200					190,200				8,760			181,440	181,440
3.71X	Trk Swrs & Swge Disp - oper	35,210,205	33,340,200				1,870,005	35,210,205	10,000	1,581,337	492,482	27,394,927			5,731,459	5,731,459
3.7XX	Trk Swrs - debt	24,276,823	131,998	11,303,855		5,529,745	7,311,225	24,276,823				17,819,844			6,456,979	6,456,979
3.720	LWMP (Peninsula) - Implementation	119,140	119,140					119,140				210			118,930	118,930
3.750	LWMP	371,340	322,655				48,685	371,340				157,868			213,472	213,472
3.752	Harbours Program	347,946	347,946					347,946				23,830			324,116	324,116
3.755	Regional Source Control	1,559,199	1,559,199					1,559,199		55,700	58,345	91,663	54,980		1,298,511	1,298,511
3.756	Harbours Environmental Action	66,596	66,596					66,596							66,596	66,596
3.810	Ganges Sewer	1,095,884	720,541	245,813			129,530	1,095,884			10,000	2,090	1,024,794	59,000		59,000
3.820	Maliview Estates Sewer System	232,851	163,628	30,073			39,150	232,851			7,000	27,160	149,508	49,183		49,183.00
3.830	Magic Lake Estates Sewer System	863,018	595,655	174,103			93,260	863,018		10,888	10,000	1,220	290,913	549,997		549,997
3.830D	Magic Lake Estates Sewer Debt	188,374	10,000	178,374				188,374						188,374		188,374
3.850	Port Renfrew Sewer	118,215	103,215				15,000	118,215				1,230	58,495	58,490		58,490
21.ALL	Feasibility Study Reserve Fund - All	-						-								-
21.E.A.	Feasibility Study Reserve Fund - E.A.	-						-								-

CAPITAL REGIONAL DISTRICT 2023 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2023	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2023	Surplus 2022	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2023
1.010	Legislative & General Government	25,066,092	24,318,996			469,310	277,786	25,066,092	400,000	13,753,532		1,352,770	85,780		9,474,010	9,474,010
1.10X	Facilities and Risk	3,470,302	3,281,489				188,813	3,470,302		3,083,193		218,804	2,700		165,605	165,605
1.101	G.I.S.	575,755	551,795			23,960		575,755		504,895		3,340			67,520	67,520
1.103	Elections	32,070	39				32,031	32,070				70			32,000	32,000
1.104	U.B.C.M.	13,414	13,414					13,414				90			13,324	13,324
1.109	Electoral Area Admin Exp - JDF	58,189	58,189					58,189				120			58,069	58,069
1.110	Electoral Area Admin Exp - SGI	415,843	402,660				13,183	415,843			18,000	17,125			380,718	380,718
1.111	Electoral Area Admin Exp - SSI	804,175	798,675				5,500	804,175		268,124		660			535,391	535,391
1.112	Regional Grant in Aid	-						-								-
1.114	Grant-in-Aid - Juan de Fuca	22,165	22,165					22,165				320			21,845	21,845
1.116	Grant-in-Aid - Salt Spring Island	60,359	60,359					60,359				200			60,159	60,159
1.117	Grant-in-Aid - Southern Gulf Islands	104,094	104,094					104,094				900			103,194	103,194
1.119	Vancouver Island Regional Library	323,990	323,990					323,990				550			323,440	323,440
1.121	Sooke Regional Museum	204,495	204,495					204,495				340			204,155	204,155
1.123	Prov. Court of B.C. (Family Court)	149,360	56,969				92,391	149,360				149,360				-
1.124	SSI Economic Development Commission	80,720	77,715				3,005	80,720				580			80,140	80,140
1.125	SGI Economic Development Commission	124,272	124,272					124,272				720			123,552	123,552
1.126	Victoria Family Court Committee	15,888	15,888					15,888				888			15,000	15,000
1.128	Greater Victoria Police Victim Services	304,509	304,509					304,509				14,571			289,938	289,938
1.129	Vancouver Island Regional Library - Debt	369,767		369,767				369,767				369,767				-
1.133	Langford E.A. - Greater Victoria Public Library	32,228	32,228					32,228				80			32,148	32,148
1.137	Galiano Island Community Use Building	64,457	34,376	27,417			2,664	64,457				247			64,210	64,210
1.138	Southern Gulf Islands Regional Library	237,094	237,094					237,094				1,670			235,424	235,424
1.141	Salt Spring Island Public Library	676,678	487,952	173,726			15,000	676,678				2,100			674,578	674,578
1.15X	Municipalities' Own Debt - M.F.A.	13,791,097	70,460	13,720,637				13,791,097				70,460			13,720,637	13,720,637
1.170	Gossip Island Electric Power Supply	57,084	641	56,443				57,084				293		56,791		56,791
1.224	Community Health - Homeless Sec.	669,199	669,199					669,199				192,253			476,946	476,946
1.226	Community Health (CHR) Facilities	1,629,153	1,075,483				553,670	1,629,153				1,629,153				-
1.227	Saturna Island Medical Clinic	28,480	28,480					28,480				1,800			26,680	26,680
1.228	Galiano Health Service	142,443	142,443					142,443				40			142,403	142,403
1.230	Traffic Safety Commission	77,680	77,680					77,680				3,700			73,980	73,980
1.232	Port Renfrew Street Lighting	9,196	9,196					9,196				300	4,053	4,843		4,843
1.234	S.S.I. Street Lighting	27,081	27,081					27,081				40			27,041	27,041
1.235	S. G. I. Small Craft Harbour Facilities	432,653	212,378	70,275			150,000	432,653				5,500	109,670	317,483		317,483
1.236	Salt Spring Island Fernwood Dock	32,437	19,627				12,810	32,437				170		32,267		32,267
1.238A	Community Transit (S.S.I.)	513,393	508,393				5,000	513,393			107,137	188,506			217,750	217,750
1.238B	Community Transportation (S.S.I.)	177,444	78,129	16,315			83,000	177,444				1,390			176,054	176,054
1.280	Regional Parks	13,095,494	9,992,963	498,815		119,770	2,483,946	13,095,495		32,641	20,000	757,379	419,320		11,866,154	11,866,154
1.280A	Regional Parks - Land Acquisition	4,438,865					4,438,865	4,438,865							4,438,865	4,438,865
1.290	Royal Theatre	580,000	100,000			100,000	380,000	580,000							580,000	580,000
1.295	McPherson Theatre	785,843	350,000			88,000	347,843	785,843				35,843			750,000	750,000
1.297	Arts Grants	3,061,862	3,061,862					3,061,862		13,876		185,665			2,862,321	2,862,321
1.299	Salt Spring Island Arts	122,021	122,021					122,021				70			121,951	121,951
1.309	Climate Action and Adaptation	504,080	504,080					504,080				27,140			476,940	476,940
1.310	Land Banking & Housing	3,639,196	1,375,938	2,259,258			4,000	3,639,196		509,537		508,715	2,000		2,618,944	2,618,944
1.311	Regional Housing Trust Fund	-						-								-
1.313	Animal Care Services	1,217,629	1,207,629				10,000	1,217,629				741,830	30,500		445,299	445,299
1.314	SGI House Numbering	9,674	9,674					9,674				130			9,544	9,544
1.316	SSI Building Numbering	9,776	9,776					9,776				30			9,746	9,746
1.317	JDF Building Numbering	13,386	13,386					13,386				50			13,336	13,336
1.318	Building Inspection	1,712,916	1,673,136			6,480	33,300	1,712,916		30,677	4,000	4,366	1,127,280		546,593	546,593
1.319	Soil Deposit Removal	5,764	5,764					5,764				40			5,724	5,724
1.320	Noise Control	40,510	40,510					40,510				200			40,310	40,310
1.322	Nuisances & Unsightly Premises	53,734	53,734					53,734				270			53,464	53,464
1.323	By-Law Enforcement	522,428	485,468				36,960	522,428		491,978		30,450				-
1.324	Regional Planning Services	1,640,433	1,637,933				2,500	1,640,433		207,733	67,080	68,230			1,297,390	1,297,390
1.325	Electoral Area Services - Planning	823,246	747,476				75,770	823,246		18,510	21,856	2,570	33,290		747,020	747,020
1.330	Regional Growth Strategy	633,904	633,904					633,904			300,000	24,090			309,814	309,814
1.335	Geo-Spatial Referencing System	179,446	118,196				61,250	179,446				8,720	8,290		162,436	162,436
1.350	Willis Point Fire Protect & Recreation	187,157	111,791	1,306		6,560	67,500	187,157				49,415			137,742	137,742
1.352	South Galiano Fire Protection	485,738	282,896	112,052		5,930	84,860	485,738				330		112,052	373,356	485,408
1.353	Otter Point Fire Protection	522,583	358,373			5,290	158,920	522,583				310			522,273	522,273
1.354	Malahat Fire Protection	66,863	66,863					66,863							66,863	66,863
1.355	Durrance Road Fire Protection	3,110	2,733				377	3,110						3,110		3,110
1.356	Pender Fire Protection	1,161,287	891,384	116,400			153,503	1,161,287			116,400	9,480			1,035,407	1,035,407
1.357	East Sooke Fire Protection	504,147	216,038	155,109			133,000	504,147				27,190	58,270		418,687	418,687
1.358	Port Renfrew Fire Protection	153,919	126,021	2,898			25,000	153,919				1,130	61,620		91,169	91,169
1.359	N. Galiano Fire Protection	217,991	157,299	48,872		6,530	5,290	217,991				740		24,440	192,811	217,251
1.360	Shirley Fire Protection	158,156	87,156			10,000	61,000	158,156				200			157,956	157,956
1.363	Saturna Island Fire	188,537	188,537					188,537				7,660			180,877	180,877
1.369	Electoral Area Fire Services - JDF	69,394	58,696			3,593	7,105	69,394				100			69,294	69,294
1.369	Electoral Area Fire Services - SGI	78,636	66,496			4,077	8,063	78,636							78,636	78,636
1.370	Juan de Fuca Emergency Program	90,319	74,279				16,040	90,319				220			90,099	90,099
1.371	S.S.I. Emergency Program	130,944	130,944					130,944				180			130,764	130,764
1.372	Electoral Area Emergency Program	635,152	627,532				7,620	635,152		479,179		850			155,123	155,123
1.373	S.G.I. Emergency Program	254,271	239,671				14,600	254,271				2,160			252,111	252,111

CAPITAL REGIONAL DISTRICT 2023 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2023	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2023	Surplus 2022	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2023
1.374	Regional Emergency Program Support	147,966	147,966					147,966				7,700			140,266	140,266
1.375	Hazardous Material Incident Response	362,090	352,530				9,560	362,090				18,330			343,760	343,760
1.377	J.D.F. Search and Rescue	88,854	88,854					88,854				21,510			67,344	67,344
1.378	S.S.I. Search and Rescue	23,436	23,436					23,436				100			23,336	23,336
1.40X	SEAPARC	3,977,321	3,443,355	103,966			430,000	3,977,321				304,885	492,859		3,179,577	3,179,577
1.405	JDF EA - Community Parks	197,857	177,057				20,800	197,857				800			197,057	197,057
1.408	JDF EA - Community Recreation	92,439	92,439					92,439				21,020			71,419	71,419
1.44X	Panorama Rec. Center.	8,973,989	7,304,128	854,537			815,324	8,973,989				1,327,792	2,080,015		5,566,183	5,566,183
1.455	Salt Spring Island - Community Parks	1,033,569	946,254	76,825			10,490	1,033,569		371,110		151,030			511,429	511,429
1.458	Salt Spring Is.- Community Rec	304,654	304,654					304,654					232,780		71,874	71,874
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Pr	2,119,235	1,814,571	52,000			252,664	2,119,235		98,559		17,290	280,500		1,722,886	1,722,886
1.465	Saturna Island Comm. Parks	25,130	19,258				5,872	25,130				1,200			23,930	23,930
1.468	Saturna Island - Community Rec.	14,204	14,204					14,204				400			13,804	13,804
1.475	Mayne Is. Com. Parks & Rec	87,441	80,151			7,290		87,441				270			87,171	87,171
1.476	Mayne Is. Comm. Parks (reserve)	3,856	3,856					3,856				3,476	380			-
1.478	Mayne Is. Community Rec.	36,389	36,389					36,389				60			36,329	36,329
1.485	North & South Pender Com. Parks	162,411	119,411				43,000	162,411				1,490			160,921	160,921
1.488	North & South Pender Com. Rec	67,360	67,360					67,360				900			66,460	66,460
1.495	Galiano Parks	96,307	81,307				15,000	96,307				60			96,247	96,247
1.498	Galiano Community Recreation	38,432	38,432					38,432				20			38,412	38,412
1.521	SWMP -Solid Waste Disposal (Refuse Disposa	23,952,492	23,061,088				891,404	23,952,492				6,272,144	17,680,348			-
1.523	Port Renfrew Refuse Disposal	90,013	84,013				6,000	90,013		16,220		39,447			34,346	34,346
1.525	Solid Waste Disposal - Debt	227,542	19,015	208,527				227,542				1,390	226,152			-
1.531	Stormwater Quality Management - Sooke	39,060	31,596				7,464	39,060				80			38,980	38,980
1.533	Stormwater Quality Management - S.G.I.	40,115	40,115					40,115				420			39,695	39,695
1.535	Stormwater Quality Management - S.S.I.	27,530	27,530					27,530				30			27,500	27,500
1.536	LWMP-Stormwater Quality Management-Core	749,450	747,340				2,110	749,450			6,240	93,320			649,890	649,890
1.537	Stormwater Quality Management - Peninsula	120,400	117,509				2,891	120,400				4,060			116,340	116,340
1.538	Source - Stormwater Quality - Peninsula	56,930	54,670				2,260	56,930				1,640			55,290	55,290
1.57X	Environmental Services	23,366,070	23,048,447				317,623	23,366,070		23,273,670		92,400				-
1.911	911 Systems	2,647,523	1,535,574	1,011,949			100,000	2,647,523			40,000	2,283,697	141,320		182,506	182,506
1.912A	911 Call Answer - RCMP	-						-								-
1.912B	911 Call Answer - Municipalities	-						-		782,560		(54,678)			(727,882)	(727,882)
1.913	913 Fire Dispatch	771,847	765,417				6,430	771,847				13,010			758,837	758,837
1.921	Regional CREST Contribution	1,792,529	1,792,529					1,792,529				107,010			1,685,519	1,685,519
1.923	Emergency Comm - CREST - S.G.I.	187,291	187,291					187,291				1,630			185,661	185,661
1.924	Emergency Comm - CREST - J.D.F.	124,163	124,163					124,163				210			123,953	123,953
1.925	Emergency Comm - CREST - S.S.I.	147,795	147,795					147,795				120			147,675	147,675
2.610	Saanich Peninsula Water Supply	7,698,865	6,843,009	255,856			600,000	7,698,865				500	7,698,365			-
2.620	SSI Highland Water System	31,083	325	30,758				31,083				120		30,963		30,963
2.621	Highland / Fernwood Water - SSI	613,371	330,430	212,051			70,890	613,371			20,000	770	507,601	85,000		85,000
2.622	Cedars of Tuam	48,712	36,001	4,791			7,920	48,712				50	48,662			-
2.624	Beddis Water	264,151	177,140	52,611			34,400	264,151				320	179,000	84,831		84,831
2.626	Fulford Water	212,574	158,623	17,945			36,006	212,574				890	157,173	54,511		54,511
2.628	Cedar Lane Water (S.S.I.)	70,503	53,309	7,824			9,370	70,503				180	57,469	12,854		12,854
2.630	Magic Lakes Estate Water System	967,972	666,508	199,074			102,390	967,972				9,603	378,429	579,940		579,940
2.640	Saturna Island Water System (Lyall Harbour)	270,588	177,025	41,063			52,500	270,588			15,000	330	130,258	125,000		125,000
2.642	Skana Water (Mayne)	71,405	51,239	166			20,000	71,405				110	52,769	18,526		18,526
2.650	Port Renfrew Water	137,580	114,155	1,425			22,000	137,580				1,130	68,225	68,225		68,225
2.655	Snuggery Cove (Port Renfrew)	-						-								-
2.660	Fernwood Water	14,586	241	14,345				14,586				60		14,526		14,526
2.665	Sticks Allison Water (Galiano)	67,570	50,570				17,000	67,570			5,000	100	51,470	11,000		11,000
2.667	Surfside Park Estates (Mayne)	107,948	90,948				17,000	107,948			1,500	100	87,348	19,000		19,000
2.670	Regional Water Supply	36,991,439	17,537,318	8,944,560		10,200,000	309,561	36,991,439				615,670	36,375,769			-
2.680	Juan de Fuca Water Distribution	23,151,598	14,161,867	2,721,305		6,000,000	268,426	23,151,598		6,000		181,230	22,964,368			-
2.691	Wilderness Mountain Water Service	162,076	126,489	23,587			12,000	162,076			500	130	89,483	71,963		71,963
3.700	Septage Disposal - Municipal	205,777	149,027			56,750		205,778				168,250	2,640		34,888	34,888
3.700	Septage Disposal - JDF Service Area	212	212					212							212	212
3.701	Millstream Remediation Service	140,154	1,234	138,920				140,154			69,843	470			69,841	69,841
3.705	S.S.I. Liquid Waste Disposal	976,119	762,636	170,073			43,410	976,119			9,000	1,150	555,570	410,399		410,399
3.707	On Site System Management Program - LWMP	190,370	190,370					190,370				8,930			181,440	181,440
3.71X	Trk Swrs & Swge Disp - oper	35,542,509	33,603,344				1,939,165	35,542,509	10,000	1,546,666	205,000	27,932,844			5,847,999	5,847,999
3.7XX	Trk Swrs - debt	24,307,942	109,778	11,357,194		5,529,745	7,311,225	24,307,942				17,801,073			6,506,869	6,506,869
3.720	LWMP (Peninsula) - Implementation	24,080	24,080					24,080				210			23,870	23,870
3.750	LWMP	378,770	329,127				49,643	378,770				161,031			217,739	217,739
3.752	Harbours Program	354,906	354,906					354,906				24,310			330,596	330,596
3.755	Regional Source Control	1,590,388	1,590,388					1,590,388		56,810	61,304	91,703	56,080		1,324,491	1,324,491
3.756	Harbours Environmental Action	67,927	67,927					67,927							67,927	67,927
3.810	Ganges Sewer	1,181,350	804,617	245,813			130,920	1,181,350			80,000	2,110	1,037,240	62,000		62,000
3.820	Maliview Estates Sewer System	322,755	140,258	142,747			39,750	322,755				27,160	181,251	114,344		114,344.00
3.830	Magic Lake Estates Sewer System	864,600	597,237	174,103			93,260	864,600		11,128		1,240	352,234	499,998		499,998
3.830D	Magic Lake Estates Sewer Debt	207,774		207,774				207,774						207,774		207,774
3.850	Port Renfrew Sewer	119,723	106,748	975			12,000	119,723				1,250	59,238	59,235		59,235
21.ALL	Feasibility Study Reserve Fund - All	-						-								-
21.E.A.	Feasibility Study Reserve Fund - E.A.	-						-								-

CAPITAL REGIONAL DISTRICT 2024 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2024	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2024	Surplus 2023	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2024
1.010	Legislative & General Government	25,605,290	24,845,493			478,690	281,107	25,605,290	400,000	14,031,007		1,359,710	86,700		9,727,873	9,727,873
1.10X	Facilities and Risk	3,538,334	3,347,275				191,059	3,538,334		3,144,192		222,525	2,700		168,917	168,917
1.101	G.I.S.	587,864	563,424			24,440		587,864		515,594		3,400			68,870	68,870
1.103	Elections	34,070	39				34,031	34,070				70			34,000	34,000
1.104	U.B.C.M.	13,682	13,682					13,682				90			13,592	13,592
1.109	Electoral Area Admin Exp - JDF	59,360	59,360					59,360				120			59,240	59,240
1.110	Electoral Area Admin Exp - SGI	424,072	410,823				13,249	424,072			12,000	17,406			394,666	394,666
1.111	Electoral Area Admin Exp - SSI	821,060	815,560				5,500	821,060		273,838		680			546,542	546,542
1.112	Regional Grant in Aid	-						-								-
1.114	Grant-in-Aid - Juan de Fuca	22,209	22,209					22,209				330			21,879	21,879
1.116	Grant-in-Aid - Salt Spring Island	65,407	65,407					65,407				200			65,207	65,207
1.117	Grant-in-Aid - Southern Gulf Islands	104,160	104,160					104,160				920			103,240	103,240
1.119	Vancouver Island Regional Library	330,477	330,477					330,477				560			329,917	329,917
1.121	Sooke Regional Museum	208,583	208,583					208,583				350			208,233	208,233
1.123	Prov. Court of B.C. (Family Court)	149,361	58,106				91,255	149,361				149,361				-
1.124	SSI Economic Development Commission	82,330	78,856				3,474	82,330				590			81,740	81,740
1.125	SGI Economic Development Commission	126,334	126,334					126,334				730			125,604	125,604
1.126	Victoria Family Court Committee	15,888	15,888					15,888				888			15,000	15,000
1.128	Greater Victoria Police Victim Services	310,595	310,595					310,595				14,571			296,024	296,024
1.129	Vancouver Island Regional Library - Debt	369,767		369,767				369,767				369,767				-
1.133	Langford E.A. - Greater Victoria Public Library	32,871	32,871					32,871				80			32,791	32,791
1.137	Galiano Island Community Use Building	65,740	35,073	27,417			3,250	65,740				250			65,490	65,490
1.138	Southern Gulf Islands Regional Library	241,839	241,839					241,839				1,700			240,139	240,139
1.141	Salt Spring Island Public Library	686,395	497,669	173,726			15,000	686,395				2,130			684,265	684,265
1.15X	Municipalities' Own Debt - M.F.A.	13,080,475	70,460	13,010,015				13,080,475				70,460			13,010,015	13,010,015
1.170	Gossip Island Electric Power Supply	57,088	645	56,443				57,088				293		56,795		56,795
1.224	Community Health - Homeless Sec.	588,631	588,631					588,631				132,253			456,378	456,378
1.226	Community Health (CHR) Facilities	1,650,863	1,097,193				553,670	1,650,863				1,650,863				-
1.227	Saturna Island Medical Clinic	27,752	27,752					27,752				1,840			25,912	25,912
1.228	Galiano Health Service	149,483	149,483					149,483				40			149,443	149,443
1.230	Traffic Safety Commission	79,230	79,230					79,230				3,770			75,460	75,460
1.232	Port Renfrew Street Lighting	9,355	9,355					9,355				300	4,122	4,933		4,933
1.234	S.S.I. Street Lighting	27,620	27,620					27,620				40			27,580	27,580
1.235	S. G. I. Small Craft Harbour Facilities	436,917	216,642	70,275			150,000	436,917				5,500	111,720	319,697		319,697
1.236	Salt Spring Island Fernwood Dock	33,073	20,003				13,070	33,073				170		32,903		32,903
1.238A	Community Transit (S.S.I.)	523,554	518,554				5,000	523,554			40,621	230,829			252,104	252,104
1.238B	Community Transportation (S.S.I.)	180,268	79,588	31,680			69,000	180,268				1,420			178,848	178,848
1.280	Regional Parks	13,275,746	10,114,529	498,815		122,400	2,540,003	13,275,747		33,235		759,148	425,563		12,057,801	12,057,801
1.280A	Regional Parks - Land Acquisition	4,631,865					4,631,865	4,631,865							4,631,865	4,631,865
1.290	Royal Theatre	580,000	100,000			100,000	380,000	580,000							580,000	580,000
1.295	McPherson Theatre	785,843	350,000			90,000	345,843	785,843				35,843			750,000	750,000
1.297	Arts Grants	3,123,572	3,123,572					3,123,572		14,174		185,665			2,923,733	2,923,733
1.299	Salt Spring Island Arts	124,459	124,459					124,459				70			124,389	124,389
1.309	Climate Action and Adaptation	514,170	514,170					514,170				27,690			486,480	486,480
1.310	Land Banking & Housing	4,354,219	1,281,706	3,068,513			4,000	4,354,219		307,140		405,632	2,000		3,639,447	3,639,447
1.311	Regional Housing Trust Fund	-						-								-
1.313	Animal Care Services	1,242,218	1,232,218				10,000	1,242,218				756,620	31,060		454,538	454,538
1.314	SGI House Numbering	9,867	9,867					9,867				130			9,737	9,737
1.316	SSI Building Numbering	9,972	9,972					9,972				30			9,942	9,942
1.317	JDF Building Numbering	13,654	13,654					13,654				50			13,604	13,604
1.318	Building Inspection	1,748,106	1,708,206			6,600	33,300	1,748,106		31,291		4,521	1,149,830		562,464	562,464
1.319	Soil Deposit Removal	5,873	5,873					5,873				40			5,833	5,833
1.320	Noise Control	41,294	41,294					41,294				200			41,094	41,094
1.322	Nuisances & Unsightly Premises	54,778	54,778					54,778				270			54,508	54,508
1.323	By-Law Enforcement	532,584	495,624				36,960	532,584		501,524		31,060				-
1.324	Regional Planning Services	1,672,630	1,670,130				2,500	1,672,630		211,922	54,658	69,740			1,336,310	1,336,310
1.325	Electoral Area Services - Planning	827,631	751,861				75,770	827,631		18,880	10,211	2,620	33,960		761,960	761,960
1.330	Regional Growth Strategy	340,779	340,779					340,779				24,620			316,159	316,159
1.335	Geo-Spatial Referencing System	183,041	120,561				62,480	183,041				8,890	8,460		165,691	165,691
1.350	Willis Point Fire Protect & Recreation	206,521	111,204	21,127		6,690	67,500	206,521				49,435			157,086	157,086
1.352	South Galiano Fire Protection	493,136	288,534	112,052		6,050	86,500	493,136				340		112,052	380,744	492,796
1.353	Otter Point Fire Protection	533,036	365,526			5,400	162,110	533,036				310			532,726	532,726
1.354	Malahat Fire Protection	68,197	68,197					68,197							68,197	68,197
1.355	Durrance Road Fire Protection	3,170	2,736				434	3,170						3,170		3,170
1.356	Pender Fire Protection	1,182,193	909,220	116,400			156,573	1,182,193			116,400	9,669			1,056,124	1,056,124
1.357	East Sooke Fire Protection	511,456	220,347	155,109			136,000	511,456				27,720	59,440		424,296	424,296
1.358	Port Renfrew Fire Protection	156,423	128,525	2,898			25,000	156,423				1,150	62,850		92,423	92,423
1.359	N. Galiano Fire Protection	221,364	160,432	48,872		6,660	5,400	221,364				760		24,440	196,164	220,604
1.360	Shirley Fire Protection	160,083	89,083			10,000	61,000	160,083				200			159,883	159,883
1.363	Saturna Island Fire	193,608	193,608					193,608				7,810			185,798	185,798
1.369	Electoral Area Fire Services - JDF	70,781	59,940			3,663	7,178	70,781				100			70,681	70,681
1.369	Electoral Area Fire Services - SGI	80,209	67,907			4,157	8,145	80,209							80,209	80,209
1.370	Juan de Fuca Emergency Program	91,868	75,748				16,120	91,868				220			91,648	91,648
1.371	S.S.I. Emergency Program	132,010	132,010					132,010				180			131,830	131,830
1.372	Electoral Area Emergency Program	648,675	640,905				7,770	648,675		489,721		870			158,084	158,084
1.373	S.G.I. Emergency Program	259,008	244,408				14,600	259,008				2,200			256,808	256,808

CAPITAL REGIONAL DISTRICT 2024 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2024	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2024	Surplus 2023	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2024
1.374	Regional Emergency Program Support	151,129	151,129					151,129				7,850			143,279	143,279
1.375	Hazardous Material Incident Response	369,313	359,753				9,560	369,313				18,700			350,613	350,613
1.377	J.D.F. Search and Rescue	90,632	90,632					90,632				21,940			68,692	68,692
1.378	S.S.I. Search and Rescue	23,436	23,436					23,436				100			23,336	23,336
1.40X	SEAPARC	4,059,398	3,515,432	103,966			440,000	4,059,398				310,881	502,718		3,245,799	3,245,799
1.405	JDF EA - Community Parks	201,903	180,683				21,220	201,903				820			201,083	201,083
1.408	JDF EA - Community Recreation	94,322	94,322					94,322				21,440			72,882	72,882
1.44X	Panorama Rec. Center.	9,125,983	7,455,960	374,910			1,295,114	9,125,983				1,350,663	2,121,619		5,653,701	5,653,701
1.455	Salt Spring Island - Community Parks	1,051,915	964,490	76,825			10,600	1,051,915		378,530		154,040			519,345	519,345
1.458	Salt Spring Is.- Community Rec	310,580	310,580					310,580					237,640		72,940	72,940
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Pr	2,486,485	1,769,759	457,764			258,962	2,486,485		98,870		17,640	286,110		2,083,865	2,083,865
1.465	Saturna Island Comm. Parks	25,640	19,628				6,012	25,640				1,230			24,410	24,410
1.468	Saturna Island - Community Rec.	14,488	14,488					14,488				410			14,078	14,078
1.475	Mayne Is. Com. Parks & Rec	89,196	81,746			7,450		89,196				270			88,926	88,926
1.476	Mayne Is. Comm. Parks (reserve)	3,885	3,885					3,885				3,505	380			-
1.478	Mayne Is. Community Rec.	36,727	36,727					36,727				60			36,667	36,667
1.485	North & South Pender Com. Parks	164,770	121,770				43,000	164,770				1,510			163,260	163,260
1.488	North & South Pender Com. Rec	68,753	68,753					68,753				920			67,833	67,833
1.495	Galiano Parks	97,925	82,925				15,000	97,925				60			97,865	97,865
1.498	Galiano Community Recreation	39,209	39,209					39,209				20			39,189	39,189
1.521	SWMP -Solid Waste Disposal (Refuse Disposa	27,044,000	23,149,534				3,894,466	27,044,000				9,497,144	17,546,856			-
1.523	Port Renfrew Refuse Disposal	91,675	85,675				6,000	91,675		16,540		40,282			34,853	34,853
1.525	Solid Waste Disposal - Debt	361,034	13,244	347,790				361,034				1,390	359,644			-
1.531	Stormwater Quality Management - Sooke	39,840	32,232				7,608	39,840				80			39,760	39,760
1.533	Stormwater Quality Management - S.G.I.	40,912	40,912					40,912				430			40,482	40,482
1.535	Stormwater Quality Management - S.S.I.	27,530	27,530					27,530				30			27,500	27,500
1.536	LWMP-Stormwater Quality Management-Core	764,440	762,290				2,150	764,440			6,360	95,190			662,890	662,890
1.537	Stormwater Quality Management - Peninsula	122,810	119,860				2,950	122,810				4,140			118,670	118,670
1.538	Source - Stormwater Quality - Peninsula	58,070	55,759				2,311	58,070				1,670			56,400	56,400
1.57X	Environmental Services	23,852,956	23,535,333				317,623	23,852,956		23,760,556		92,400				-
1.911	911 Systems	2,666,555	1,552,606	1,011,949			102,000	2,666,555			30,000	2,304,097	141,320		191,138	191,138
1.912A	911 Call Answer - RCMP	-						-								-
1.912B	911 Call Answer - Municipalities	-						-		782,560		(54,678)			(727,882)	(727,882)
1.913	913 Fire Dispatch	790,788	784,228				6,560	790,788				13,260			777,528	777,528
1.921	Regional CREST Contribution	1,828,220	1,828,220					1,828,220				109,090			1,719,130	1,719,130
1.923	Emergency Comm - CREST - S.G.I.	191,019	191,019					191,019				1,630			189,389	189,389
1.924	Emergency Comm - CREST - J.D.F.	126,636	126,636					126,636				210			126,426	126,426
1.925	Emergency Comm - CREST - S.S.I.	150,742	150,742					150,742				120			150,622	150,622
2.610	Saanich Peninsula Water Supply	8,016,296	7,019,883	646,413			350,000	8,016,296				500	8,015,796			-
2.620	SSI Highland Water System	31,087	329	30,758				31,087				120		30,967		30,967
2.621	Highland / Fernwood Water - SSI	621,462	337,001	212,051			72,410	621,462			20,000	780	510,682	90,000		90,000
2.622	Cedars of Tuam	71,964	30,507	35,477			5,980	71,964				50	71,914			-
2.624	Beddis Water	267,720	177,599	34,571			55,550	267,720				320	182,569	84,831		84,831
2.626	Fulford Water	247,080	153,625	75,605			17,850	247,080				900	160,315	85,865		85,865
2.628	Cedar Lane Water (S.S.I.)	71,658	54,374	7,824			9,460	71,658				180	58,624	12,854		12,854
2.630	Magic Lakes Estate Water System	981,048	679,584	199,074			102,390	981,048				9,603	385,705	585,740		585,740
2.640	Saturna Island Water System (Lyall Harbour)	279,030	185,467	41,063			52,500	279,030			20,000	330	138,700	120,000		120,000
2.642	Skana Water (Mayne)	76,502	51,813	2,689			22,000	76,502				110	53,693	22,699		22,699
2.650	Port Renfrew Water	158,390	113,342	23,048			22,000	158,390				1,150	78,620	78,620		78,620
2.655	Snuggery Cove (Port Renfrew)	-						-								-
2.660	Fernwood Water	14,590	245	14,345				14,590				60		14,530		14,530
2.665	Sticks Allison Water (Galiano)	68,436	51,436				17,000	68,436			5,000	100	52,336	11,000		11,000
2.667	Surfside Park Estates (Mayne)	108,272	91,272				17,000	108,272				100	91,172	17,000		17,000
2.670	Regional Water Supply	38,082,551	17,962,498	5,152,302		14,652,000	315,751	38,082,551				615,670	37,466,881			-
2.680	Juan de Fuca Water Distribution	24,184,947	14,559,836	2,851,316		6,500,000	273,795	24,184,947		6,000		181,230	23,997,717			-
2.691	Wilderness Mountain Water Service	167,878	132,291	23,587			12,000	167,878			4,000	130	90,634	73,114		73,114
3.700	Septage Disposal - Municipal	209,906	152,026			57,880		209,906				171,610	2,690		35,606	35,606
3.700	Septage Disposal - JDF Service Area	217	217					217							217	217
3.701	Millstream Remediation Service	140,170	1,250	138,920				140,170			69,851	470			69,849	69,849
3.705	S.S.I. Liquid Waste Disposal	1,102,769	748,205	311,074			43,490	1,102,769				1,160	566,680	534,929		534,929
3.707	On Site System Management Program - LWMP	190,540	190,540					190,540				9,100			181,440	181,440
3.71X	Trk Swrs & Swge Disp - oper	36,750,913	34,738,281				2,012,632	36,750,913	10,000	1,577,604	615,482	28,656,231			5,891,596	5,891,596
3.7XX	Trk Swrs - debt	23,984,530	115,408	14,988,258		5,529,745	3,351,119	23,984,530				17,868,921			6,115,609	6,115,609
3.720	LWMP (Peninsula) - Implementation	24,557	24,557					24,557				210			24,347	24,347
3.750	LWMP	386,340	335,717				50,623	386,340				164,248			222,092	222,092
3.752	Harbours Program	362,019	362,019					362,019				24,800			337,219	337,219
3.755	Regional Source Control	1,622,194	1,622,194					1,622,194		57,950	64,311	91,743	57,200		1,350,990	1,350,990
3.756	Harbours Environmental Action	69,287	69,287					69,287							69,287	69,287
3.810	Ganges Sewer	1,147,123	768,970	245,813			132,340	1,147,123			30,000	2,130	1,049,993	65,000		65,000
3.820	Maliview Estates Sewer System	366,149	183,042	142,747			40,360	366,149			40,000	27,160	184,645	114,344		114,344.00
3.830	Magic Lake Estates Sewer System	876,434	609,071	174,103			93,260	876,434		11,372		1,260	413,804	449,998		449,998
3.830D	Magic Lake Estates Sewer Debt	207,774		207,774				207,774						207,774		207,774
3.850	Port Renfrew Sewer	150,167	120,812	17,355			12,000	150,167				1,270	74,452	74,445		74,445
21.ALL	Feasibility Study Reserve Fund - All	-						-								-
21.E.A.	Feasibility Study Reserve Fund - E.A.	-						-								-

CAPITAL REGIONAL DISTRICT 2025 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2025	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2025	Surplus 2024	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2025
1.010	Legislative & General Government	26,155,448	25,382,678			488,270	284,500	26,155,448	400,000	14,312,451		1,366,780	87,630		9,988,587	9,988,587
1.10X	Facilities and Risk	3,605,699	3,413,859				191,840	3,605,699		3,206,412		224,292	2,700		172,295	172,295
1.101	G.I.S.	600,223	575,293			24,930		600,223		526,513		3,460			70,250	70,250
1.103	Elections	36,070	39				36,031	36,070				70			36,000	36,000
1.104	U.B.C.M.	13,950	13,950					13,950				90			13,860	13,860
1.109	Electoral Area Admin Exp - JDF	60,563	60,563					60,563				120			60,443	60,443
1.110	Electoral Area Admin Exp - SGI	432,785	419,285				13,500	432,785			10,000	17,692			405,093	405,093
1.111	Electoral Area Admin Exp - SSI	838,312	832,812				5,500	838,312		279,677		700			557,935	557,935
1.112	Regional Grant in Aid	-						-								-
1.114	Grant-in-Aid - Juan de Fuca	22,253	22,253					22,253				340			21,913	21,913
1.116	Grant-in-Aid - Salt Spring Island	66,715	66,715					66,715				200			66,515	66,515
1.117	Grant-in-Aid - Southern Gulf Islands	104,227	104,227					104,227				940			103,287	103,287
1.119	Vancouver Island Regional Library	337,086	337,086					337,086				570			336,516	336,516
1.121	Sooke Regional Museum	212,754	212,754					212,754				360			212,394	212,394
1.123	Prov. Court of B.C. (Family Court)	149,360	59,264				90,096	149,360				149,360				-
1.124	SSI Economic Development Commission	83,970	80,034				3,936	83,970				600			83,370	83,370
1.125	SGI Economic Development Commission	128,429	128,429					128,429				740			127,689	127,689
1.126	Victoria Family Court Committee	15,888	15,888					15,888				888			15,000	15,000
1.128	Greater Victoria Police Victim Services	316,803	316,803					316,803				14,461			302,342	302,342
1.129	Vancouver Island Regional Library - Debt	369,767		369,767				369,767				369,767				-
1.133	Langford E.A. - Greater Victoria Public Library	33,524	33,524					33,524				80			33,444	33,444
1.137	Galiano Island Community Use Building	67,050	35,776	27,417			3,857	67,050				250			66,800	66,800
1.138	Southern Gulf Islands Regional Library	246,675	246,675					246,675				1,740			244,935	244,935
1.141	Salt Spring Island Public Library	696,304	507,578	173,726			15,000	696,304				2,160			694,144	694,144
1.15X	Municipalities' Own Debt - M.F.A.	11,873,721	70,460	11,803,261				11,873,721				70,460			11,803,261	11,803,261
1.170	Gossip Island Electric Power Supply	57,093	650	56,443				57,093				290		56,803		56,803
1.224	Community Health - Homeless Sec.	561,755	561,755					561,755				132,253			429,502	429,502
1.226	Community Health (CHR) Facilities	1,673,020	1,119,350				553,670	1,673,020				1,673,020				-
1.227	Saturna Island Medical Clinic	28,483	28,483					28,483				1,880			26,603	26,603
1.228	Galiano Health Service	156,874	156,874					156,874				40			156,834	156,834
1.230	Traffic Safety Commission	80,820	80,820					80,820				3,850			76,970	76,970
1.232	Port Renfrew Street Lighting	9,514	9,514					9,514				300	4,192	5,022		5,022
1.234	S.S.I. Street Lighting	28,169	28,169					28,169				40			28,129	28,129
1.235	S. G. I. Small Craft Harbour Facilities	441,241	220,966	70,275			150,000	441,241				5,500	113,830	321,911		321,911
1.236	Salt Spring Island Fernwood Dock	33,710	20,380				13,330	33,710				170		33,540		33,540
1.238A	Community Transit (S.S.I.)	533,918	528,918				5,000	533,918			6,329	235,442			292,147	292,147
1.238B	Community Transportation (S.S.I.)	184,123	81,078	47,045			56,000	184,123				1,450			182,673	182,673
1.280	Regional Parks	13,549,387	10,335,346	498,815		125,100	2,590,126	13,549,387		33,834	8,000	760,950	431,929		12,314,674	12,314,674
1.280A	Regional Parks - Land Acquisition	4,824,865					4,824,865	4,824,865							4,824,865	4,824,865
1.290	Royal Theatre	580,000	100,000			100,000	380,000	580,000							580,000	580,000
1.295	McPherson Theatre	785,843	350,000			90,000	345,843	785,843				35,843			750,000	750,000
1.297	Arts Grants	3,186,526	3,186,526					3,186,526		14,480		185,665			2,986,381	2,986,381
1.299	Salt Spring Island Arts	126,949	126,949					126,949				70			126,879	126,879
1.309	Climate Action and Adaptation	524,460	524,460					524,460				28,250			496,210	496,210
1.310	Land Banking & Housing	4,176,824	1,307,854	2,864,970			4,000	4,176,824		313,142		371,271	2,000		3,490,411	3,490,411
1.311	Regional Housing Trust Fund	-						-								-
1.313	Animal Care Services	1,267,250	1,257,250				10,000	1,267,250				771,750	31,620		463,880	463,880
1.314	SGI House Numbering	10,062	10,062					10,062				130			9,932	9,932
1.316	SSI Building Numbering	10,170	10,170					10,170				30			10,140	10,140
1.317	JDF Building Numbering	13,928	13,928					13,928				50			13,878	13,878
1.318	Building Inspection	1,783,972	1,743,952			6,720	33,300	1,783,972		31,920		4,510	1,172,830		574,712	574,712
1.319	Soil Deposit Removal	5,984	5,984					5,984				40			5,944	5,944
1.320	Noise Control	42,101	42,101					42,101				200			41,901	41,901
1.322	Nuisances & Unsightly Premises	55,839	55,839					55,839				270			55,569	55,569
1.323	By-Law Enforcement	542,935	505,975				36,960	542,935		511,255		31,680				-
1.324	Regional Planning Services	1,705,463	1,702,963				2,500	1,705,463		216,191	55,102	71,130			1,363,040	1,363,040
1.325	Electoral Area Services - Planning	854,575	778,805				75,770	854,575		19,260	20,805	2,670	34,640		777,200	777,200
1.330	Regional Growth Strategy	347,792	347,792					347,792				25,110			322,682	322,682
1.335	Geo-Spatial Referencing System	186,687	122,957				63,730	186,687				9,060	8,630		168,997	168,997
1.350	Willis Point Fire Protect & Recreation	208,856	113,409	21,127		6,820	67,500	208,856				49,455			159,401	159,401
1.352	South Galiano Fire Protection	500,269	294,277	112,052		6,170	87,770	500,269				350		112,052	387,867	499,919
1.353	Otter Point Fire Protection	543,706	372,836			5,510	165,360	543,706				320			543,386	543,386
1.354	Malahat Fire Protection	69,562	69,562					69,562							69,562	69,562
1.355	Durrance Road Fire Protection	3,230	2,739				491	3,230						3,230		3,230
1.356	Pender Fire Protection	1,203,510	927,406	116,400			159,704	1,203,510			116,400	9,863			1,077,247	1,077,247
1.357	East Sooke Fire Protection	518,860	224,751	155,109			139,000	518,860				28,260	60,630		429,970	429,970
1.358	Port Renfrew Fire Protection	156,111	131,111				25,000	156,111				1,170	64,110		90,831	90,831
1.359	N. Galiano Fire Protection	224,811	163,639	48,872		6,790	5,510	224,811				780		24,440	199,591	224,031
1.360	Shirley Fire Protection	162,052	91,052			10,000	61,000	162,052				200			161,852	161,852
1.363	Saturna Island Fire	203,680	203,680					203,680				7,970			195,710	195,710
1.369	Electoral Area Fire Services - JDF	72,195	61,142			3,738	7,315	72,195				100			72,095	72,095
1.369	Electoral Area Fire Services - SGI	81,815	69,272			4,242	8,301	81,815							81,815	81,815
1.370	Juan de Fuca Emergency Program	93,463	77,263				16,200	93,463				220			93,243	93,243
1.371	S.S.I. Emergency Program	133,089	133,089					133,089				180			132,909	132,909
1.372	Electoral Area Emergency Program	662,470	654,540				7,930	662,470		499,520		890			162,060	162,060
1.373	S.G.I. Emergency Program	263,889	249,289				14,600	263,889				2,240			261,649	261,649

CAPITAL REGIONAL DISTRICT 2025 FINANCIAL PLAN — **Schedule A**

		Expenditures						*Revenue*								
		Total 2025	Operations	Interest & Principal	Deficit	Capital	Transfers to Reserves	Total 2025	Surplus 2024	Recovery from other services	Transfers from Reserves	Other revenue	Fee & Charges	Parcel Tax	Property Value Tax	Requisition 2025
1.374	Regional Emergency Program Support	154,346	154,346					154,346				8,010			146,336	146,336
1.375	Hazardous Material Incident Response	376,501	366,941				9,560	376,501				19,070			357,431	357,431
1.377	J.D.F. Search and Rescue	92,441	92,441					92,441				22,370			70,071	70,071
1.378	S.S.I. Search and Rescue	23,436	23,436					23,436				100			23,336	23,336
1.40X	SEAPARC	4,082,049	3,588,083	53,966			440,000	4,082,049				316,998	512,772		3,252,279	3,252,279
1.405	JDF EA - Community Parks	206,016	184,376				21,640	206,016				840			205,176	205,176
1.408	JDF EA - Community Recreation	96,253	96,253					96,253				21,860			74,393	74,393
1.44X	Panorama Rec. Center.	9,143,858	7,608,168	240,411			1,295,279	9,143,858				1,373,986	2,164,052		5,605,820	5,605,820
1.455	Salt Spring Island - Community Parks	1,070,755	983,120	76,825			10,810	1,070,755		386,100		157,130			527,525	527,525
1.458	Salt Spring Is.- Community Rec	316,362	316,362					316,362					242,390		73,972	73,972
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Pr	2,527,711	1,806,161	457,764			263,786	2,527,711		99,163		17,960	291,830		2,118,758	2,118,758
1.465	Saturna Island Comm. Parks	26,150	19,997				6,153	26,150				1,250			24,900	24,900
1.468	Saturna Island - Community Rec.	14,782	14,782					14,782				420			14,362	14,362
1.475	Mayne Is. Com. Parks & Rec	90,982	83,372			7,610		90,982				270			90,712	90,712
1.476	Mayne Is. Comm. Parks (reserve)	3,960	3,960					3,960				3,570	390			-
1.478	Mayne Is. Community Rec.	33,895	33,895					33,895				60			33,835	33,835
1.485	North & South Pender Com. Parks	167,170	124,170				43,000	167,170				1,530			165,640	165,640
1.488	North & South Pender Com. Rec	70,167	70,167					70,167				940			69,227	69,227
1.495	Galiano Parks	99,575	84,575				15,000	99,575				60			99,515	99,515
1.498	Galiano Community Recreation	39,997	39,997					39,997				20			39,977	39,977
1.521	SWMP -Solid Waste Disposal (Refuse Disposa	26,965,024	23,418,344				3,546,680	26,965,024				9,497,144	17,467,880			-
1.523	Port Renfrew Refuse Disposal	93,408	87,368				6,040	93,408		16,870		41,194			35,344	35,344
1.525	Solid Waste Disposal - Debt	440,010	1,390	438,620				440,010				1,390	438,620			-
1.531	Stormwater Quality Management - Sooke	40,640	32,868				7,772	40,640				80			40,560	40,560
1.533	Stormwater Quality Management - S.G.I.	41,731	41,731					41,731				440			41,291	41,291
1.535	Stormwater Quality Management - S.S.I.	27,530	27,530					27,530				30			27,500	27,500
1.536	LWMP-Stormwater Quality Management-Core	779,740	777,550				2,190	779,740			6,490	97,100			676,150	676,150
1.537	Stormwater Quality Management - Peninsula	125,260	122,250				3,010	125,260				4,220			121,040	121,040
1.538	Source - Stormwater Quality - Peninsula	59,230	56,870				2,360	59,230				1,700			57,530	57,530
1.57X	Environmental Services	24,350,117	24,032,494				317,623	24,350,117		24,257,717		92,400				-
1.911	911 Systems	2,681,130	1,565,141	1,011,949			104,040	2,681,130			20,000	2,324,907	141,320		194,903	194,903
1.912A	911 Call Answer - RCMP	-						-								-
1.912B	911 Call Answer - Municipalities	-						-		782,560		(54,678)			(727,882)	(727,882)
1.913	913 Fire Dispatch	806,604	799,914				6,690	806,604				13,520			793,084	793,084
1.921	Regional CREST Contribution	1,864,624	1,864,624					1,864,624				111,210			1,753,414	1,753,414
1.923	Emergency Comm - CREST - S.G.I.	194,827	194,827					194,827				1,630			193,197	193,197
1.924	Emergency Comm - CREST - J.D.F.	129,161	129,161					129,161				210			128,951	128,951
1.925	Emergency Comm - CREST - S.S.I.	153,750	153,750					153,750				120			153,630	153,630
2.610	Saanich Peninsula Water Supply	8,428,732	7,208,068	920,664			300,000	8,428,732				500	8,428,232			-
2.620	SSI Highland Water System	12,981	333	12,648				12,981				120		12,861		12,861
2.621	Highland / Fernwood Water - SSI	609,210	323,299	212,051			73,860	609,210				790	513,420	95,000		95,000
2.622	Cedars of Tuam	82,589	41,072	35,477			6,040	82,589			10,000	50	72,539			-
2.624	Beddis Water	286,348	196,117	34,571			55,660	286,348			15,000	320	186,197	84,831		84,831
2.626	Fulford Water	253,304	156,689	75,605			21,010	253,304				910	163,529	88,865		88,865
2.628	Cedar Lane Water (S.S.I.)	92,006	75,456				16,550	92,006			20,000	180	59,796	12,030		12,030
2.630	Magic Lakes Estate Water System	989,695	692,858	194,447			102,390	989,695				9,613	388,482	591,600		591,600
2.640	Saturna Island Water System (Lyall Harbour)	263,453	169,152	21,801			72,500	263,453				230	148,223	115,000		115,000
2.642	Skana Water (Mayne)	88,347	61,758	4,589			22,000	88,347			5,000	110	54,638	28,599		28,599
2.650	Port Renfrew Water	163,572	117,574	23,998			22,000	163,572				1,180	81,196	81,196		81,196
2.655	Snuggery Cove (Port Renfrew)	-						-								
2.660	Fernwood Water	7,030	249	6,781				7,030				60		6,970		6,970
2.665	Sticks Allison Water (Galiano)	64,376	47,376				17,000	64,376				100	53,276	11,000		11,000
2.667	Surfside Park Estates (Mayne)	110,082	93,082				17,000	110,082				100	94,982	15,000		15,000
2.670	Regional Water Supply	39,475,779	18,084,254	5,196,255		15,873,204	322,066	39,475,779				615,673	38,860,106			-
2.680	Juan de Fuca Water Distribution	25,185,545	15,036,929	2,869,346		7,000,000	279,270	25,185,545		6,000		181,230	24,998,315			-
2.691	Wilderness Mountain Water Service	166,213	130,626	23,587			12,000	166,213				130	91,802	74,281		74,281
3.700	Septage Disposal - Municipal	214,127	155,087			59,040		214,127				175,040	2,740		36,347	36,347
3.700	Septage Disposal - JDF Service Area	221	221					221							221	221
3.701	Millstream Remediation Service	140,186	1,266	138,920				140,186			69,859	470			69,857	69,857
3.705	S.S.I. Liquid Waste Disposal	1,067,498	763,133	260,805			43,560	1,067,498				1,170	578,020	488,308		488,308
3.707	On Site System Management Program - LWMP	190,710	190,710					190,710				9,270			181,440	181,440
3.71X	Trk Swrs & Swge Disp - oper	38,445,445	36,354,673				2,090,772	38,445,445	10,000	1,609,165	1,415,000	29,198,241			6,213,039	6,213,039
3.7XX	Trk Swrs - debt	24,596,477	120,408	11,253,776		5,529,745	7,692,548	24,596,477				17,868,921			6,727,556	6,727,556
3.720	LWMP (Peninsula) - Implementation	25,047	25,047					25,047				210			24,837	24,837
3.750	LWMP	394,070	342,444				51,626	394,070				167,534			226,536	226,536
3.752	Harbours Program	369,254	369,254					369,254				25,300			343,954	343,954
3.755	Regional Source Control	1,654,625	1,654,625					1,654,625		59,110	67,382	91,783	58,340		1,378,010	1,378,010
3.756	Harbours Environmental Action	70,672	70,672					70,672							70,672	70,672
3.810	Ganges Sewer	1,133,218	753,615	245,813			133,790	1,133,218				2,150	1,060,880	70,188		70,188
3.820	Maliview Estates Sewer System	329,547	145,870	142,747			40,930	329,547				27,700	187,503	114,344		114,344.00
3.830	Magic Lake Estates Sewer System	888,496	621,133	174,103			93,260	888,496		11,600		1,280	475,615	400,001		400,001
3.830D	Magic Lake Estates Sewer Debt	207,774		207,774				207,774						207,774		207,774
3.850	Port Renfrew Sewer	213,896	113,426	88,430			12,040	213,896				1,290	106,306	106,300		106,300
21.ALL	Feasibility Study Reserve Fund - All	-						-								-
21.E.A.	Feasibility Study Reserve Fund - E.A.	-						-								-

SCHEDULE B

CAPITAL REGIONAL DISTRICT

CAPITAL EXPENDITURE PLAN SUMMARY - 2021 to 2025

	EXPENDITURE / FUNDING SUMMARY (ALL SERVICES)	2021	2022	2023	2024	2025	TOTAL
	EXPENDITURE						
B	Buildings	46,015,926	164,703,000	12,845,800	5,511,500	795,000	229,871,226
E	Equipment	16,719,696	11,482,994	8,108,716	4,789,704	3,243,223	44,344,333
L	Land	14,527,947	4,755,000	4,530,000	4,975,000	4,200,000	32,987,947
S	Engineered Structures	204,677,919	87,151,713	76,925,709	59,537,745	35,721,145	464,014,231
V	Vehicles	3,743,000	1,958,000	1,520,000	2,226,000	873,000	10,320,000
		285,684,489	**270,050,707**	**103,930,225**	**77,039,949**	**44,832,368**	**781,537,738**
	SOURCE OF FUNDS						
C	Capital Funds on Hand	52,197,420	22,299,095	23,752,969	26,057,745	16,689,745	140,996,975
D	Debenture Debt (New Debt Only)	49,178,000	63,518,000	48,577,541	30,285,375	14,350,000	205,908,916
E	ERF	6,462,653	4,173,494	3,883,516	3,972,704	2,456,223	20,948,590
G	Grants (Federal, Provincial)	104,787,077	10,741,518	3,541,500	2,425,000	25,000	121,520,095
R	Reserve Fund	43,959,820	34,093,600	24,174,699	14,299,125	11,311,400	127,838,644
O	Other	29,099,518	135,225,000	-	-	-	164,324,518
		285,684,489	**270,050,707**	**103,930,225**	**77,039,949**	**44,832,368**	**781,537,738**

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2021

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.011	Board Expenditures	62,200					62,200			62,200				62,200
1.014	Chief Administrative Officer	4,835					4,835			4,835				4,835
1.015	Real Estate	967					967			967				967
1.016	Human Resources	7,326					7,326			7,326				7,326
1.017	Finance	199,075					199,075	100,000		99,075				199,075
1.018	Health & Capital Planning Strategies	3,000					3,000			3,000				3,000
1.022	Information Technology	715,250					715,250	695,000		20,250				715,250
1.024	GM - Planning & Protective Services	-					-			-				-
1.025	Corporate Emergency	-					-			-				-
1.105	Facitilies Management	18,600	120,000				138,600			138,600				138,600
1.106	Facilities and Risk	65,000		2,234,729			2,299,729	109,729				2,190,000		2,299,729
1.107	Corporate Satellite Facilities			25,000			25,000					25,000		25,000
1.109	JDF Admin. Expenditures	-					-			-				-
1.110	SGI Admin. Expenditures	-					-			-				-
1.111	SSI Admin. Expenditures	6,210					6,210			6,210				6,210
1.118	Corporate Communications	7,899					7,899			7,899				7,899
1.123	Family Court Building			287,500			287,500	87,500				200,000		287,500
1.137	Galiano Island Community Use Building			15,000			15,000					15,000		15,000
1.141	SSI Public Library			80,000			80,000				50,000	30,000		80,000
1.226	Health Facilities - VIHA	75,000		830,000		-	905,000	680,000				225,000		905,000
1.235	SGI Small Craft Harbour Facilities				1,624,000		1,624,000	362,000	710,000			552,000		1,624,000
1.236	SSI Small Craft Harbour (Fernwood Dock)				5,500		5,500				-	5,500		5,500
1.238A	Community Transit (SSI)		-		45,000		45,000				5,000	40,000		45,000
1.238B	Community Transportation (SSI)				760,000		760,000	210,000	-		490,000	60,000		760,000
1.280	Regional Parks	1,526,640	180,000	690,000	6,863,627	11,150,000	20,410,267	3,345,267	1,040,000	209,000	1,275,000	14,426,000	115,000	20,410,267
1.290	Royal Theatre	212,000		1,706,000			1,918,000	50,000			599,000	752,000	517,000	1,918,000
1.295	McPherson Theatre	170,000		1,085,000			1,255,000	370,000			505,000	371,000	9,000	1,255,000
1.297	Arts Grants and Development	-					-			-				-
1.310	Land Banking and Housing	2,000		32,683,518			32,685,518		-	2,000	7,200,000		25,483,518	32,685,518
1.313	Animal Care Services	3,029	18,000				21,029			21,029				21,029
1.318	Building Inspection	10,000	45,000				55,000			55,000				55,000
1.323	ByLaw Services	970	15,000				15,970			15,970				15,970
1.324	Regional Planning Services	32,300					32,300			32,300				32,300
1.325	Community Planning	11,830					11,830			11,830				11,830
1.335	Geo-Spatial Referencing	40,000					40,000			40,000				40,000
1.350	Willis Point Fire	161,865	-	38,000			199,865		-	120,000	41,865	38,000		199,865
1.352	South Galiano Fire		-	603,000			603,000		600,000	3,000				603,000
1.353	Otter Point Fire	296,692		60,000			356,692	20,000		296,692		40,000		356,692
1.356	Pender Island Fire	24,500	625,000	53,000			702,500			104,500		53,000	545,000	702,500
1.357	East Sooke Fire	36,000	30,000				66,000	30,000		12,000		24,000		66,000
1.358	Port Renfrew Fire	10,000					10,000			10,000				10,000
1.360	Shirley Fire Department	10,000					10,000			10,000				10,000
1.369	Electoral Area Fire Services	156,300					156,300					156,300		156,300
1.370	JDF Emergency Program	4,970					4,970			4,970				4,970
1.371	SSI Emergency Program					-	-		-					-
1.372	Emergency Planning Coordination	2,500					2,500			2,500				2,500
1.373	SGI Emergency Program	47,000					47,000					47,000		47,000
1.375	Hazardous Material Incident Response	10,000					10,000			10,000				10,000
1.377	JDF Search and Rescue	-	-				-						-	-
1.405	JDF EA Community Parks & Recreation					220,000	220,000				220,000			220,000
1.40X	SEAPARC	266,700	-	424,500	35,000	-	726,200	37,000	-	89,700	470,000	129,500		726,200
1.44x	Panorama Recreation	1,767,838	468,000	3,669,179	80,000		5,985,017	487,179	1,753,000	817,600	1,354,777	1,572,461		5,985,017
1.455	SSI Community Parks	75,000	65,000		290,000		430,000		-	5,000	125,000	230,000	70,000	430,000
1.458	SSI Community Recreation	5,000		15,000	-		20,000			5,000	-	15,000		20,000
1.459	SSI Park Land & Rec Programs	27,500		481,500	50,000	910,000	1,469,000		-	27,500	246,500	1,195,000		1,469,000
1.465	Saturna Island Community Parks				33,000		33,000					33,000		33,000

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2021

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.475	Mayne Island Community Parks	-		-	18,000		18,000				15,000	3,000		18,000
1.485	Pender Island Community Parks			15,000	261,563		276,563				243,963	32,600		276,563
1.495	Galiano Community Parks				49,145		49,145	6,186				42,959		49,145
1.521	Environmental Resource Management	843,000			10,133,000		10,976,000	1,953,000	-	643,000		8,380,000		10,976,000
1.523	Port Renfrew Refuse Disposal	15,000			15,000		30,000			15,000		15,000		30,000
1.575	Environmental Administration Services	7,000					7,000			7,000				7,000
1.576	Environmental Engineering Services	40,000	125,000				165,000	45,000		120,000				165,000
1.577	IW - Environmental Operations	776,200					776,200			776,200				776,200
1.578	Environmental Protection	415,000	42,000				457,000			457,000				457,000
1.579	Environmental Water Quality	21,000					21,000			21,000				21,000
1.911	911 Call Answer	1,000,000					1,000,000			1,000,000				1,000,000
1.913	913 Fire Dispatch	5,000					5,000			5,000				5,000
2.610	Saanich Peninsula Water Supply	133,000			3,425,000		3,558,000		-	60,000		3,498,000		3,558,000
2.620	Highland Water (SSI)				117,067		117,067	117,067						117,067
2.621	Highland & Fernwood Water (SSI)	74,000			620,000		694,000	50,000	490,000		85,000	69,000		694,000
2.622	Cedars of Tuam Water (SSI)	36,000			-		36,000		-		30,000	6,000		36,000
2.624	Beddis Water (SSI)	132,000			36,000		168,000		-		150,000	18,000		168,000
2.626	Fulford Water (SSI)	13,000			120,000		133,000		-		80,000	53,000		133,000
2.628	Cedar Lane Water (SSI)				105,000		105,000				65,000	40,000		105,000
2.630	Magic Lake Estates Water (Pender)	250,000			90,000		340,000					340,000		340,000
2.640	Lyall Harbour Boot Cove Water (Saturna)	20,000			-		20,000		-		-	20,000		20,000
2.642	Skana Water (Mayne)	-			50,000		50,000		-			50,000		50,000
2.650	Port Renfrew Water	35,000			-		35,000		-		25,000	10,000		35,000
2.660	Fernwood Water (SSI)					-	-		-					-
2.665	Sticks Allison Water (Galiano)	9,500					9,500					9,500		9,500
2.667	Surfside Park Estates (Mayne)	25,000					25,000					25,000		25,000
2.670	Regional Water Supply	4,670,000	520,000	480,000	15,048,000	1,615,350	22,333,350	20,223,350	1,800,000	310,000				22,333,350
2.680	JDF Water Distribution	745,000	650,000	540,000	24,065,000		26,000,000	13,125,000	5,435,000	450,000		4,630,000	2,360,000	26,000,000
2.691	Wilderness Mountain Water Service				34,000		34,000				30,000	4,000		34,000
3.701	Millstream Site Remediation					632,597	632,597	289,397			343,200			632,597
3.705	SSI Septage / Composting				152,700		152,700	30,000	-		47,700	75,000		152,700
3.718	Saanich Peninsula Wastewater	192,500			4,065,000		4,257,500	100,000		342,500		3,815,000		4,257,500
3.798C	Debt - Core Area Wastewater Treatment Program	1,080,000	840,000		126,774,817		128,694,817	9,674,745	31,300,000		87,720,072			128,694,817
3.810	Ganges Sewer Utility (SSI)	106,500			357,500		464,000				140,000	324,000		464,000
3.820	Maliview Sewer Utility (SSI)				525,000		525,000		300,000		200,000	25,000		525,000
3.830	Magic Lake Sewer Utility (Pender)				8,780,000		8,780,000		5,750,000		3,000,000	30,000		8,780,000
3.850	Port Renfrew Sewer				50,000		50,000		-		30,000	20,000		50,000
TOTAL		**16,719,696**	**3,743,000**	**46,015,926**	**204,677,919**	**14,527,947**	**285,684,489**	**52,197,420**	**49,178,000**	**6,462,653**	**104,787,077**	**43,959,820**	**29,099,518**	**285,684,489**

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2022

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.011	Board Expenditures	95,000					95,000			95,000				95,000
1.014	Chief Administrative Officer	2,901					2,901			2,901				2,901
1.015	Real Estate	-					-			-				-
1.016	Human Resources	3,917					3,917			3,917				3,917
1.017	Finance	215,570					215,570	200,000		15,570				215,570
1.018	Health & Capital Planning Strategies	-					-			-				-
1.022	Information Technology	1,491,350					1,491,350	1,479,000		12,350				1,491,350
1.024	GM - Planning & Protective Services	1,475					1,475			1,475				1,475
1.025	Corporate Emergency	6,000					6,000			6,000				6,000
1.105	Facitilies Management	2,000	50,000				52,000			52,000				52,000
1.106	Facilities and Risk	-		250,000			250,000	-				250,000		250,000
1.107	Corporate Satellite Facilities			-			-					-		-
1.109	JDF Admin. Expenditures	2,000					2,000			2,000				2,000
1.110	SGI Admin. Expenditures	1,500					1,500			1,500				1,500
1.111	SSI Admin. Expenditures	9,890					9,890			9,890				9,890
1.118	Corporate Communications	5,851					5,851			5,851				5,851
1.123	Family Court Building			-			-	-				-		-
1.137	Galiano Island Community Use Building			-			-					-		-
1.141	SSI Public Library			10,000			10,000				-	10,000		10,000
1.226	Health Facilities - VIHA	85,000		2,522,500		-	2,607,500	-				2,607,500		2,607,500
1.235	SGI Small Craft Harbour Facilities				520,000		520,000	-	470,000			50,000		520,000
1.236	SSI Small Craft Harbour (Fernwood Dock)				-		-				-	-		-
1.238A	Community Transit (SSI)		15,000		-		15,000				-	15,000		15,000
1.238B	Community Transportation (SSI)				265,000		265,000	-	200,000		-	65,000		265,000
1.280	Regional Parks	68,000	225,000	485,000	5,580,000	3,830,000	10,188,000	-	-	293,000	4,328,000	5,567,000	-	10,188,000
1.290	Royal Theatre	-		500,000			500,000	-			-	500,000	-	500,000
1.295	McPherson Theatre	-		500,000			500,000	-			-	500,000	-	500,000
1.297	Arts Grants and Development	1,550					1,550			1,550				1,550
1.310	Land Banking and Housing	1,500		156,500,000			156,501,500		21,300,000	1,500	-		135,200,000	156,501,500
1.313	Animal Care Services	4,040	18,000				22,040			22,040				22,040
1.318	Building Inspection	-	-				-			-				-
1.323	ByLaw Services	990	15,000				15,990			15,990				15,990
1.324	Regional Planning Services	10,100					10,100			10,100				10,100
1.325	Community Planning	35,000					35,000			35,000				35,000
1.335	Geo-Spatial Referencing	30,000					30,000			30,000				30,000
1.350	Willis Point Fire	6,000	-	-			6,000		-	6,000	-	-		6,000
1.352	South Galiano Fire		-	6,500			6,500		-	6,500				6,500
1.353	Otter Point Fire	131,000		40,000			171,000	-		131,000		40,000		171,000
1.356	Pender Island Fire	10,000	300,000	115,000			425,000			310,000		90,000	25,000	425,000
1.357	East Sooke Fire	7,200	460,000				467,200	-		467,200		-		467,200
1.358	Port Renfrew Fire	-					-			-				-
1.360	Shirley Fire Department	-					-			-				-
1.369	Electoral Area Fire Services	-					-					-		-
1.370	JDF Emergency Program	11,710					11,710			11,710				11,710
1.371	SSI Emergency Program					-	-		-					-
1.372	Emergency Planning Coordination	-					-			-				-
1.373	SGI Emergency Program	-					-					-		-
1.375	Hazardous Material Incident Response	90,000					90,000			90,000				90,000
1.377	JDF Search and Rescue	-	-				-						-	-
1.405	JDF EA Community Parks & Recreation					80,000	80,000				80,000			80,000
1.40X	SEAPARC	118,700	30,000	330,000	-	-	478,700	-	-	93,700	-	385,000		478,700
1.44x	Panorama Recreation	286,150	-	190,000	103,600		579,750	80,000	-	286,150	55,000	158,600		579,750
1.455	SSI Community Parks	5,000	40,000		1,030,000		1,075,000		1,000,000	45,000	-	30,000	-	1,075,000
1.458	SSI Community Recreation	5,000		-	300,000		305,000			5,000	175,000	125,000		305,000
1.459	SSI Park Land & Rec Programs	62,500		175,000	400,000	-	637,500		-	62,500	325,000	250,000		637,500
1.465	Saturna Island Community Parks				23,000		23,000					23,000		23,000

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2022

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.475	Mayne Island Community Parks	5,000		4,000	2,000		11,000				-	11,000		11,000
1.485	Pender Island Community Parks			-	10,000		10,000				-	10,000		10,000
1.495	Galiano Community Parks				16,500		16,500	-				16,500		16,500
1.521	Environmental Resource Management	283,000			16,565,000		16,848,000	250,000	-	283,000		16,315,000		16,848,000
1.523	Port Renfrew Refuse Disposal	-			-		-			-		-		-
1.575	Environmental Administration Services	-					-			-				-
1.576	Environmental Engineering Services	40,000	-				40,000	-		40,000				40,000
1.577	IW - Environmental Operations	604,600					604,600			604,600				604,600
1.578	Environmental Protection	76,000	240,000				316,000			316,000				316,000
1.579	Environmental Water Quality	-					-			-				-
1.911	911 Call Answer	-					-			-				-
1.913	913 Fire Dispatch	5,000					5,000			5,000				5,000
2.610	Saanich Peninsula Water Supply	284,000			3,020,000		3,304,000		2,550,000	60,000		694,000		3,304,000
2.620	Highland Water (SSI)				-		-	-						-
2.621	Highland & Fernwood Water (SSI)	280,000			1,500,000		1,780,000	-	1,740,000		-	40,000		1,780,000
2.622	Cedars of Tuam Water (SSI)	35,000			77,000		112,000		15,000		79,000	18,000		112,000
2.624	Beddis Water (SSI)	150,000			85,000		235,000		150,000		50,000	35,000		235,000
2.626	Fulford Water (SSI)	25,000			-		25,000		-		-	25,000		25,000
2.628	Cedar Lane Water (SSI)				10,000		10,000				-	10,000		10,000
2.630	Magic Lake Estates Water (Pender)	-			35,000		35,000					35,000		35,000
2.640	Lyall Harbour Boot Cove Water (Saturna)	66,000			725,600		791,600		143,000		625,600	23,000		791,600
2.642	Skana Water (Mayne)	-			30,000		30,000		-			30,000		30,000
2.650	Port Renfrew Water	10,000			1,648,918		1,658,918		-		1,573,918	85,000		1,658,918
2.660	Fernwood Water (SSI)					-	-		-					-
2.665	Sticks Allison Water (Galiano)	10,000					10,000					10,000		10,000
2.667	Surfside Park Estates (Mayne)	-					-					-		-
2.670	Regional Water Supply	5,745,000	215,000	2,235,000	16,575,000	845,000	25,615,000	9,500,000	15,900,000	215,000				25,615,000
2.680	JDF Water Distribution	490,000	350,000	840,000	13,865,000		15,545,000	4,120,000	6,400,000	350,000		4,675,000	-	15,545,000
2.691	Wilderness Mountain Water Service				-		-				-	-		-
3.701	Millstream Site Remediation					-	-	-			-			-
3.705	SSI Septage / Composting				210,000		210,000	-	-		100,000	110,000		210,000
3.718	Saanich Peninsula Wastewater	17,500			950,000		967,500	-		167,500		800,000		967,500
3.798C	Debt - Core Area Wastewater Treatment Program	-	-		18,410,095		18,410,095	6,670,095	11,740,000		-			18,410,095
3.810	Ganges Sewer Utility (SSI)	550,000			50,000		600,000				140,000	460,000		600,000
3.820	Maliview Sewer Utility (SSI)				1,910,000		1,910,000		1,910,000		-	-		1,910,000
3.830	Magic Lake Sewer Utility (Pender)				3,150,000		3,150,000		-		3,150,000	-		3,150,000
3.850	Port Renfrew Sewer				85,000		85,000		-		60,000	25,000		85,000
TOTAL		**11,482,994**	**1,958,000**	**164,703,000**	**87,151,713**	**4,755,000**	**270,050,707**	**22,299,095**	**63,518,000**	**4,173,494**	**10,741,518**	**34,093,600**	**135,225,000**	**270,050,707**

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2023

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.011	Board Expenditures	21,500					21,500			21,500				21,500
1.014	Chief Administrative Officer	13,128					13,128			13,128				13,128
1.015	Real Estate	-					-			-				-
1.016	Human Resources	4,425					4,425			4,425				4,425
1.017	Finance	234,732					234,732	200,000		34,732				234,732
1.018	Health & Capital Planning Strategies	1,973					1,973			1,973				1,973
1.022	Information Technology	1,544,650					1,544,650	1,540,000		4,650				1,544,650
1.024	GM - Planning & Protective Services	1,934					1,934			1,934				1,934
1.025	Corporate Emergency	6,000					6,000			6,000				6,000
1.105	Facitilies Management	2,000	50,000				52,000			52,000				52,000
1.106	Facilities and Risk	-		1,115,000			1,115,000	-				1,115,000		1,115,000
1.107	Corporate Satellite Facilities			-			-					-		-
1.109	JDF Admin. Expenditures	-					-			-				-
1.110	SGI Admin. Expenditures	1,530					1,530			1,530				1,530
1.111	SSI Admin. Expenditures	1,200					1,200			1,200				1,200
1.118	Corporate Communications	1,934					1,934			1,934				1,934
1.123	Family Court Building			-			-	-				-		-
1.137	Galiano Island Community Use Building			-			-					-		-
1.141	SSI Public Library			-			-				-	-		-
1.226	Health Facilities - VIHA	245,000		-		-	245,000	-				245,000		245,000
1.235	SGI Small Craft Harbour Facilities				125,000		125,000	-	-			125,000		125,000
1.236	SSI Small Craft Harbour (Fernwood Dock)				191,500		191,500				44,500	147,000		191,500
1.238A	Community Transit (SSI)		-		-		-				-	-		-
1.238B	Community Transportation (SSI)				240,000		240,000	-	200,000		-	40,000		240,000
1.280	Regional Parks	102,000	236,000	-	4,314,740	3,800,000	8,452,740	-	-	278,000	2,100,000	6,074,740	-	8,452,740
1.290	Royal Theatre	-		221,000			221,000	-			-	221,000	-	221,000
1.295	McPherson Theatre	-		131,000			131,000	-			-	131,000	-	131,000
1.297	Arts Grants and Development	-					-			-				-
1.310	Land Banking and Housing	4,000		-			4,000		-	4,000	-		-	4,000
1.313	Animal Care Services	4,120	18,000				22,120			22,120				22,120
1.318	Building Inspection	5,000	-				5,000			5,000				5,000
1.323	ByLaw Services	1,010	15,000				16,010			16,010				16,010
1.324	Regional Planning Services	12,000					12,000			12,000				12,000
1.325	Community Planning	2,410					2,410			2,410				2,410
1.335	Geo-Spatial Referencing	45,000					45,000			45,000				45,000
1.350	Willis Point Fire	60,000	650,000	5,000			715,000		275,000	435,000	-	5,000		715,000
1.352	South Galiano Fire		-	5,800			5,800		-	5,800				5,800
1.353	Otter Point Fire	28,300		40,000			68,300	-		28,300		40,000		68,300
1.356	Pender Island Fire	10,000	-	-			10,000			10,000		-	-	10,000
1.357	East Sooke Fire	7,300	-				7,300	-		7,300		-		7,300
1.358	Port Renfrew Fire	-					-			-				-
1.360	Shirley Fire Department	-					-			-				-
1.369	Electoral Area Fire Services	-					-					-		-
1.370	JDF Emergency Program	7,470					7,470			7,470				7,470
1.371	SSI Emergency Program					-	-		-					-
1.372	Emergency Planning Coordination	-					-			-				-
1.373	SGI Emergency Program	-					-					-		-
1.375	Hazardous Material Incident Response	10,000					10,000			10,000				10,000
1.377	JDF Search and Rescue	-	-				-						-	-
1.405	JDF EA Community Parks & Recreation					-	-				-			-
1.40X	SEAPARC	116,000	30,000	-	1,000,000	-	1,146,000	-	-	66,000	750,000	330,000		1,146,000
1.44x	Panorama Recreation	180,500	26,000	70,000	-		276,500	-	-	206,500	-	70,000		276,500
1.455	SSI Community Parks	5,000	-		140,000		145,000		-	5,000	-	140,000	-	145,000
1.458	SSI Community Recreation	5,000		-	-		5,000			5,000	-	-		5,000
1.459	SSI Park Land & Rec Programs	60,000		8,205,000	100,000	-	8,365,000		8,000,000	60,000	150,000	155,000		8,365,000
1.465	Saturna Island Community Parks				9,000		9,000					9,000		9,000

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2023

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.475	Mayne Island Community Parks	-		3,000	10,000		13,000				-	13,000		13,000
1.485	Pender Island Community Parks			-	10,000		10,000				-	10,000		10,000
1.495	Galiano Community Parks				18,500		18,500	-				18,500		18,500
1.521	Environmental Resource Management	283,000			17,398,000		17,681,000	-	1,762,541	1,233,000		14,685,459		17,681,000
1.523	Port Renfrew Refuse Disposal	-			-		-			-		-		-
1.575	Environmental Administration Services	10,500					10,500			10,500				10,500
1.576	Environmental Engineering Services	40,000	40,000				80,000	-		80,000				80,000
1.577	IW - Environmental Operations	418,100					418,100			418,100				418,100
1.578	Environmental Protection	96,000	-				96,000			96,000				96,000
1.579	Environmental Water Quality	-					-			-				-
1.911	911 Call Answer	-					-			-				-
1.913	913 Fire Dispatch	5,000					5,000			5,000				5,000
2.610	Saanich Peninsula Water Supply	-			5,820,000		5,820,000		5,550,000	60,000		210,000		5,820,000
2.620	Highland Water (SSI)				-		-	-						-
2.621	Highland & Fernwood Water (SSI)	20,000			-		20,000	-	-		-	20,000		20,000
2.622	Cedars of Tuam Water (SSI)	600,000			5,000		605,000		605,000		-	-		605,000
2.624	Beddis Water (SSI)	-			300,000		300,000		300,000		-	-		300,000
2.626	Fulford Water (SSI)	806,000			-		806,000		800,000		-	6,000		806,000
2.628	Cedar Lane Water (SSI)				30,000		30,000				-	30,000		30,000
2.630	Magic Lake Estates Water (Pender)	-			15,000		15,000					15,000		15,000
2.640	Lyall Harbour Boot Cove Water (Saturna)	45,000			420,000		465,000		-		465,000	-		465,000
2.642	Skana Water (Mayne)	-			60,000		60,000		35,000			25,000		60,000
2.650	Port Renfrew Water	110,000			200,000		310,000		300,000		-	10,000		310,000
2.660	Fernwood Water (SSI)					-	-		-					-
2.665	Sticks Allison Water (Galiano)	5,000					5,000					5,000		5,000
2.667	Surfside Park Estates (Mayne)	-					-					-		-
2.670	Regional Water Supply	2,760,000	265,000	2,210,000	21,425,000	730,000	27,390,000	9,925,000	17,200,000	265,000				27,390,000
2.680	JDF Water Distribution	165,000	190,000	840,000	7,110,000		8,305,000	5,995,000	2,100,000	190,000		20,000	-	8,305,000
2.691	Wilderness Mountain Water Service				-		-				-	-		-
3.701	Millstream Site Remediation					-	-	-			-			-
3.705	SSI Septage / Composting				2,000,000		2,000,000	-	2,000,000		-	-		2,000,000
3.718	Saanich Peninsula Wastewater	-			400,000		400,000	-		150,000		250,000		400,000
3.798C	Debt - Core Area Wastewater Treatment Program	-	-		15,392,969		15,392,969	6,092,969	9,300,000		-			15,392,969
3.810	Ganges Sewer Utility (SSI)	-			-		-				-	-		-
3.820	Maliview Sewer Utility (SSI)				41,000		41,000		-		32,000	9,000		41,000
3.830	Magic Lake Sewer Utility (Pender)				-		-		-		-	-		-
3.850	Port Renfrew Sewer				150,000		150,000		150,000		-	-		150,000
TOTAL		**8,108,716**	**1,520,000**	**12,845,800**	**76,925,709**	**4,530,000**	**103,930,225**	**23,752,969**	**48,577,541**	**3,883,516**	**3,541,500**	**24,174,699**	**-**	**103,930,225**

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2024

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.011	Board Expenditures	37,000					37,000			37,000				37,000
1.014	Chief Administrative Officer	3,917					3,917			3,917				3,917
1.015	Real Estate	1,934					1,934			1,934				1,934
1.016	Human Resources	2,950					2,950			2,950				2,950
1.017	Finance	140,178					140,178	100,000		40,178				140,178
1.018	Health & Capital Planning Strategies	1,505					1,505			1,505				1,505
1.022	Information Technology	1,652,600					1,652,600	1,633,000		19,600				1,652,600
1.024	GM - Planning & Protective Services	-					-			-				-
1.025	Corporate Emergency	8,000					8,000			8,000				8,000
1.105	Facitilies Management	3,500	50,000				53,500			53,500				53,500
1.106	Facilities and Risk	-		1,600,000			1,600,000	-				1,600,000		1,600,000
1.107	Corporate Satellite Facilities			-			-					-		-
1.109	JDF Admin. Expenditures	-					-			-				-
1.110	SGI Admin. Expenditures	-					-			-				-
1.111	SSI Admin. Expenditures	1,200					1,200			1,200				1,200
1.118	Corporate Communications	2,950					2,950			2,950				2,950
1.123	Family Court Building			-			-	-				-		-
1.137	Galiano Island Community Use Building			-			-					-		-
1.141	SSI Public Library			-			-				-	-		-
1.226	Health Facilities - VIHA	110,000		-		75,000	185,000	-				185,000		185,000
1.235	SGI Small Craft Harbour Facilities				175,000		175,000	-	-			175,000		175,000
1.236	SSI Small Craft Harbour (Fernwood Dock)				-		-				-	-		-
1.238A	Community Transit (SSI)		-		-		-				-	-		-
1.238B	Community Transportation (SSI)				240,000		240,000	-	200,000		-	40,000		240,000
1.280	Regional Parks	74,000	555,000	-	1,635,000	3,800,000	6,064,000	-	-	629,000	-	5,435,000	-	6,064,000
1.290	Royal Theatre	-		700,000			700,000	-			-	700,000	-	700,000
1.295	McPherson Theatre	-		-			-	-			-	-	-	-
1.297	Arts Grants and Development	-					-			-				-
1.310	Land Banking and Housing	5,000		-			5,000		-	5,000	-		-	5,000
1.313	Animal Care Services	4,205	18,000				22,205			22,205				22,205
1.318	Building Inspection	-	45,000				45,000			45,000				45,000
1.323	ByLaw Services	1,030	15,000				16,030			16,030				16,030
1.324	Regional Planning Services	-					-			-				-
1.325	Community Planning	3,910					3,910			3,910				3,910
1.335	Geo-Spatial Referencing	40,000					40,000			40,000				40,000
1.350	Willis Point Fire	-	-	3,500			3,500		-	-	-	3,500		3,500
1.352	South Galiano Fire		603,000	-			603,000		-	603,000				603,000
1.353	Otter Point Fire	15,000		-			15,000	-		15,000		-		15,000
1.356	Pender Island Fire	28,000	-	-			28,000			28,000		-	-	28,000
1.357	East Sooke Fire	7,400	-				7,400	-		7,400		-		7,400
1.358	Port Renfrew Fire	-					-			-				-
1.360	Shirley Fire Department	-					-			-				-
1.369	Electoral Area Fire Services	-					-					-		-
1.370	JDF Emergency Program	-					-			-				-
1.371	SSI Emergency Program					-	-		-					-
1.372	Emergency Planning Coordination	2,500					2,500			2,500				2,500
1.373	SGI Emergency Program	-					-					-		-
1.375	Hazardous Material Incident Response	10,000					10,000			10,000				10,000
1.377	JDF Search and Rescue	-	-				-						-	-
1.405	JDF EA Community Parks & Recreation					-	-				-			-
1.40X	SEAPARC	66,000	-	200,000	-	500,000	766,000	-	500,000	66,000	-	200,000		766,000
1.44x	Panorama Recreation	524,525	-	136,000	-		660,525	-	-	374,525	-	286,000		660,525
1.455	SSI Community Parks	5,000	-		30,000		35,000		-	5,000	-	30,000	-	35,000
1.458	SSI Community Recreation	5,000		-	-		5,000			5,000	-	-		5,000
1.459	SSI Park Land & Rec Programs	35,000		2,445,000	30,000	100,000	2,610,000		-	35,000	2,425,000	150,000		2,610,000
1.465	Saturna Island Community Parks				6,000		6,000					6,000		6,000

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2024

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.475	Mayne Island Community Parks	5,000		7,000	-		12,000				-	12,000		12,000
1.485	Pender Island Community Parks			-	10,000		10,000				-	10,000		10,000
1.495	Galiano Community Parks				32,000		32,000	-				32,000		32,000
1.521	Environmental Resource Management	283,000			5,050,000		5,333,000	250,000	1,185,375	283,000		3,614,625		5,333,000
1.523	Port Renfrew Refuse Disposal	-			-		-			-		-		-
1.575	Environmental Administration Services	-					-			-				-
1.576	Environmental Engineering Services	40,000	80,000				120,000	-		120,000				120,000
1.577	IW - Environmental Operations	311,400					311,400			311,400				311,400
1.578	Environmental Protection	98,000	-				98,000			98,000				98,000
1.579	Environmental Water Quality	-					-			-				-
1.911	911 Call Answer	-					-			-				-
1.913	913 Fire Dispatch	5,000					5,000			5,000				5,000
2.610	Saanich Peninsula Water Supply	-			4,720,000		4,720,000		4,500,000	60,000		160,000		4,720,000
2.620	Highland Water (SSI)				-		-	-						-
2.621	Highland & Fernwood Water (SSI)	25,000			-		25,000	-	-		-	25,000		25,000
2.622	Cedars of Tuam Water (SSI)	-			-		-		-		-	-		-
2.624	Beddis Water (SSI)	-			50,000		50,000		-		-	50,000		50,000
2.626	Fulford Water (SSI)	10,000			-		10,000		-		-	10,000		10,000
2.628	Cedar Lane Water (SSI)				-		-				-	-		-
2.630	Magic Lake Estates Water (Pender)	-			135,000		135,000					135,000		135,000
2.640	Lyall Harbour Boot Cove Water (Saturna)	-			-		-		-		-	-		-
2.642	Skana Water (Mayne)	-			-		-		-			-		-
2.650	Port Renfrew Water	10,000			-		10,000		-		-	10,000		10,000
2.660	Fernwood Water (SSI)					-	-		-					-
2.665	Sticks Allison Water (Galiano)	-					-					-		-
2.667	Surfside Park Estates (Mayne)	-					-					-		-
2.670	Regional Water Supply	1,020,000	280,000	80,000	21,500,000	500,000	23,380,000	12,000,000	11,100,000	280,000				23,380,000
2.680	JDF Water Distribution	165,000	580,000	340,000	6,360,000		7,445,000	6,545,000	300,000	580,000		20,000	-	7,445,000
2.691	Wilderness Mountain Water Service				-		-				-	-		-
3.701	Millstream Site Remediation					-	-	-			-			-
3.705	SSI Septage / Composting				-		-	-	-		-	-		-
3.718	Saanich Peninsula Wastewater	-			1,535,000		1,535,000	-		150,000		1,385,000		1,535,000
3.798C	Debt - Core Area Wastewater Treatment Program	-	-		16,679,745		16,679,745	5,529,745	11,150,000		-			16,679,745
3.810	Ganges Sewer Utility (SSI)	25,000			-		25,000				-	25,000		25,000
3.820	Maliview Sewer Utility (SSI)				-		-		-		-	-		-
3.830	Magic Lake Sewer Utility (Pender)				-		-		-		-	-		-
3.850	Port Renfrew Sewer				1,350,000		1,350,000		1,350,000		-	-		1,350,000
TOTAL		**4,789,704**	**2,226,000**	**5,511,500**	**59,537,745**	**4,975,000**	**77,039,949**	**26,057,745**	**30,285,375**	**3,972,704**	**2,425,000**	**14,299,125**	**-**	**77,039,949**

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2025

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.011	Board Expenditures	35,000					35,000			35,000				35,000
1.014	Chief Administrative Officer	4,835					4,835			4,835				4,835
1.015	Real Estate	967					967			967				967
1.016	Human Resources	7,326					7,326			7,326				7,326
1.017	Finance	21,818					21,818	-		21,818				21,818
1.018	Health & Capital Planning Strategies	3,009					3,009			3,009				3,009
1.022	Information Technology	285,000					285,000	260,000		25,000				285,000
1.024	GM - Planning & Protective Services	-					-			-				-
1.025	Corporate Emergency	-					-			-				-
1.105	Facitilies Management	2,000	-				2,000			2,000				2,000
1.106	Facilities and Risk	-		100,000			100,000	-				100,000		100,000
1.107	Corporate Satellite Facilities			-			-					-		-
1.109	JDF Admin. Expenditures	-					-			-				-
1.110	SGI Admin. Expenditures	-					-			-				-
1.111	SSI Admin. Expenditures	-					-			-				-
1.118	Corporate Communications	7,899					7,899			7,899				7,899
1.123	Family Court Building			-			-	-				-		-
1.137	Galiano Island Community Use Building			-			-					-		-
1.141	SSI Public Library			-			-				-	-		-
1.226	Health Facilities - VIHA	-		-		-	-	-				-		-
1.235	SGI Small Craft Harbour Facilities				50,000		50,000	-	-			50,000		50,000
1.236	SSI Small Craft Harbour (Fernwood Dock)				-		-				-	-		-
1.238A	Community Transit (SSI)		-		-		-				-	-		-
1.238B	Community Transportation (SSI)				240,000		240,000	-	200,000		-	40,000		240,000
1.280	Regional Parks	60,000	370,000	-	2,770,000	3,800,000	7,000,000	-	-	430,000	-	6,570,000	-	7,000,000
1.290	Royal Theatre	-		250,000			250,000	-			-	250,000	-	250,000
1.295	McPherson Theatre	-		-			-	-			-	-	-	-
1.297	Arts Grants and Development	-					-			-				-
1.310	Land Banking and Housing	-		-			-		-	-	-		-	-
1.313	Animal Care Services	-	-				-			-				-
1.318	Building Inspection	-	-				-			-				-
1.323	ByLaw Services	-	-				-			-				-
1.324	Regional Planning Services	-					-			-				-
1.325	Community Planning	-					-			-				-
1.335	Geo-Spatial Referencing	-					-			-				-
1.350	Willis Point Fire	50,000	-	-			50,000		-	50,000	-	-		50,000
1.352	South Galiano Fire		3,000	-			3,000		-	3,000				3,000
1.353	Otter Point Fire	15,000		-			15,000	-		15,000		-		15,000
1.356	Pender Island Fire	105,000	-	-			105,000			105,000		-	-	105,000
1.357	East Sooke Fire	7,500	-				7,500	-		7,500		-		7,500
1.358	Port Renfrew Fire	-					-			-				-
1.360	Shirley Fire Department	-					-			-				-
1.369	Electoral Area Fire Services	-					-					-		-
1.370	JDF Emergency Program	-					-			-				-
1.371	SSI Emergency Program					-	-		-					-
1.372	Emergency Planning Coordination	-					-			-				-
1.373	SGI Emergency Program	-					-					-		-
1.375	Hazardous Material Incident Response	10,000					10,000			10,000				10,000
1.377	JDF Search and Rescue	-	-				-						-	-
1.405	JDF EA Community Parks & Recreation					-	-				-			-
1.40X	SEAPARC	-	-	-	200,000	-	200,000	-	-	-	-	200,000		200,000
1.44x	Panorama Recreation	613,069	-	250,000	-		863,069	-	-	478,069	-	385,000		863,069
1.455	SSI Community Parks	5,000	55,000		40,000		100,000		-	60,000	-	40,000	-	100,000
1.458	SSI Community Recreation	5,000		-	-		5,000			5,000	-	-		5,000
1.459	SSI Park Land & Rec Programs	30,000		75,000	-	-	105,000		-	30,000	25,000	50,000		105,000
1.465	Saturna Island Community Parks				6,000		6,000					6,000		6,000

CAPITAL REGIONAL DISTRICT - CAPITAL EXPENDITURE PLAN

2025

Schedule B

		CAPITAL EXPENDITURE						SOURCE OF FUNDING						
Service #	Service Name	Equipment	Vehicles	Buildings	Engineered Structures	Land	TOTAL	Capital Funds on Hand	Debenture Debt	Equipment Repl Fund	Grants	Capital Reserves	Other	TOTAL
1.475	Mayne Island Community Parks	-		-	15,000		15,000				-	15,000		15,000
1.485	Pender Island Community Parks			-	10,000		10,000				-	10,000		10,000
1.495	Galiano Community Parks				25,900		25,900	-				25,900		25,900
1.521	Environmental Resource Management	-			2,000,000		2,000,000	-	-	-		2,000,000		2,000,000
1.523	Port Renfrew Refuse Disposal	-			-		-			-		-		-
1.575	Environmental Administration Services	-					-			-				-
1.576	Environmental Engineering Services	40,000	-				40,000	-		40,000				40,000
1.577	IW - Environmental Operations	379,300					379,300			379,300				379,300
1.578	Environmental Protection	75,500	-				75,500			75,500				75,500
1.579	Environmental Water Quality	-					-			-				-
1.911	911 Call Answer	-					-			-				-
1.913	913 Fire Dispatch	5,000					5,000			5,000				5,000
2.610	Saanich Peninsula Water Supply	-			1,124,500		1,124,500		300,000	60,000		764,500		1,124,500
2.620	Highland Water (SSI)				-		-	-						-
2.621	Highland & Fernwood Water (SSI)	40,000			-		40,000	-	-		-	40,000		40,000
2.622	Cedars of Tuam Water (SSI)	-			-		-		-		-	-		-
2.624	Beddis Water (SSI)	30,000			-		30,000		-		-	30,000		30,000
2.626	Fulford Water (SSI)	-			-		-		-		-	-		-
2.628	Cedar Lane Water (SSI)				-		-				-	-		-
2.630	Magic Lake Estates Water (Pender)	-			45,000		45,000					45,000		45,000
2.640	Lyall Harbour Boot Cove Water (Saturna)	-			-		-		-		-	-		-
2.642	Skana Water (Mayne)	400,000			-		400,000		400,000			-		400,000
2.650	Port Renfrew Water	10,000			200,000		210,000		200,000		-	10,000		210,000
2.660	Fernwood Water (SSI)					-	-		-					-
2.665	Sticks Allison Water (Galiano)	-					-					-		-
2.667	Surfside Park Estates (Mayne)	-					-					-		-
2.670	Regional Water Supply	830,000	280,000	80,000	2,850,000	400,000	4,440,000	4,160,000	-	280,000				4,440,000
2.680	JDF Water Distribution	165,000	165,000	40,000	6,555,000		6,925,000	6,740,000	-	165,000		20,000	-	6,925,000
2.691	Wilderness Mountain Water Service				-		-				-	-		-
3.701	Millstream Site Remediation					-	-	-			-			-
3.705	SSI Septage / Composting				-		-	-	-		-	-		-
3.718	Saanich Peninsula Wastewater	-			810,000		810,000	-		150,000		660,000		810,000
3.798C	Debt - Core Area Wastewater Treatment Program	-	-		18,379,745		18,379,745	5,529,745	12,850,000		-			18,379,745
3.810	Ganges Sewer Utility (SSI)	-			-		-				-	-		-
3.820	Maliview Sewer Utility (SSI)				-		-		-		-	-		-
3.830	Magic Lake Sewer Utility (Pender)				-		-		-		-	-		-
3.850	Port Renfrew Sewer				400,000		400,000		400,000		-	-		400,000
TOTAL		**3,243,223**	**873,000**	**795,000**	**35,721,145**	**4,200,000**	**44,832,368**	**16,689,745**	**14,350,000**	**2,456,223**	**25,000**	**11,311,400**	**-**	**44,832,368**

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REPORT TO REGIONAL PARKS COMMITTEE
MEETING OF WEDNESDAY, APRIL 28, 2021

SUBJECT **CRD Regional Parks Mountain Biking Guidelines**

ISSUE SUMMARY

To seek direction on the proposed Capital Regional District (CRD) Regional Parks Mountain Biking Guidelines.

BACKGROUND

A Notice of Motion was introduced at the October 23, 2019 Parks & Environment Committee meeting recommending that the CRD Board approve a budget, provide staffing and request that staff develop a Terms of Reference (TOR) for an advisory committee with the goal of developing a mountain biking policy for CRD Regional Parks within a defined timeframe.

On October 30, 2019, the CRD Board, at a special meeting, recommended the approval of $40,000 in the 2020 Financial Plan to support the creation of an advisory committee to support the development of a mountain biking policy. The Notice of Motion was approved by the CRD Board on November 13, 2019.

In response to the Notice of Motion, staff developed a draft TOR for an advisory committee to provide advice and guidance for the use of developing mountain biking guidelines in CRD regional parks. On May 27, 2020, the TOR for a Mountain Biking Advisory Committee was approved by the CRD Board.

The Mountain Biking Advisory Committee (MBAC) is comprised of people in the capital region with an interest in recreation and a knowledge of the regional park system. The members of the advisory committee represent a variety of stakeholders with diverse backgrounds, interests and geographical locations. The MBAC developed an advice and guidance report (Appendix B) to support staff in the development of the CRD Regional Parks Mountain Biking Guidelines (Appendix A). The MBAC was provided the draft guidelines for review and CRD staff further refined the mountain biking guidelines after receiving their feedback. Advice and guidance that fell outside of the MBAC terms of reference has been considered for further action and based on this, a set of short-term actions have been identified (Appendix C). A longer-term vision for mountain biking in the CRD will be addressed during the upcoming Regional Parks Strategic Plan update.

Implementation of the guidelines is forward-looking. They do not automatically apply retroactively to regional parks or trails. The guidelines will be used to bring about consistency and structure to decisions regarding mountain biking within the regional park system.

ALTERNATIVES

Alternative 1

The Regional Parks Committee recommends to the Capital Regional District Board:

That the CRD Regional Parks Mountain Biking Guidelines and the Short-term Actions to support the Mountain Biking Advisory Committee Advice and Guidance Report be approved.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Social Implications

The mountain biking guidelines provide a transparent process for identifying the most appropriate mountain biking areas within regional parks and acknowledges that there is a desire for more quality mountain biking experiences in the system. As of 2020, Regional Parks has 239 kilometres of trails that allow mountain biking. Although not necessarily optimized or rated for mountain biking, they offer some form of mountain biking or cycling. Out of these trails, 67 kilometres have been assessed and given a difficulty rating for mountain biking.

Environmental & Climate Implications

With 8.5 million visits to the regional parks system in 2020, it is important to manage and minimize possible ecological impacts caused by recreational activities on parks ecosystems. Protecting sensitive ecosystems and biodiversity are key factors to creating resiliency towards climate change. The mountain biking guidelines will provide the CRD additional tools that it needs to establish quality mountain biking opportunities while ensuring adequate and ongoing protection of cultural and environmental values, such as species, habitats and ecosystems within the regional parks system.

Intergovernmental Implications

CRD regional parks are part of a network of local, regional, provincial, federal and private mountain biking opportunities across the landscape. Given that the CRD is not able to meet the current demand for mountain biking opportunities, a region-wide approach is required in order to provide a diversity of cycling experiences and opportunities within the larger capital region for regional residents and visitors. CRD regional parks play a role in providing mountain biking opportunities as well as optimizing existing trails/trail networks that contribute to the overall mountain biking experience.

Service Delivery Implications

The CRD recognizes there is a gap between the demand for mountain biking and the outdoor recreation offered in the region. Although the full demand may never be met within regional parks, the CRD will continue to play a role in providing mountain biking areas and opportunities when identified through a park management planning process.

Any land altering works need to be carefully assessed with the lens of protecting both ecological and cultural values. To minimize impacts to cultural resources, CRD will be working with local First Nations, where possible, to better understand the cultural values on the landscape and ensure that recreational uses are compatible. The CRD follows cultural heritage policies and legislation during planning processes and land altering works to protect archaeological, cultural and heritage values in the CRD.

Recognizing that mountain biking groups play a key role in championing mountain biking etiquette and sanctioned trails, monitoring and advocating for safe and quality experiences and celebrating the recreational community, mountain biking experiences in the region are likely to be more successful when involving a local mountain biking group.

Alignment with Existing Plans & Strategies

The 2012-2021 Regional Parks Strategic Plan identifies some of the challenges facing the regional park system. One challenge is placing the right activity in the right area, within the context of the vision and designated purpose of the regional park system and of specific parks or trails. Given that mountain biking guidelines cannot supersede other planning processes, these guidelines have been drafted with the purpose of providing specific direction and a systematic and consistent decision-making process for planning, developing and managing mountain biking activities throughout CRD regional parks. These guidelines do not provide a plan for where, how and when mountain biking opportunities should occur in regional parks, rather guide established decision-making processes that identify mountain biking opportunities, such as the park management planning processes.

It's important to note that the guidelines document will never be one size fits all for addressing all the experiences and expectations of stakeholder groups. As such, there are some aspects of the advice provided by MBAC which are not reflected in the guidelines as they were out of scope of the TOR. This should not be perceived as a lack of commitment to addressing the advice and guidance provided by the MBAC.

To that end, a series of short-term actions have been provided (Appendix C) to support and enhance mountain biking in regional parks where mountain biking is identified as an acceptable use.

Staff see the guidelines as the first step towards the CRD and the various stakeholders working closer together to continue to build better and more sustainable quality mountain biking experiences in the regional parks system.

CONCLUSION

A Notice of Motion was approved by the CRD Board on November 13, 2019 to create an advisory committee to support the development of a mountain biking policy. With the advice and guidance from the Mountain Biking Advisory Committee, staff have developed and sought approval for the CRD Regional Parks Mountain Biking Guidelines. The guidelines are forward-looking and will provide a consistent approach to assessing and managing the provision of mountain biking opportunities within CRD regional parks over time.

RECOMMENDATION

The Regional Parks Committee recommends to the Capital Regional District Board:

That the CRD Regional Parks Mountain Biking Guidelines and the Short-term Actions to support the Mountain Biking Advisory Committee Advice and Guidance Report be approved.

Submitted by:	Jeff Leahy, RPF, Senior Manager, Regional Parks
Concurrence:	Larisa Hutcheson, P.Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

Appendix A: CRD Regional Parks Mountain Biking Guidelines
Appendix B: MBAC Mountain Bike Guidelines: Advice and guidance to CRD Regional Parks report
Appendix C: Short-term Actions to support the MBAC Advice and Guidance Report

Mountain Biking Guidelines

Regional Parks

Making a difference...together

Capital Regional District | April 2021

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Traditional Territory Acknowledgement

We acknowledge that we are on the traditional territory of WSIKEM (Tseycum), WJOŁEŁP (Tsartlip), STÁUTW (Tsawout), BOḰEĆEN (Pauquachin), MÁLEXEŁ (Malahat), Songhees, Esquimalt, T'Sou-ke, Sc'ianew (Beecher Bay), Cowichan, Penelakut, Lyackson and Pacheedaht First Nations. Indigenous culture, land, food, medicine and storytelling are all inextricably tied to the surrounding lands and waters.

As we explore these Mountain Biking Guidelines, let us be mindful of the potential implications that our decisions have on Indigenous peoples and their territories and thank them for sharing this land with us.

Glossary

Activity Optimized Trails allow two or more distinct activities to occur on the trail, but have been designed and incorporate activity optimized features that elevate the experience for only one of the activities.

Board means the Board of the Capital Regional District.

CRD means the Capital Regional District.

Constructed Technical Training Features are human-made structures that often require the use of artificial materials such as processed lumber and metal fasteners.

Engagement means communicating with stakeholders through a variety of means. This can be through, but not limited to, conversations, workshops, surveys or information circulated/distributed by CRD staff.

Enhanced Technical Training Features manipulate natural materials to increase the challenge.

Flow Trail (*Flowy*) is a trail that is usually machine-built or constructed and typically contains berms, rollers and potentially jumps, designed to emphasize rhythm and meander through the landscape, connecting features that use the rider's momentum to minimize pedaling and braking.

IMBA Standards refers to the International Mountain Biking Association's guide for trail building[1].

Linear Disturbance refers to straight or curvilinear movement corridors that usually contrast with the adjacent landscape. In a regional context these are often old logging roads or hydro line paths.

Mountain Biking Experience is defined as the ability for a rider to take part in their desired discipline on a trail that provides their desired level of difficulty within a desired recreation setting and landscape.

Mountain Biking is an outdoor recreation activity involving riding bicycles off-road, often over rough terrain, using specially designed mountain bikes. It is an umbrella term used to refer to a variety of more specific mountain biking disciplines (such as cross country, all mountain, downhill and adaptive mountain biking) that seek out different terrain, trail design characteristics, technical trail features and supporting infrastructure.

Multi-use Trails allow two or more distinct activities to occur on a single trail but the experience and amenities have not been optimized for any particular activity.

Natural Technical Training Features incorporate the use of existing natural features into the trail design – these highlight the landscape of the area.

[1] Felton, V. (2004) *Trail Solutions: IMBA's Guide to Building Sweet Singletrack*

Park Values means the value of regional parks to the residents of the CRD, as outlined in the Regional Parks Strategic Plan[2], including the parks' contribution to regional sustainability, environmental protection, building healthy communities, contributing to the regional economy, and reflecting local cultural heritage.

Pedal Assist is a mode of power engagement that requires pedaling feedback/input from the user to engage the motor.

Recreational Setting is made up of the characteristics of the area (i.e., developed vs pristine wilderness) along with the distinct ecosystem in which it exists.

Self-Propelled is the propulsion by pedals using human power. This includes pedal-assist cycles which enhance the effort of the rider only when they are pedaling.

Single-use Trails allow only one recreation activity and have been designed to optimize the experience for that activity.

Single-track Trails are a type of mountain biking trail approximately the width of the bike.

Special Use is any commercial or non-commercial service, activity or event that attracts participants or spectators, for which a park permit is required, and includes but is not limited to festival, competition, tournament, show or outdoor ceremony. A park use permit is required for all special use.

Technical Trail is a trail that integrates rough terrain, such as roots, rocks and obstacles and can require a greater degree of skill to ride as they involve a greater degree of pedaling and braking.

Technical Trail Features (TTFs) are obstacles or design elements on a mountain biking trail that improve trail flow or add difficulty in order to challenge the skill of trail users. The three TTFs are natural, enhanced and constructed.

Technical Training Area is a special use area that features a variety of technical trail features. The focus is on riders' skill development.

Trail is a type of infrastructure that is purposefully designed, constructed, and used to facilitate one or more recreational activities. To be recognized as a trail, the route must be approved by the landowner/land manager, mapped, marked or signed, and actively managed and maintained.

[2] https://www.crd.bc.ca/docs/default-source/crd-document-library/plans-reports/parks-recreation/regional-parks-strategic-plan-2012-21.pdf?sfvrsn=b19788c9_2

Mountain Biking Guidelines

Application

The Mountain Biking Guidelines apply to all mountain biking activities taking place within the CRD regional parks system. This includes mountain biking as an activity as well as the construction and maintenance of mountain biking trails and related facilities and infrastructure.

The guidelines are forward-looking and intended to be applied by CRD staff, Committees and the Board during:

- Strategic planning
- Park management planning
- Land acquisition
- Capital planning
- Sustainable service delivery
- Operations and facility maintenance
- Compliance and enforcement
- Collaboration and partnership opportunities

The guidelines serve as a tool for standardized language and common understanding as we work with stakeholders. These guidelines are to be implemented in a manner consistent with overarching legal requirements and strategic policies applicable to CRD Regional Parks. The key documents related to these guidelines may be updated and changed from time to time. The current list of documents can be found in Appendix 1.

Background

Visitation to regional parks is growing yearly, with an increase from 5.2 million in 2010 to 8.6 million in 2020. The increase in park users and uses has resulted in more demand for outdoor recreation opportunities for a range of experiences and activities, including mountain biking. As of 2020, CRD Regional Parks has 239 kilometres of trails, although not necessarily optimized or rated for mountain biking, that offer some form of mountain biking or cycling. Out of these trails, 67 kilometres have been assessed and given a difficulty rating for mountain biking.

Regional Parks recognizes that mountain biking is a mainstream outdoor recreation activity that has increased in popularity throughout North America and is enjoyed by a diversity of people of all ages and abilities for the physical, mental and social benefits. Mountain biking creates an opportunity to connect riders with nature, as well as, provides the excitement and challenge that the riders are seeking. The capital region's temperate climate, together with its growing network of trails and suitable terrain, make the region appealing for mountain biking year round.

Recognizing that mountain biking groups play a key role in championing mountain biking etiquette and sanctioned trails, monitoring and advocating for safe and quality experiences, and celebrating the recreational community, mountain biking experiences in the region are likely to be more successful when involving a local mountain biking group.

The regional parks system currently offers a mountain biking trail network in two regional parks: Mount Work and Sea to Sea. The trails in these locations are assigned with a trail difficulty rating adopted from the International Mountain Biking Association standards. At this time, mountain biking trails include all trail designations, including multi-use trails and/or access roads. These trails may not be optimized for mountain biking. The proportion of each trail difficulty rating on designated trails, although not necessarily optimized, is outlined as follows:

Regional Park	Green	Blue	Black	Double Black	Total
Mount Work – Hartland	20.7% (9.5 km)	18.3% (8.4 km)	49.9% (22.9 km)	11.1% (5.1 km)	100% (45.9 km)
Sea to Sea – Mount Manuel Quimper	39.5% (9.4 km)	17.7% (4.2 km)	37.8% (9.0 km)	5.0% (1.2 km)	100% (23.8 km)

Figure 1: Based on CRD Regional Parks & Environmental Services GPS regional park trail data (2019).

The CRD recognizes there is a gap between the demand for mountain biking and the outdoor recreation offer in the region. Although the full demand may never be met, CRD Regional Parks can play a role in providing mountain biking opportunities as well as optimizing existing trails/trail networks that contribute to the overall mountain biking experience.

In order to improve the mountain biking experience in regional parks, a Mountain Biking Advisory Committee (MBAC) was established in 2020. This committee developed the *Mountain Bike Guidelines: Advice and Guidance to CRD Regional Park*s which supported staff in the development of these guidelines.

Regional parks are part of the mountain biking offer within the entire region and are not able to provide all mountain biking experiences in all locations for all users. A region-wide approach is required in order to provide a diversity of mountain biking experiences for regional residents and visitors, see map (Appendix 2) when considering a regional approach to the mountain biking offer within the greater region.

Purpose

The purpose of the Mountain Biking Guidelines is to provide clear direction and a systematic and consistent decision-making process for planning, developing and managing mountain biking activities throughout CRD regional parks. These guidelines do not provide a plan for where, how and when mountain biking opportunities should occur in regional parks, nor do they make any commitments.

Principles

The following principles guide the application of the guidelines:

- The CRD acknowledges that opportunities for sustainable and safe mountain biking will be provided within the regional park system.
- CRD Regional Parks will continue to provide mountain biking opportunities that allow for quality experiences for a range of ages and abilities.
- CRD Regional Parks allows for mountain biking as a self-propelled, including pedal assist, outdoor recreation activity on designated trails.
- The CRD recognizes that mountain biking is an activity that cannot be supported in all regional parks.
- As per the CRD's commitments to First Nations' reconciliation within the regional park system, mountain biking decisions will honour First Nation relationships with the land and water and help ensure protection of important cultural values.
- The CRD recognizes that engagement with the mountain biking community is key to success.
- CRD Regional Parks will continue working with mountain bikers to better understand the range of desired mountain biking experiences in regional parks (i.e., supply, discipline, and difficulty level).
- CRD Regional Parks will plan for and manage for recreational activities in a way that prevents or minimizes the potential for conflicts and safety risks.
- CRD Regional Parks will close and remediate mountain biking trails that are considered unsafe, unauthorized, redundant or have an unacceptable level of impact to park values.
- CRD Regional Parks will ensure that building and maintaining mountain biking infrastructure is compatible with sustainable service delivery.
- Proposed mountain biking events will have to be applied for through the park permitting process.
- CRD Regional Parks will commit to ongoing staff training on construction/development and design of mountain biking facilities to stay current, increase expertise and collaborate with the mountain biking community.

Disciplines

Context

Mountain biking is an umbrella term that is used to refer to a variety of more specific mountain biking disciplines. Each of these disciplines seek out different terrain, trail design characteristics, technical trail features and supporting infrastructure. With the exception of adaptive mountain biking, most mountain bike disciplines seek single-track, purpose-built and mountain bike optimized trails. In general, these single-track trails can be designed to provide a "flow" experience and/or a "technical" experience.

Though mountain bike disciplines continue to evolve, the most typical mountain biking disciplines referenced today include:

- Cross country (as well as gravel riding & cyclocross which use cross-country trails): involving off-roading through a variety of terrain. Trails incorporate long climbs and flowing descents, and sometimes will incorporate technical trail features like rock gardens.

- All mountain: this discipline entails overcoming extreme natural obstacles and is more of a technical ride and less flowy than cross-country trails. These trails have more of a focus on downhill sections of the trail with a number of technical trail features.
- Downhill: trails are designed to take riders down rough and steep hills that incorporates technical trail features along the descent. This discipline is focused on one direction riding using gravity to propel a rider down the hill and other means of transportation such as vehicle or lift to bring the rider back to the top.
- Adaptive Mountain Biking: for riders who require a certain type of bike and trail to be ridden. These bikes can vary from trike bikes to hand bikes and wheelchair bikes. Properly designed and constructed adaptive mountain biking trails are required to accommodate the specifications of these bikes.

Guidance

Regional Parks will focus on the development of cross country and all mountain disciplines and will further research best practices for creating opportunities for Adaptive Mountain Biking in regional parks.

Trail Designations

Context

A trail is a type of infrastructure that is purposefully designed, constructed, and used to facilitate one or more recreational activities. Trail designations influence how people experience the trail and determine if it is intended for one or multiple user groups. There are a number of factors determining how a trail will be designated, including the park management zone, recreational setting, ecological and cultural heritage considerations, range of recreational users, potential for user conflicts, visitation levels, and maintenance requirements among others.

The most common trail designations are:

Multi-use Trails

Multi-use trails or shared-use trails allow for two or more distinct recreation activities to access and share a trail. The characteristics of a multi-use trail are:

- Accommodates a range of recreational activities.
- Creates opportunities to develop mutual respect and build awareness among different recreational activities and users.
- Takes advantage of limited space when there are many different activities and allow access to unique destinations for all users.
- Limits ecosystem impacts by concentrating recreational impact on a single trail.

Single-use Trails

Single-use trails allow for one recreation activity to access and use a trail. The characteristics of single-use trails are:

- Helps alleviate crowding on the trails.
- Helps avoid trailhead crowding by separating access points for specific recreation activities.
- Targets the desired experience of the specific recreation group.
- Allows specific recreational users to travel at their desired speed without worry of affecting others.
- Provide skill areas that allow specific recreational activities to focus on and improve their abilities.

Activity Optimized Trails

Activity optimized trails allow for two or more recreational activities to access and share the trail but are designed to optimize the experience of only one recreational activity. The advantages of activity optimized trails are:

- Combine many of the benefits of multi-use and single-use trails.
- Can utilize optimized features that enhance the experience for a specific recreational activity.

Guidance

Trail designations can greatly influence the user experience. Trails that have been optimized for mountain biking may look and feel quite different from those that are designed for multiple activities. The trail designation needs to consider what activities will be using the trail, the mountain biking discipline the trail is being designed for as well as the direction of travel of a rider. The trail designation must also consider if it lies within a regional parks management zone (Appendix 3) or special use area (Appendix 4), such as a mountain biking area, as these speak to the acceptable trail density as well as influence the experiences the trail can offer.

Trail Difficulty Rating

Context

A trail difficulty rating system enables visitors to understand the nature of the trail(s) before beginning their ride and allows them to plan their ride for the experience that they are seeking.

Guidance

When trails will be designated for mountain biking opportunities, the CRD will apply the trail difficulty rating included in Appendix 5. Only mountain bike single-use and activity optimized trails will be rated.

Technical Trail Features

Context

Technical trail features (TTFs) are obstacles or design elements on a mountain biking trail that improve trail flow or add difficulty in order to challenge the skill of trail riders. TTFs are an important part of mountain biking trails and are meant to enhance the mountain biking experience. Typically, a mountain biker has the option to ride or bypass TTFs. Work constructed solely for the purpose of enhancing trail safety or access (e.g., a bridge crossing a stream) or to maintain ecological integrity or cultural values are not considered TTFs.

Below are three categories of TTFs with examples of features under each:

Natural	Enhanced	Constructed
Drop	Rock garden	Wooden berm
Rock face / slab	Dirt berm	Bridge (used for play)
Rock roll	Switch berm	Wall ride
Exposure	Small rollers	Skinny
Roots	Log ride	Jumps that are human built
Natural rock garden	Table top	Gap jump
	Step up/down	Pump track
	Jump using existing natural features	

Figure 2: Based on information from IMBA.

Guidance

For CRD Regional Parks, the focus will be to incorporate natural trail features along with enhanced trail features. TTFs should be developed using natural materials as they are more durable and blend into the surrounding landscape. The use of constructed TTFs should be kept to a minimum and will mostly be considered for the use in technical training areas. CRD staff will review proposed features in order to determine their acceptability based on risk, sustainability, difficulty rating as well as any other factors that go into the trail development process. Professional engineers may have to design the more technical features.

Risk Management

Context

Mountain biking carries a certain amount of risk that most riders come to expect. They feel the associated potential hazards contributes to the enjoyment of the activity (i.e., uneven ground; steep slopes; cliffs).

It is important to recognize the potential safety hazards associated with mountain biking in order to minimize/mitigate the impact of this outdoor recreation activity on the riders and other park visitors. Risk management focuses on identifying, assessing, mitigating, communicating and documenting risks to illustrate reasonable action has been taken to minimize the negative consequences.

As trails are developed, appropriate mitigation measures will be developed to lower the risk to all regional park users. Some of the key risks related to mountain biking in regional parks are:

- Absent, inadequate or misleading signage – trails will be clearly identified, evaluated, rated and marked. Trails need to be identified as recreational infrastructure and users assume all risk when using the trails.
- Unauthorized trails and structures/features developed by users, expanding and changing trails and trail networks, creating unsafe paths for other users – all these changes create safety concerns as they are not identified in the formal trail network. These changes do not adhere to site emergency plans, and

are not regularly inspected or maintained. Regional Parks will close and remediate unauthorized trail construction or trail modification.
- Other considerations such as rider safety and trail design must be considered during the trail planning process.

Guidance

Mitigation measures that are used to reduce risk are:

- Applying trail difficulty ratings to inform users of potential hazards associated with mountain biking use.
- Minimizing constructed TTFs, especially wood features, and following approved regional parks standards or sound engineering design. This minimizes the level of maintenance involved with upkeep and potential liability associated with substandard structures.
- Developing properly designed trails that include design standards for specific uses, with associated operational, monitoring and maintenance activity. Have ongoing monitoring and maintenance documented by staff or the license agreement holder who will provide such documents at specified intervals to the CRD. Extremely hazardous conditions should be reported immediately (i.e., dangerous trees, fallen trees, unstable terrain, etc.) to the CRD.
- Conducting independent evaluations at specified intervals (approximately every 5 years) to formally assess the maintenance, evaluate the difficulty levels for each trail and recommend changes/modifications where appropriate. Review by an Engineer where required or an IMBA certified trail builder is necessary to ensure the work/maintenance/design comply with CRD standards.
- Including all mountain biking areas in the park emergency plan for that location. Key features to identify are: risks, emergency response organizations, responsibilities and coordination between agencies, and maps of the area with key access points and key infrastructure among others.
- All special use events on CRD land require a permit with the CRD and the appropriate insurance requirements identified. Accompanying permit applications should include a site safety plan, identify attendee conduct, parking requirements, emergency planning, crowd control, etc.

Quality Experience

Context

A mountain bike experience relies on a number of elements, including the mountain biking discipline, the level of difficulty of the trail and the recreational setting in which it takes place.

The recreational setting is important to consider in relation to experience. Is the setting backcountry or urban, what topography is present, what is the dominant ecosystem type and are there desirable vistas? These factors contribute to the overall type of recreational setting available in any given location and in turn what kind of experience those settings will provide for mountain bikers.

Mountain bikers are typically looking for experiences that test their endurance, develop their skills and abilities, and provide the element of risk while enjoying nature and reducing stress. The social experiences of mountain biking can range from seeking solitude and independence to being with family and friends. A quality mountain biking trail relies on factors such as play, technical challenge, skills progression and trail rhythm. These experiences can vary from rider to rider or day to day depending on the objectives the rider is looking for. Below is a list of mountain biking objectives to be considered and discussed when defining what type of experience is being provided on an existing mountain biking trail or when planning for future trail development.

Mountain Biking Objectives	Description
Nature	Connection to nature. This can be anything from being among a few trees in the middle of an urban area to remote wilderness. Nature is an important factor to many riders.
Escape	Something that takes a person away from their daily routine and allows them to get lost in the experience of riding. It often means getting away from the urban environment, but can be escaping to purpose built trails.
Solitude	Getting away from the urban environment to be active but alone in the quiet of the outdoors.
Challenge	Seeking to improve technical ability, to solve a problem and reach a sense of accomplishment.
Risk	Exposure to danger, harm, or loss and the intentional interaction with uncertainty. The perception of risk creates a thrill for many trail users. It can be a positive or negative part of the trail experience depending on expectation and risk tolerance.
Play/Playfulness	Engaging in the activity purely for enjoyment, bringing a childlike wonder to the pursuit with no destination. This often means seeking features to enhance/alter the experience rather than simply riding from point to point. Play/playfulness is a very important factor that distinguishes mountain bikers from many other trail users.
Exercise	Health and fitness are part of the sport of mountain biking. For some this is a primary goal, for others it is a result of other factors and objectives. Exercise can also be an obstacle.
Efficiency	Efficiency is about getting to a destination or accomplishing a task with the least amount of time or effort expended. Road climbs are very efficient, as are trails that ascend directly to a destination. Efficiency sometimes means compromising sustainability and fun/play.
Education	Sometimes learning is the objective, such as the case with interpretive trails for nature, culture, or historical topics.

Figure 3: List of mountain biking objectives to be considered and discussed[3]

Guidance

The mountain biking objectives establish a common language that should be used in describing/discussing all the factors that go into a mountain biking experience. These objectives should be used when looking at new trails and trail networks, along with evaluating the existing offer. These objectives can vary along

[3] Adapted from https://www.blm.gov/sites/blm.gov/files/Guidelines-for-a-Quality-Trail-Experience-2017.pdf

a spectrum and can change from rider to rider; engaging with the local mountain biking community, when possible, will create a better understanding of the desired objective for each trail.

Assessment Criteria

Context

An Assessment Checklist (Appendix 6) has been developed to help guide the careful consideration of mountain biking trails/infrastructure in regional parks. As the guidelines are intended to help inform other decision-making processes, such as park management plans, this checklist is a means to promote systematic and consistent approaches to determining the scale, location, objective and density of mountain biking trails and related infrastructure within the regional parks system. The checklist is not exhaustive and other factors may be considered during planning processes.

Planning and Land Acquisition

Mountain biking will be permitted within specific regional parks as directed through the park management planning process. Specifically, in developing a park management plan, or interim management guidelines, opportunities for mountain biking will be considered when compatible with the objectives and vision of the park.

Through the development of park management plans or interim management guidelines, park zoning is determined. Park zoning helps specify, where appropriate, the types of mountain biking experiences, trail configurations and related infrastructure that are deemed permissible. Park management planning processes undergo extensive First Nations, stakeholder and public consultation. A zoning matrix table (Figure 4) provides a framework for assessing the compatibility of mountain biking in each park zone type and is to be used to support the management planning process.

		Park Management Zones				
		Environmental Protection	Cultural Heritage Protection	Regional Wilderness	Natural Environment	Outdoor Recreation
Discipline	Cross Country					
	All Mountain					
	Adaptive Mountain Biking					
	Technical Training Area					
Trail Network Density	Dense Network					
	Dispersed Network					
	Stand Alone Trail					
	Long Distance Regional Connector Trails					

Compatible Use	Uses that are considered to be consistent with the intent of the park management zone under normal trail design and visitor management practices
May Be Permitted	Uses that may be compatible with the intent of the park management zone under certain circumstances and under special conditions and controls where necessary
Not Permitted	Uses that are not compatible with the intent of the park management zone

Figure 4: Mountain biking zoning matrix table.

The *Mountain Bike Guidelines: Advice and guidance to CRD Regional Parks* report developed by the Mountain Biking Advisory Committee identified gaps in the mountain biking offer in both the greater region and in CRD regional parks specifically. Along with this guidance and an internal gap analysis, the CRD will work to address the gaps through future land acquisition and other planning initiatives. It is important to note that future land acquisition is determined through the land acquisition strategy and the land acquisition criteria as approved by the CRD Board and that any proposed acquisition must fit within this larger strategy.

Conservation Values

One of the missions of CRD Regional Parks is to "establish and expand a diverse and connected system of regional parks that protect the region's biodiversity, varied ecosystems and landscapes" (Regional Parks Strategic Plan 2012-2021, p. 9)[4]. In order to align the mountain biking offer with this mission, the CRD's Impact Assessment Process will be used to ensure that trails are sited away from sensitive habitats and areas of potential conflict with wildlife (i.e., riparian corridors, known wildlife corridors, den sites, etc.). The assessment will be conducted by a qualified professional prior to the approval or development of mountain biking infrastructure and events. To minimize environmental fragmentation, existing linear disturbances such as power lines and logging roads will be assessed for mountain biking. If utilized, these linear disturbances will be improved to offer quality mountain biking experience or serve the purpose of

[4] https://www.crd.bc.ca/docs/default-source/crd-document-library/plans-reports/parks-recreation/regional-parks-strategic-plan-2012-21.pdf?sfvrsn=b19788c9_2

connectivity as a multi-use trail or as key emergency access routes. Due to conservation values and species at risk, mountain biking may not be supported in some parks or park zones.

Recreational Values

Another key mission of Regional Parks is to "provide a range of compatible and accessible non-motorized outdoor visitor experiences and activities, for people of all ages and abilities, throughout the regional parks and trails system that foster enjoyment of and appreciation and respect for the region's natural environment" (Regional Parks Strategic Plan 2012-2021, p. 9). In order to align the mountain biking offer with this mission, the quality of recreational use will be assessed through visitor use surveys, resident surveys and engagement with the mountain biking community.

Using the assessment checklist will be key to ensure that the mountain biking objectives and desired mountain biking experience are considered and to determine if there is a demonstrated gap to be filled or a priority to be addressed.

Cultural Heritage Values

It is the mission of Regional Parks to "integrate the interests of First Nations in park management" (Regional Parks Strategic Plan 2012-2021, p. 10). The CRD follows cultural heritage policies such as First Nations engagement during planning processes and archaeological assessments, to better protect cultural heritage values in regional parks.

In order to align the mountain biking offer with this mission, the CRD's Impact Assessment Process will be used to ensure that trails are sited away from areas of cultural importance (i.e., sacred sites, middens, etc.). The assessment will be conducted by a qualified professional prior to the approval or development of mountain biking infrastructure and events as required. To minimize impacts to cultural resources, CRD will be working with local First Nations, where possible, to better understand the cultural values on the landscape and ensure that recreational uses are compatible. Due to cultural heritage values, mountain biking may not be supported in some parks or park zones.

Trail Sustainability

A sustainable trail is an authorized trail that allows visitors to have a quality experience while creating the least amount of adverse impacts to the environment and cultural heritage values, minimizes visitor conflicts, maximizes safety and requires only routine maintenance.

Any proposed trail/trail networks should also be considering if there is adequate supporting infrastructure such as parking, washrooms, etc. If there is a need for supporting infrastructure, the land base should be assessed to ensure that there is appropriate space available to develop this infrastructure.

By only developing trails which have been assessed using the CRD's Impact Assessment Process, trails will aim to be properly situated to ensure greater sustainability over time. Trails will be monitored through

staff observations, trail counts, park steward observations, and feedback from park users to help assess their ongoing sustainability.

Trails need to be continually assessed though the lens of sustainable service delivery to ensure the cost of maintaining mountain biking trails, at specific standards, are weighted against maintenance and service delivery costs.

Guidance

CRD Regional Parks should use the assessment criteria to support management planning, land acquisition evaluation for recreational values, new mountain biking trail development and the evaluation of existing mountain biking trails. The assessment checklist is to be used along with the criteria to support decision making. The assessment checklist can be used as a whole or to address specific questions or concerns in the decision-making process.

Further Considerations to Support Decision Making

The following considerations influence the decision-making process and align with the guiding principles of the mountain biking guidelines.

The mountain biking guidelines are designed to support decision making, documents and processes developed by Regional Parks. The mountain biking guidelines will be nested within the broader outcomes of the latest Regional Parks Strategic Plan and Board priorities.

The mountain biking offer in regional parks needs to align with Board priorities, strategic priorities and commitments as well as meet sustainable service delivery and CRD bylaws (see Appendix 1). While Regional Parks recognizes the importance of mountain biking as one of the recreational opportunities offered in regional parks, it also needs to balance the demands of other recreational users, parks values, and previous commitments.

The financial cost of building and/or enhancing mountain biking trails and supporting infrastructure can represent a limitation. Budgeting for those activities needs to be planned ahead and included in the appropriate budget cycle accordingly. The service delivery criteria will help CRD place the planning for, and implementing of, mountain biking trails and supporting infrastructure within the larger context of sustainable service delivery.

As mountain biking is an evolving discipline, so are the decision-making tools developed by CRD Regional Parks. Trails standards are currently being developed by Regional Parks and will be used to assess all trails, including mountain biking trails. All trails will be assessed and maintained following the latest standards adopted by CRD Regional Parks.

All special use events on CRD land require a permit, along with appropriate insurance requirements. The permit application requires a site safety plan which may include projected attendee numbers, parking

requirements, safety measures, emergency planning, crowd control, repair/replacement of any damaged infrastructure, etc.

The guidelines are forward-looking and will be applied during the park and trail management planning processes undertaken after this document's approval.

Monitoring

Specific performance indicators, monitoring, and reporting requirements should be described in the individual park management plans or other planning documents that are supported by these guidelines.

The guidelines are developed to address current issues and challenges while recognizing that mountain biking is ever evolving. As such, these will be reviewed for effectiveness every 5 years by CRD Regional Parks. Staff will revise the guidelines as needed to ensure they are relevant and cohesive with other CRD documents and that they are keeping up with emerging trends in the region and with the evolution of mountain biking disciplines. Engagement for reviewing the guidelines will be undertaken only if major changes will be considered for these guidelines.

Appendix 1: Relationship to other Documents

Regional Growth Strategy

The Regional Growth Strategy is a framework, developed by municipalities and the regional district in partnership, for identifying social, economic and environmental objectives. The vision of the Regional Growth Strategy is that in 2038, Capital Regional District residents enjoy a healthy and rewarding quality of life within a region that is economically vital, where communities are livable and where the environment and natural resources are stewarded with care.

CRD Regional Parks Strategic Plan

The CRD Regional Parks Strategic Plan 2012-2021 sets out the vision and strategic direction of regional parks and establishes a park classification system. It guides the development of policy documents to align them with the purpose of regional parks. The strategic plan indicates that the purpose of regional parks is to protect the natural environment and provide a range of compatible outdoor visitor opportunities and experiences that connect people with nature. These guidelines were developed to reflect the Regional Parks Strategic Plan 2012-2021 and will be reviewed periodically to ensure consistency.

Park Management Plans

Parks management plans are, or will be, developed for each park in the regional parks system and include policies and direction to guide visitor experiences, environmental conservation, cultural heritage protection, and park facilities.

Impact Assessment Process

The Regional Parks impact assessment process assesses an action's potential impact on the environment and social, cultural and/or recreational values so that appropriate decisions can be made. Actions can range from minor to extensive/major in terms of the potential impact on regional parks values.

CRD Corporate Plan

The CRD Corporate Plan identifies services and strategies to deliver on the CRD's vision. The Corporate Plan captures the CRD's service mandates, Board priorities, and corporate priorities.

Protection and Conservation of Heritage Sites Policy

This policy is used to guide staff when undertaking land altering works on the appropriate steps to ensure the protection of cultural heritage. The policy uses the *Heritage Conservation Act* as a baseline and has additional measures in place to guard against accidental damage to First Nations' heritage sites.

Land Acquisition Strategy

The Land Acquisition Strategy (LAS) provides the Regional Parks Committee and the Board with a roadmap for acquiring land for regional parks and trails. The LAS defines the principles that guide land acquisition, the process for acquiring land, and sets the acquisition priorities.

Regional Parks Sign Standards

Consistent sign standards present an immediate and recognizable CRD brand throughout the regional parks system. They are a significant way visitors experience parks and convey everything from directional, regulatory and safety information to educational, conservation and interpretive information.

CRD Parks Regulation Bylaw No. 1, 2018

Regional Parks Regulation Bylaw No. 1, 2018 regulates the use of regional parks and trails. Schedule 18 to the Capital Regional District No. 1857 provides the ticketing authority for the Regional Parks Regulation Bylaw.

Sustainable Service Delivery

The Sustainable Service Delivery report provides the Regional Parks Committee and the Board with an overview of the services provided through regional parks, the status of built infrastructure needed to support service delivery, and the capacity for Regional Parks to fund infrastructure renewal needs. The report is an important step for achieving financial sustainability.

Appendix 2: Map of Mountain Biking Offer in the Capital Region

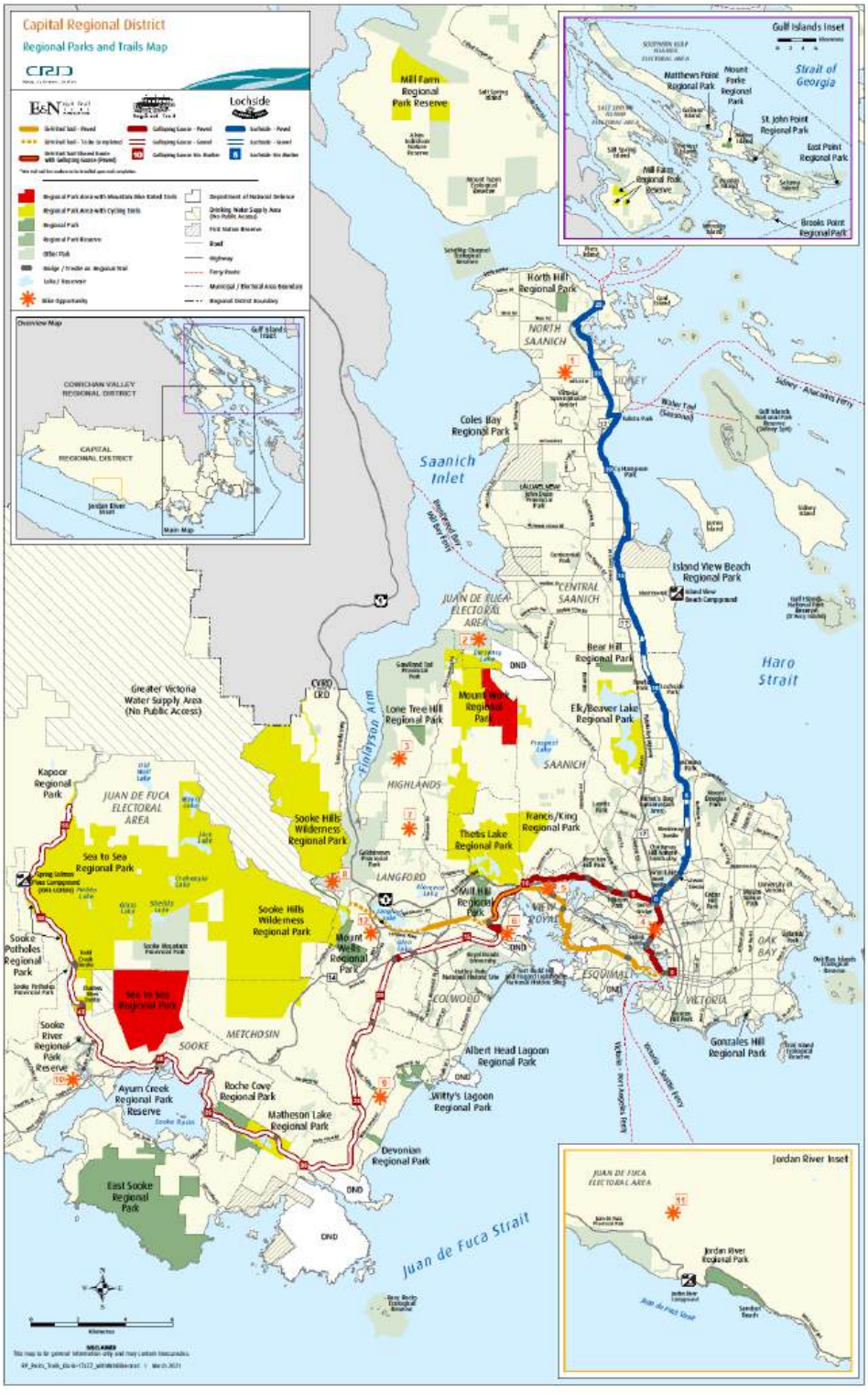


Figure 5: Map offers a region wide scan of the mountain biking offer in 2021.

Map ID	Municipality/ Electoral Area	Name	Description & Notes
1	North Saanich	Free Ride Park	Recently developed North Saanich park for riders of all ages and abilities
2	Central Saanich	Gowlland Tod Provincial Park	Multi-use trails from all three trailheads at the park
3	Highlands	Twinflower Park	Bike jump trail
4	Victoria	Cecelia Ravine Bike Park	Bike skills park
5	View Royal	View Royal Park Bike Pump Track	Paved, continuous circuit track with rollers, berms and jumps
6	Colwood	Greater Victoria BMX Track	BMX bike park
7	Langford	Highlands Valley Loop	Family-friendly loop for intermediate riders. 5 km distance, 1 m or more width
7	Langford	Skirt Mountain Lookout Trail	Family-friendly loop for intermediate riders. 5 km distance, 1 m or more width. Sections of loose gravel & steep ascents/descents
7	Langford	Canada Cup Trail	Used for hosting Canada Cup XC Race. 1.5 km, intermediate, single track. Steep ascents/descents, natural surface trail
7	Langford	Flow Trail	Directional descent, machine groomed trail starting near the north side of the Langford Recreation Centre. 1.3 km distance, intermediate difficulty with 1.5-2 m wide trails
7	Langford	"The Chainsaw" Downhill Trail	"Black Diamond Advanced Level", 688 m downhill only rocky, technical terrain
8	Langford	Goldstream Provincial Park Pump Track & Skills Trails	240 m of beginner and intermediate skills trails with small obstacles. Helmets mandatory, eye protection, gloves and pads recommended
9	Metchosin	Bike Jump Park	Bike jump park
10	Sooke	Sooke Bike Park	Pump track and circular hard-dirt surface with hills and jumps. Designed to entertain and challenge all levels of riders
11	Juan de Fuca	Tansky Recreation Riding Area	Recreational dirt bike and mountain bike recreation area
12	Langford	Cyclocross	*Not yet open* 3 km distance, 3 m width, with obstacles on track (April 2021)
12	Langford	Dirt Jump	*Not yet open* Intermediate and expert lines (April 2021)
12	Langford	Pump Track	*Not yet open* Graduated paved tracks (April 2021)
12	Langford	Singletrack	*Not yet open* Mountain bike trails for all ages and abilities (April 2021)

Figure 6: Index of Mountain Biking Offer Outside of CRD Regional Parks in the Greater Capital Region.

Appendix 3: Regional Parks Management Zone Guidelines

MANAGEMENT ZONES	OBJECTIVES	ENVIRONMENTAL VALUES	VISITOR EXPERIENCE AND ACTIVITIES	TYPICAL INFRASTRUCTURE
Environmental Protection Zone	To protect ecologically significant areas within regional parks through long-term science-based land stewardship	• Areas with rare or endangered species and ecosystems needing the highest degree of ecological protection • In some areas, visitor access may be restricted	• Nature study • Environmental interpretation • Visitor experience is centered on appreciation of natural features	• Low-impact nature trails and other infrastructure that enhance appreciation of the natural feature(s)
Cultural Heritage Protection Zone	To protect culturally significant areas and features through a long-term cultural resource management strategy	• Ecological features associated with culturally significant sites may be protected as part of the culturally significant features of the park or trail (e.g., heritage orchards)	• Cultural appreciation and interpretation • Historical appreciation • Visitor experience is one of appreciating and understanding the cultural context of the feature	• Low-impact nature trails and other infrastructure that enhance appreciation of the cultural feature(s)
Regional Wilderness Zone	To keep large natural systems functioning and provide a regional wilderness experience for park visitors	• Contiguous land areas large enough to protect the natural values • Areas with outstanding natural features that create a memorable visitor experience • Ecosystems are functioning in a sustainable fashion	• Activities dispersed over a wide area • Some backcountry areas could be available for hiking, cycling, and horseback riding • Visitor experience is one of being in a wilderness setting • Backcountry camping may be permitted	• Long-distance hiking, equestrian and cycling trails • Trails to viewpoints
Natural Environment Zone	• To provide easily-accessible natural areas within the parks • To provide areas within the parks that can be used for more active recreational pursuits	• Areas where outdoor activities take place in conjunction with protection of natural features • Less remote than wilderness	• Activities less dispersed than in wilderness zone, & more accessible to visitors • Horseback riding, cycling, hiking, shoreline activities • Visitor experience is one of participating in outdoor activities in a natural setting	• Hiking, walking, equestrian, cycling trails • Viewpoints • Pathways • Picnic areas • Open fields

MANAGEMENT ZONES	OBJECTIVES	ENVIRONMENTAL VALUES	VISITOR EXPERIENCE AND ACTIVITIES	TYPICAL INFRASTRUCTURE
		• Can act as a buffer between wilderness and recreation zones		
Outdoor Recreation Zone	To provide areas within a regional park that can accommodate concentrated recreation use	• Outstanding recreation features • Natural values may be compromised to allow higher level of activity	• Activities more concentrated (e.g., beach activities, swimming, boating, fishing, picnicking, multi-use trails, group picnic areas • Visitor experience includes active participation in outdoor recreation activities	• Change rooms • Concessions • Boat launch sites • Beaches • Group picnic shelters • Nature houses
Park Services Zone	To provide areas within a park needed to support park services	• Natural values secondary to park service needs • Considerable landscape modification allowed	• Visitor-oriented and park operation services	• Parking lots • Storage areas • Washroom buildings • Park operations buildings

Appendix 4: Special Use Areas

CRD Regional Parks has some geographically defined areas that may have a set of specific rules, regulations, or agreements in place. These special use areas are still subject to the CRD Regulation Bylaw.

Mountain Bike Area

A sanctioned mountain bike area includes official mountain bike trails with trail difficulty ratings and warnings about risk and liability. The area may also include a technical training area and/or other features that support the activity of mountain biking.

Campgrounds

The regional park system includes three vehicle accessible campgrounds. Each of these campgrounds existed at the time of park acquisition and have been continued to provide an affordable recreational activity for park visitors. The campgrounds are managed to promote visitor convenience, safety, and enjoyment.

Other Areas to Be Determined

Regional Parks may from time to time designate other types of special use areas according to need and management focus. These areas will be identified through strategic planning or policy documents, park management planning processes, legal agreements, land acquisitions, or other means.

Appendix 5: Trail Difficulty Rating System

	Easiest ○	Easy ●	More Difficult ■	Most Difficult ◆	Expert ◆◆
General Description	Fairly flat, suitable for all users	Gentle climbs with easily avoidable obstacles	Challenging riding with steep slopes and/or TTFs; trails may be narrow with poor traction; requires riding experience	A mixture of long loose trail surfaces; numerous TTFs and sharp corners; requires considerable experience; can be physically demanding	Exceptional bike control skills and balance essential to clear many challenging TTFs; expert riders only
Surface	Hardened or paved	Firm and stable	Mostly stable, some loose	Considerable variation	Considerable variation and unpredictable
Average Trail Grade	<5%	≤8%	≤10%	≤15%	20%
Maximum Trail Grade	10%	15%	≥15%	≥25%	≥30%
Technical Trail Feature (TTF) *All TTF's must contain a ride around or roll down *Multi-Pitch TTF's only approved on an individual basis *All jumps to have a safe landing zone	None	•Small roots and logs •Embedded rocks (avoidable)	•Small rock rolls •Small jumps •Medium sized logs •Some sections may exceed criteria	•Max. Length of 2m •Max. Slope of 45deg. •Large rock rolls •Large logs •Table top •Large jumps (Max. Ht. 0.6m) •Steep descents with sharp transitions	•Max. Length of 3m •Max. Slope of 60deg. •Large jumps (Max. Ht. 1.0m) •Includes and may exceeds criteria in "Most Difficult" category due to height, width and exposure to TTFs •Fall zones may not meet fall zone standards

Figure 7: The trails difficulty rating system enables visitors to understand the nature of the trail(s) for single use and activity optimized trails before beginning their ride and allows them to plan their ride for the optimal experience that suits them. These standards are in line with IMBA standards.

Appendix 6: Assessment Checklist

This assessment checklist encompass a variety of the factors that should be considered in the decision-making process for upgrading existing mountain biking trails as well as considering new offerings.

Key questions to consider	Yes/No	Potential impacts or risks (positive & negative)	Are the impact(s) minor/moderate/major (if moderate or major, it is mandatory to complete the next column)	Proposed mitigation action (or further work/ investigation required)	Satisfied (can the impact be adequately addressed)
Planning and Land Acquisition					
Is mountain biking in the park consistent with the park zoning and management planning objectives? (see matrix)					
Does this trail network complement the offering to the trails within the CRD?					
Are there existing and popular (consistently well used) mountain biking trails within the CRD that can adequately service the desired experience?					
Are you aware of any documents that restrict mountain biking in this regional park? (e.g. CRD policy, covenants, bylaws, management plans, regional plans or strategies)					
Does the trail/trail network connect to the					

Key questions to consider	Yes/No	Potential impacts or risks (positive & negative)	Are the impact(s) minor/moderate/major (if moderate or major, it is mandatory to complete the next column)	Proposed mitigation action (or further work/ investigation required)	Satisfied (can the impact be adequately addressed)
CRD regional trails system?					
Are there other recreational activities whose experiences may be effected in the area that need to be considered?					
Does the land base provide a regionally significant opportunity or address a gap for mountain bike rec experience (based on topographic features, soil type, etc.?) in the region					
Conservation Values					
Will there be any known impacts to critical habitat, species at risk, sensitive ecosystems, etc.?					
Will the trail location allow for minimizing ecological impacts?					
Will there be any impacts to water bodies, watercourses, wetlands, and natural drainage systems?					
Does the trail network go through any wildlife corridors?					

Key questions to consider	Yes/No	Potential impacts or risks (positive & negative)	Are the impact(s) minor/moderate/major (if moderate or major, it is mandatory to complete the next column)	Proposed mitigation action (or further work/ investigation required)	Satisfied (can the impact be adequately addressed)
Can existing linear disturbances be utilized in the development of a quality mountain biking experience or for the purpose of connectivity?					
Has the area been assessed for hazard trees?					
Recreational Values					
Are the mountain biking objectives and experiences being met by the trail/trail network?					
Has the local mountain biking community been engaged in the project?					
Has the recreational setting (ie quality of the landscape for intended rec use) been identified?					
Has the desired volume of trails for the area been established?					
Is the trail/trail network discipline and difficulty suitable to what has been identified by the mountain biking community?					
Are there existing or proposed technical trail					

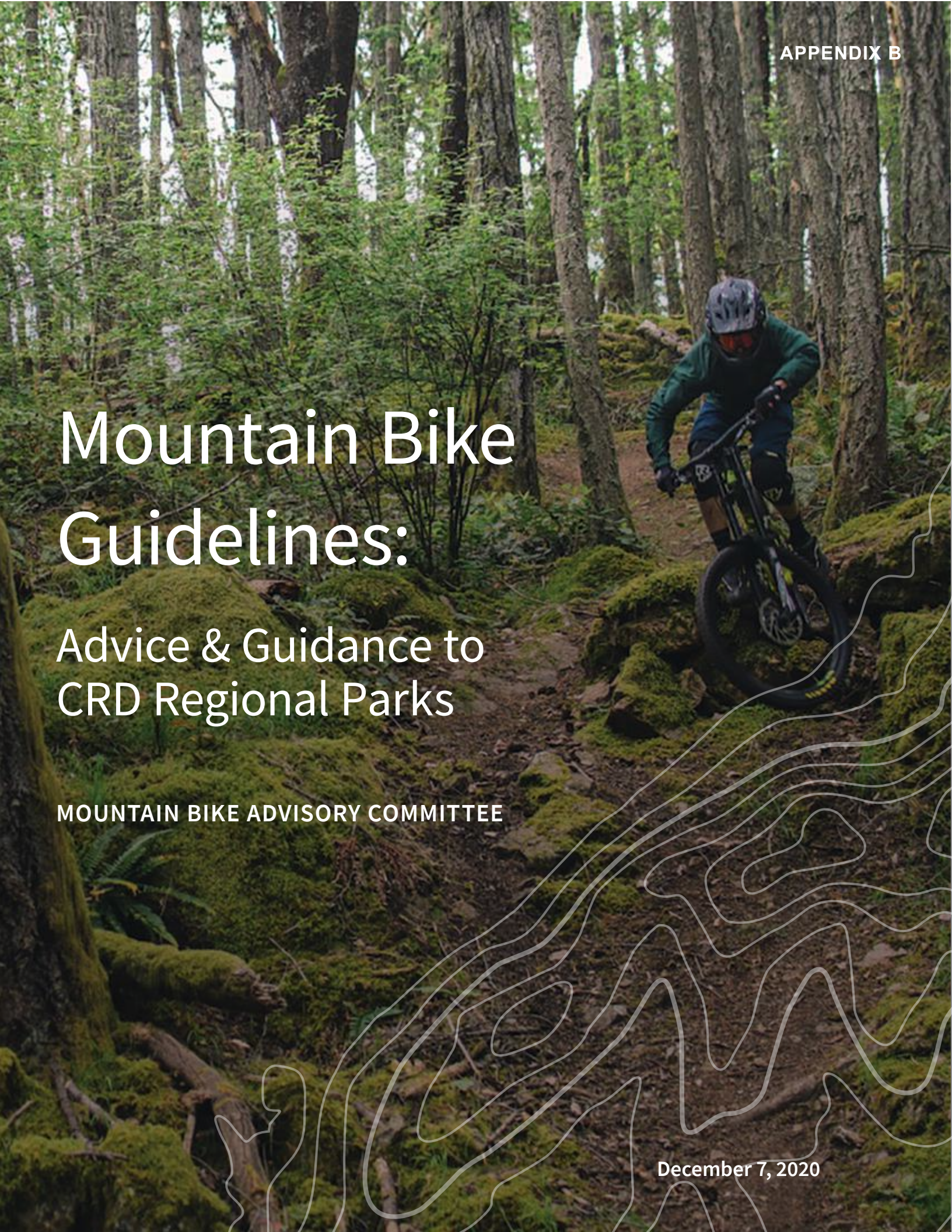
Key questions to consider	Yes/No	Potential impacts or risks (positive & negative)	Are the impact(s) minor/moderate/major (if moderate or major, it is mandatory to complete the next column)	Proposed mitigation action (or further work/ investigation required)	Satisfied (can the impact be adequately addressed)
features or other built elements?					
Cultural Values					
Will there be any known impacts to cultural heritage resources?					
Will the trail location allow for minimizing cultural heritage resource impacts?					
Have the First Nations of this traditional territory been engaged in the project?					
Trail Sustainability					
Is there supporting infrastructure for the activity in place? (Parking, Washrooms, etc.)					
Is there an appropriate space for supporting infrastructure?					
Has an Impact Assessment been conducted on the site?					
Would this trail replace any trails that have greater impact on ecological, and/or cultural heritage values?					

Key questions to consider	Yes/No	Potential impacts or risks (positive & negative)	Are the impact(s) minor/moderate/major (if moderate or major, it is mandatory to complete the next column)	Proposed mitigation action (or further work/ investigation required)	Satisfied (can the impact be adequately addressed)
Are there available trail counts as indicators for current use?					
Is there a demonstrated interest in the trail by recreational users? If so, which activities?					
Are there any known or identified risks?					
Is there potential for visitor conflict between users with an introduction or increase in the proposed activity?					
Does unauthorized trail building occur in the area?					
Have there been any reports or notifications regarding the trail?					
Are there service delivery implications to building and maintaining the trail?					

Appendix 7: Regional Parks Classification Description

WILDERNESS AREA	CONSERVATION AREA	NATURAL AREA	RECREATION AREA
A Regional Wilderness Area is characterized by: • A large land base, generally more than 1,000 hectares; • The conservation of ecosystems, with minimal human interference; • Opportunities for visitors to experience, firsthand, the park's ecosystems; • Opportunities for backcountry recreation and camping; • The provision of few, if any, rudimentary services and facilities; • The experience of remoteness, solitude and harmony with nature. Maintaining wilderness areas in the region is an important part of the regional parks function. Wilderness is critical to sustain wildlife and plants that rely on sizable natural areas for their survival and to provide wilderness outdoor experiences and activities. They are places where residents can experience wilderness close to their home.	A Regional Conservation Area protects regionally significant natural environments that contain sensitive and threatened ecosystems (e.g., they will have significant Garry oak, old-growth forest, salt marsh, or estuary ecosystems). They contain rare or endangered plant and wildlife species and their supporting ecosystems. The size of a Regional Conservation Area should be sufficient to ensure that natural features can be protected and remain viable over the long-term. Outdoor activities will be permitted in a Regional Conservation Area, provided they have minimal impact on the natural environment. In most cases, the main activity will be hiking. These areas will generally have basic facilities, such as trails, parking areas, toilets and signage.	A Regional Natural Area protects the natural environment and provides opportunities for a range of appropriate outdoor experiences and activities. These natural areas are not as ecologically sensitive or diverse as those found in a Regional Conservation Area, although they may contain some sensitive and threatened ecosystems. These ecosystems will be identified in the park management plan and conservation will be the priority in those areas. Regional Natural Areas also protect key greenspaces that are important to the natural character of the region. These areas will try to accommodate a range of appropriate outdoor experiences and activities. The exact uses will be outlined in the park management plan.	A Regional Recreation Area provides opportunities for many outdoor experiences, activities and events, and will be managed to accommodate a relatively high number of visitors. Facilities will be developed to support this level of use. The area must lend itself to development for a variety of uses that meet recreational needs, and it must be able to withstand intensive public use. This classification is distinct from other parks classifications in a number of ways: • The emphasis is on outdoor experiences and activities, although protecting the natural environment will be addressed in all decisions about visitor use & facilities. • The range of acceptable recreational activities is the widest within the regional parks & trails system. • Recreation activities may include competitive sports. • Recreation facilities operated by non-profit groups may be permitted. • Opportunities and facilities may be provided for celebrations (festivals and group functions like picnics).

APPENDIX B



Mountain Bike Guidelines:

Advice & Guidance to CRD Regional Parks

MOUNTAIN BIKE ADVISORY COMMITTEE

December 7, 2020

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Tracey Moss
Manager, Visitor Services & Community Engagement
CRD Regional Parks

Dear Tracey,

On behalf of the Mountain Bike Advisory Committee, it is my sincere pleasure to submit our advice and guidance to the CRD for the development of mountain bike guidelines for regional parks. Participating in six meetings and multiple online surveys, the MBAC worked incredibly hard over the past 8 weeks to prepare this advice and guidance. Developed through exceptional collaboration and extensive deliberation, this report represents the consensus of the committee. We were able to reach agreement on all advice and guidance and no minority reports were required. Though the committee was unable to address all topics of importance to mountain biking in regional parks, we studied and have prepared effective advice and guidance on the following topics:

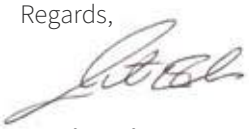
- Considering the existing supply of mountain bike experiences throughout the Capital Region, and thinking about current and future demands and trends, what type of mountain bike experiences (discipline, level of difficulty, LTAD etc.) are most needed and most appropriate to be provided in regional parks?
- What is the preferred service delivery model for the planning, design, construction, management and monitoring of mountain bike trails and mountain bike use in regional parks (direct, indirect, enablement)?
- What criteria should the CRD use to determine in which regional parks it is appropriate to support mountain biking, and therefore mountain bike trails?
- How can mountain biking and mountain bike trails be integrated with and managed to avoid / minimize negative impacts on other approved recreational users of regional parks?
- Rogue, or unauthorized trail building, is on the rise in regional parks. What promising practices can be implemented to avoid or limit unauthorized trail building?
- The popularity of electric mountain bikes (e-MTB) continues to grow. Are e-MTBs appropriate in regional parks and how should they be managed?
- How can mountain biking and mountain bike trails be managed to avoid/minimize impacts to ecological, Indigenous, and cultural heritage values in regional parks?
- What criteria should the CRD use to determine which existing authorized and unauthorized trails are appropriate to permit sanctioned mountain biking and provide a desired mountain biking experience?
- What, if any, existing design guideline manuals or documents should be adopted and implemented by the CRD to guide the planning and design of mountain bike trails and related trail infrastructure?

We strongly encourage CRD Regional Parks to consider our advice and guidance and integrate it into the CRD's Mountain Bike Guidelines for Regional Parks. Though we recognize that the guidelines will provide direction for implementation during management planning, we encourage the CRD to recognize the urgency of the situation for mountain biking and pursue meaningful quick wins that can be advanced outside of the management planning processes.

The committee appreciates the opportunity to provide our advice and guidance and we look forward to reviewing the draft guidelines and many of the committee members look forward to strengthening their partnerships and relationships with the CRD. It has been a true pleasure working with the MBAC and members should be commended for their impressive participation and spirit of collaboration and understanding.

Please do not hesitate to contact me if you require any clarity about our advice and guidance.

Regards,



Justin Ellis
MBAC Chair

1 INTRODUCTION



Mountain biking, as a recreational activity, a sport and a tourism product has and continues to experience rapid growth throughout the Country, the province, and the Capital Region (the region). Mountain biking is enjoyed by a wide diversity of people of all ages, abilities and genders for the physical, mental and social benefits the activity provides and for the opportunity it creates to connect riders with nature while generating excitement, challenge and competition. The Capital Region's temperate climate together with its growing network of trails and appealing terrain have made the region a sought-after year-round mountain bike destination that attracts riders of all abilities from across the country. In fact, the Capital Region has attracted and generated some of the country's top mountain bike athletes and Olympians and is now home to Canada's national mountain bike team.

The region is blessed with an incredible network of 31 regional parks totalling 13,187 hectares and 3 regional trails totalling nearly 101 kms in length. Regional parks and trails have been established to protect and restore the region's biodiversity, ecosystems and landscapes while providing a range of compatible and accessible non-motorized outdoor recreation activities for people of all ages and abilities that foster enjoyment of and appreciation and respect for the region's natural environment.

In response to the intensifying demand for mountain biking in regional parks, and recognizing the need to balance mountain biking demands with other visitation demands and environmental, Indigenous and cultural values in regional parks, the Capital Regional District (CRD) is developing mountain bike guidelines for regional parks. These guidelines will be used to inform regional park planning, management, operations and capital investment decisions that ensure all park values are considered.

1.1 Mountain Bike Advisory Committee

To inform the development of the Mountain Bike Guidelines, the Capital Regional District Board established the Mountain Bike Advisory Committee (MBAC) on May 27, 2020. In accordance with the MBAC's Terms of Reference, the purpose of the MBAC was "to bring together a group of people with interest in recreation in the Capital Region and a knowledge of the regional park system in order to provide advice and guidance to Regional Parks staff for use in developing mountain biking guidelines for regional parks".

The scope of the MBAC's advice and guidance was focused on:

- Mountain biking,
- Regional Parks in the Capital Region,
- Regional parks system-wide advice, and
- Reviewing & commenting on the draft guidelines.

The following areas were out of scope for the committee:

- Site-specific concerns,
- Development of infrastructure in regional parks,
- Operational budgeting,
- Labour relations matters,
- Direction on other types of recreation not associated with mountain biking, and
- Capital Regional District Board-approved park management plans.

The committee was composed of representatives from mountain biking organizations, other outdoor recreational interests, the conservation and naturalist community, First Nations and the CRD Regional Parks Committee. The MBAC was chaired by RC Strategies – an independent professional facilitation and recreation management and trails planning firm. Members of the committee included:

Member	**Organization**
Alon Soraya	South Island Mountain Bike Society
Hazel Prince	Dirty Girlz Mountain Bike Club
Heather Rose	Sooke Bike Club
Daniel Cammiade	Nature Trails Society
Isabelle Charles	Beecher Bay First Nation
Doris Leong	Trail Runner
Tara J Fenwick	Outdoor Club of Victoria & Victoria Club Tread
Torrey Archer	The Land Conservancy
Barb von Sacken	Habitat Acquisition Trust
Colin Plant	CRD Board Chair
Justin Ellis	MBAC Chair – RC Strategies

1.1.1 DECISION MAKING PROCESS

While guided by the CRD Board Procedures Bylaw, the committee committed to reaching its recommendations by consensus. Consensus was defined as unanimous agreement by all committee members or lack of expressed objection and a desire to block the recommendation by any committee member. MBAC members were afforded the opportunity to prepare minority reports on any matters where most committee members supported a recommendation while an individual or minority of members did not but did not wish to block the recommendation from proceeding. The recommendations contained within this report reflect the consensus of the MBAC.

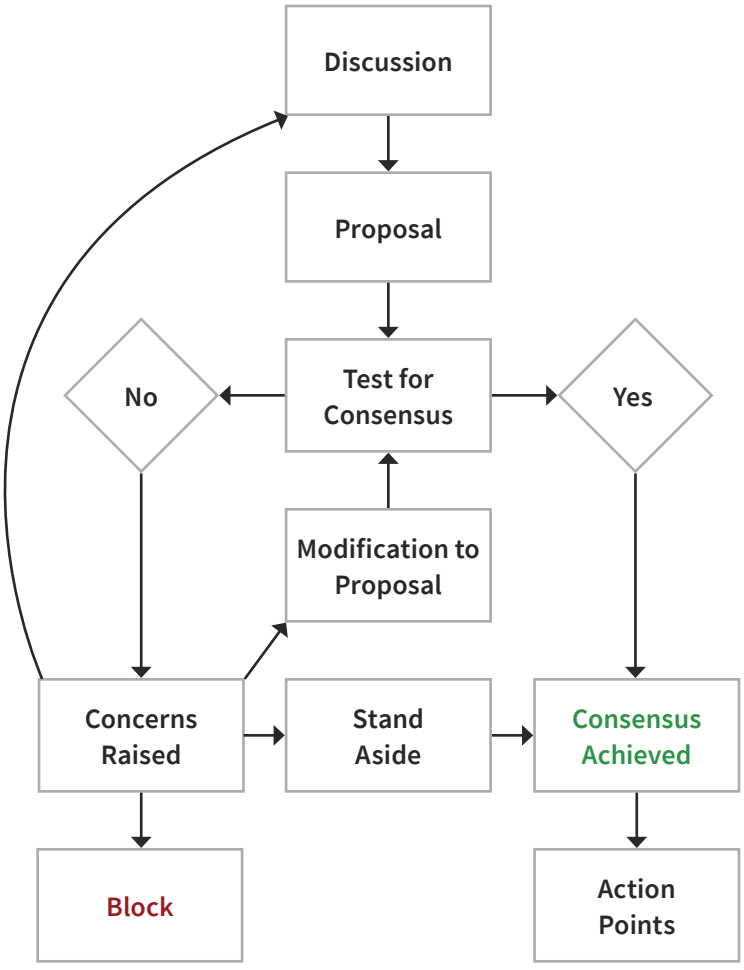


Figure 1. Consensus Decision-Making Process



1.1.2 PROCESS FOR GENERATING ADVICE & GUIDANCE

The committee began its deliberations on September 30, 2020. In total, members participated in six three-hour long meetings and took part in two online surveys. At the first meeting, MBAC identified and prioritized the discussion topics on which advice and guidance would be provided. The next three meetings were used to deliberate and prepare draft advice and guidance on each of the priority discussion topics. The final two meetings focused on refining, finalizing, and achieving consensus on the advice and guidance contained within this report.

Meeting Date	Discussion Topics
September 30, 2020	► Committee terms of reference & procedures ► Introduction to mountain biking ► Introduction to Regional Parks ► Confirmation & prioritization of discussion topics
October 7, 2020	► Most needed & most appropriate mountain bike experiences in regional parks ► Delivery role of Regional Parks staff in mountain biking ► Criteria to determine which regional parks are appropriate to support mountain biking in
October 21, 2020	► Integrating mountain biking with other approved recreational users ► Promising practices to avoid or limit rogue trail building ► Appropriateness and management of electric mountain bikes
November 4, 2020	► Avoiding and minimizing the impacts of mountain biking on environmental, Indigenous, and cultural values ► Criteria to determine when authorized and unsanctioned trails should permit mountain biking ► Adoption of existing planning and design manuals
November 18, 2020	► Review draft advice and guidance report
December 2, 2020	► Finalize advice and guidance report

The range of discussion topics that could have been addressed by the MBAC far exceeded the time available to the committee. As such, the MBAC deliberately prioritized which topics they would provide advice and guidance on. To do so, the Chair tabled 23 potential discussion topics with the committee (see Appendix A) and, using an online survey, sought input on which topics were of greatest priority. The results of the survey (Appendix B) were presented to the MBAC and priorities were agreed to. Through consensus, the following discussion topics were selected as the greatest priorities:

- Considering the existing supply of mountain bike experiences throughout the Capital Region, and thinking about current and future demands and trends, what type of mountain bike experiences (discipline, level of difficulty, LTAD etc.) are most needed and most appropriate to be provided in regional parks?
- The CRD can play a variety of roles in the delivery of mountain biking in regional parks. What is the preferred service delivery model for the planning, design, construction, management and monitoring of mountain bike trails and mountain bike use in regional parks (direct, indirect, enablement)?
- What criteria should the CRD use to determine in which regional parks it is appropriate to support mountain biking, and therefore mountain bike trails?
- How can mountain biking and mountain bike trails be integrated with and managed to avoid / minimize negative impacts on other approved recreational users of regional parks?
- Rogue, or unauthorized trail building, is on the rise in regional parks. What promising practices can be implemented to avoid or limit unauthorized trail building?
- The popularity of e-MTB (electric mountain bikes) continues to grow. Are e-MTBs appropriate in regional parks and how should they be managed?
- How can mountain biking and mountain bike trails be managed to avoid/minimize impacts to ecological, Indigenous, and cultural heritage values in regional parks?
- What criteria should the CRD use to determine which existing authorized and unauthorized trails are appropriate to permit sanctioned mountain biking and provide a desired mountain biking experience?
- What, if any, existing design guideline manuals or documents should be adopted and implemented by the CRD to guide the planning and design of mountain bike trails and relative trail infrastructure (e.g. technical trail features)?

Recognizing their limited time, the MBAC identified additional topics that were deemed to be important. Though the committee was unable to provide advice and guidance on these topics, the MBAC recommends that the CRD address the following additional topics in the draft Mountain Bike Guidelines for Regional Parks:

- How should mountain bike trails and mountain biking be monitored in regional parks?
- What research should be undertaken to understand mountain biking (e.g., visitation, origins, satisfaction, impacts) in regional parks?
- How can risks/impacts to personal and public safety from mountain biking be managed in regional parks?
- Should, and if so, how should commercial mountain biking businesses be managed and promoted in regional parks?
- Should, and if so, how should mountain-bike-based special events (e.g., races), group rides, etc., be managed and promoted in regional parks?

2 MOUNTAIN BIKING



Before developing advice and guidance regarding mountain biking in regional parks, the MBAC worked to develop a foundational understanding of mountain biking, mountain bikes, mountain bike disciplines and mountain bike experiences.

2.1 What is Mountain Biking?

Mountain biking is an outdoor recreation activity involving riding bicycles off-road, often over rough terrain, using specially designed mountain bikes. Mountain bikes share similarities with other bikes but incorporate features designed to enhance durability and performance in rough terrain (https://en.wikipedia.org/wiki/Mountain_biking).

Mountain biking is an umbrella term that is used to refer to a variety of more specific mountain biking disciplines. Each of these disciplines seek out different terrain, trail design characteristics, technical trail features and supporting infrastructure. Though mountain bike disciplines have and continue to evolve, the most typical mountain biking disciplines referenced today include:

- Cross-country (and gravel riding & cyclocross which use cross-country trails)
- All-mountain
- Downhill
- Adaptive Mountain Biking



Cross-Country



All Mountain (Tourism Cowichan)



Downhill

ADAPTIVE MOUNTAIN BIKE TRAILS (aMTB)

> Trails that are designed to support adapted mountain bikes for riders who cannot ride a standard mountain bike. These trails are purposefully designed to support these riders' physical, intellectual, neurological and sensory abilities.



Adaptive Mountain Biking (Loam Wolf)

Though not technically considered mountain biking, gravel riding and cyclocross are riding disciplines that seek out easier (green and blue) cross-country mountain bike trails from time to time.

With the exception of adaptive mountain biking, most mountain bike disciplines seek "single-track" purpose-built mountain bike optimized trails. In general, these single-track trails can be designed to provide a "flow" experience or a "technical" experience. The term "flow" trail is used to describe a trail, usually machine made, that is smooth, and uses the rider's momentum to minimize pedaling and braking. These trails emphasize rhythm and typically contain berms, rollers and potentially jumps (Figure 3) (Mountain Bikers of Santa Cruz). Flow trails are among the most desired trails amongst riders. A "technical" trail is one that integrates rough terrain, roots, rocks, obstacles and can require a greater degree of skill to ride. These trails rely less on momentum and rhythm and require pedaling and braking (Figure 4).



Figure 2. Single-track Trail



Figure 3. Flow Trail (Mike Kazimer)



Figure 4. Technical Trail (Bike Radar)

2.2 Understanding a Mountain Bike Experience

A mountain bike experience is defined as the ability for a rider to take part in their desired discipline, on a trail that provides their desired level of difficulty within a desired recreation setting and landscape (Figure 5). Each of these elements is essential to defining the mountain biking experience. Changes to any single element changes the entire mountain bike experience and, in turn, the riders that will be interested in it. For example, all-mountain riding on a blue trail in the remote backcountry of the mountains is an entirely different experience than all-mountain riding on a double black diamond trail in an urban environment in the grasslands. It is essential that current and future trails be purposefully designed with specific riders or markets and their desired experiences in mind. To enable this, the MBAC strongly encourages the CRD to adopt this definition and use it to help define and communicate mountain bike experiences, understand mountain bike demands and plan and design mountain bike trails.

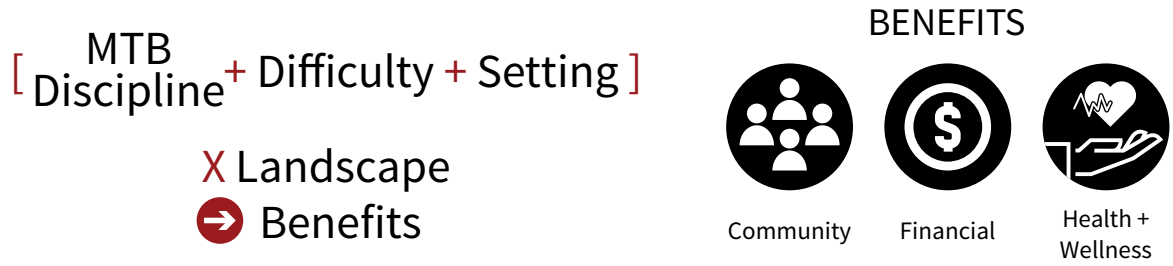


Figure 5. Elements of a Mountain Bike Experience

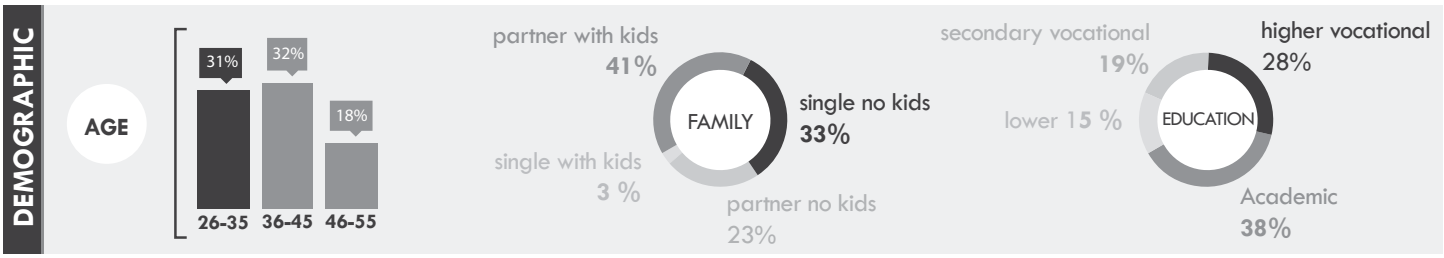
The MBAC understands, and would like the CRD to recognize, that quality mountain bike trails and experiences do not "just happen". It requires a clear understanding of the rider's objectives and intentional planning and design. A quality mountain bike experience occurs when the trail design delivers the rider objectives at the difficulty the rider seeks within the setting and landscape most desired by the rider.

> "Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives"
>
> — William A Foster

2.3 Who are Mountain Bikers?

Primary research on mountain bikers in the Capital Region is not available. However, the MBAC reviewed literature from IMBA[i] and the Mountain Bike Tourism Association of BC[ii]. Insights from available literature indicate:

- Mountain biking participation is about half of hiking participation, but much larger than other trail activities
- 9:1 (male v female participation) but, female participation is growing significantly
- 47% make $100k or more, 84% make above $50k
- 84% of riders ride between 10-30km / day, 4.81 hrs is the average ride time / day (tourism)



REASONS TO RIDE

1. TO ENJOY NATURE
2. TO ESCAPE EVERYDAY LIFE
3. FOR EXCITEMENT
4. TO IMPROVE SKILLS
5. SOCIALIZING, HAVING FUN

TYPE

- 63% ENDURO
- 52% TRAIL
- 36% XC / MARATHON
- 21% FREERIDE / DH

DID YOU KNOW . . .

We are good for **82.8 rides per year,** spending more than **215 hours** on the saddle. We're riding all year long, an average of **6.9 times per month** with a duration of **2h36.** The average age is **24 years** We **love all kinds of outdoor** activities. Top 3 of other sports practiced by mountain bikers: hiking (56%), alpine skiing / snowboard-ing (46%) and (trail) running (33%)

82% MOST RIDING TIME IS SPENT ON LOCAL & REGIONAL TRAILS (UP TO 50 KM)

93% IT IS IMPORTANT TO HAVE THE OPPORTUNITY OF RIDING SINGLETRACK

TRAIL PREFERENCE

1. SINGLETRACK (NATURAL SURFACE, WIND AROUND OBSTACLES)
2. MORE DIFFICULT TRAILS WITH NATURAL OBSTACLES AND TECHNICAL TRAIL FEATURES
3. FLOW TRAILS (LITTLE PEDALING & BRAKING, ROLLING TERRAIN, PREDICTABLE SURFACES)

Trail user objectives are the "why" a rider chooses a trail. Different trails provide different combinations of user objectives. But, these objectives can be hard to describe. The MBAC believes it is important to create a common shared language between riders and the CRD so that the user objectives for trails can be clearly defined. And, by defining these objectives trail designers and CRD staff can deliberately include trail features and designs that will deliver the user objectives. The most common mountain bike user objective terms include:

TRAIL USER OBJECTIVES	DESCRIPTION
Nature	Connection to nature. This can be anything from being among a few trees in the middle of the city to remote backcountry. Nature is an important factor for many riders.
Escape	Something that takes you away from your daily grind, allows you to get lost in the experience of riding. Often means getting away from the urban environment, but a bike park, even indoors, can provide this as well.
Solitude	Getting away from the urban environment and people; being active, alone, and quiet in the outdoors.
Challenge	Seeking to improve technical abilities, to solve a difficult problem, "clean" a trail feature or segment; sense of accomplishment.
Risk	Exposure to danger or harm, or loss; intentional interaction with uncertainty. The perception of risk creates a thrill for many trail users. It can be a positive or negative part of the trail experience, depending on user expectations and risk tolerance.
Play/Playfulness	Engaging in the activity purely for the enjoyment, bringing a childlike wonder to the pursuit, no destination. On a trail, this often means seeing features to enhance, alter the experience, rather than simply riding from point to point. Playfulness is a hugely important characteristic in mountain bike trails, and distinguishes trail experiences from many other trail user goals (hikers, equestrians).
Exercise	Health and fitness are part of the sport. For some this is a primary goal, for others a bonus, for some an obstacle. Defining the physical fitness needed for a particular ride is important in setting user expectations appropriately. Recognition that some riders have high skill and low fitness (and vice versa) plays a role in trail planning.
Efficiency	Getting to a destination or accomplishing a task with the least amount of time or effort expended. Road climbs are very efficient, as are trails that ascend directly to a destination. Efficiency sometimes means compromising sustainability and fun/play. Hiking trails tend to be much more efficient than biking trails.
Education	Sometimes learning is the objective, such as is the case with interpretive trails for natural, cultural, or historical topics.

Figure 6. Mountain Biker User Objectives adopted from BLM Quality Trails

2.4 Benefits of Mountain Biking

Mountain biking can drive significant health, community, economic, and environmental benefits for residents that take part in the activity and communities that enable the activity to flourish. Some of the most common benefits from mountain biking and mountain bike trails include:

Quality of Life & Health

- Improve physical and mental health and reduce health care costs.
- Build positive self-esteem and confidence.
- Increase social interaction and connection.
- Enhance individuals' sense of achievement.
- Provide opportunities for skill development, challenge and competition, achievement, and leadership.

Economic

- Stimulate increased visitor spending through mountain bike tourism in the local economy – especially important in rural areas.
- Grow and diversify local economies through tourism, gear purchase and services.
- Create new direct and indirect jobs as new enterprises are developed to support mountain biking, skill development, and mountain biking infrastructure.
- Generate local and provincial taxation revenues.
- Help communities attract and retain employers and skilled labour seeking lifestyle communities.

Community

- Strengthen family relationships as families ride together.
- Build community and friendships as the riding community expands.
- Stimulate investment in community infrastructure, amenities and facilities that benefit both residents.
- Elevate resident awareness and community pride as riders become stewards of their trails and ambassadors for their community.
- Mobilize volunteerism and passion for regional parks.

Environmental & Cultural

- Deepen rider's understanding and appreciation of the unique Indigenous and non-Indigenous history, culture, and heritage in regional parks.
- Build a strong culture of conservation and appreciation of nature as riders learn about and appreciate the wildlife, ecosystems, and ecosystem processes in regional parks.
- Raise the profile of and local advocacy for regional parks as riders establish deeper connections to the parks.
- Enhance the rationale for expanding new parks based both on their conservation importance and the economic impact that can come from sustainable mountain biking.
- Improve the management of recreational use and mitigate impacts from recreational use by attracting visitors to high quality, sustainably designed trails which will help to keep riders out of, off, or away from sensitive areas.

2.5 Mountain Biking Trends

Mountain biking, and indeed outdoor recreation, has evolved rapidly over the past decade and all indications suggest that mountain biking will continue to evolve. The MBAC would like to stress that the guidelines should be developed to address the issues and challenges of today while considering the trends and potential future needs of tomorrow. As such, the MBAC would like the CRD to consider the following future trends and drivers as the guidelines are developed.

COVID-19

The COVID-19 pandemic has led to dramatic increases in participation in outdoor recreation, including mountain biking. People have turned to outdoor recreation to manage personal stress, undertake physical activity, and enjoy the company of their friends and family in a physically distanced way. Participation at levels well above pre-pandemic periods are expected to be the norm for the foreseeable future. Participation levels may intensify even more as the tourism industry actively turns to promoting and growing domestic outdoor recreation and adventure tourism in an attempt to offset lost revenues and business due to closures and loss of long-haul domestic and international travel. Even as the pandemic is controlled, outdoor recreation professionals anticipate that participation levels in activities such as mountain biking will remain higher than pre-pandemic levels as many new people have been introduced to the activity and will keep with it.

Bike Evolution & Price Points

Mountain bikes have and will only become more capable of navigating the terrain and obstacles encountered on the trail meaning the level of challenge sought in trails will also evolve. Manufacturers will continue to develop lighter, stronger, and more efficient bikes. More capable bikes will be made available at much more affordable prices expanding the markets away from high-end products that are only affordable by the very wealthy or sponsored riders and into the mid to low cost markets that are accessible to a much broader range of recreational riders.

Expanding Participation

Mountain bike organizations, riding schools, active transportation are all helping to expand the demographic of mountain bikers. Once skewed towards males, we are seeing the rapid expansion of mountain bike participation by women, youth and by all ages and a much wider array of income levels. The evolving demographics of mountain bikers will continue to increase mountain bike participation and ensuing demands for more trails and greater active management to avoid crowding.

Communication Technology

Mountain bikers have proven to be enthusiastic adopters of communication technology. Websites, apps, and other social media tools are a mainstay of the mountain bike community. Whether it be using technology for mobilizing volunteers and advocacy, reaching the community with stewardship education, helping find the right trails for their desired experiences or keeping them on the right trail, the mountain bike community is among the most advanced recreational community in their use of technology.

Climate Change

Climate change will have significant implications, some good and some bad, on mountain biking. In many locations, climate change is increasing the length of the riding season as some jurisdictions experience later starts to winter and an earlier spring. But more intense summer temperatures and greater forest fire smoke are creating more difficult and potentially unsafe riding conditions. In addition, warmer summers may create greater wildfire risk which may lead to more closures of forested areas to help prevent wildfires. These collective actions may shift riding patterns and cause intense riding periods to be focused on early and late season margins and potentially elevate crowding and conflict and will also shift when trail maintenance is able to be completed. The extreme weather events will also bring challenges for mountain bike trail design and maintenance. Major storms may deliver more intense precipitation events elevating impacts such as erosion to the trail tread. These events will demand more time and more money to respond to. This will make marginally or poorly designed trails entirely unsustainable.

Trail Development Capacity

There has been a rapid and exponential growth in the number of professional and volunteer mountain bike trail organizations, planners, designers and builders – both trained and untrained. Unlike other recreational activities, mountain biking is experiencing a relative surge in volunteerism with an interest in helping build and maintain trails. In fact, the mountain bike community has developed an underlying social expectation that to ride one must also help maintain and should be a part of a local mountain bike organization. This expanded generation of trail organizations and builders are focused on creating mountain bike-optimized designs and features that exponentially increase the enjoyment of trails.

Outdoor Recreation Culture

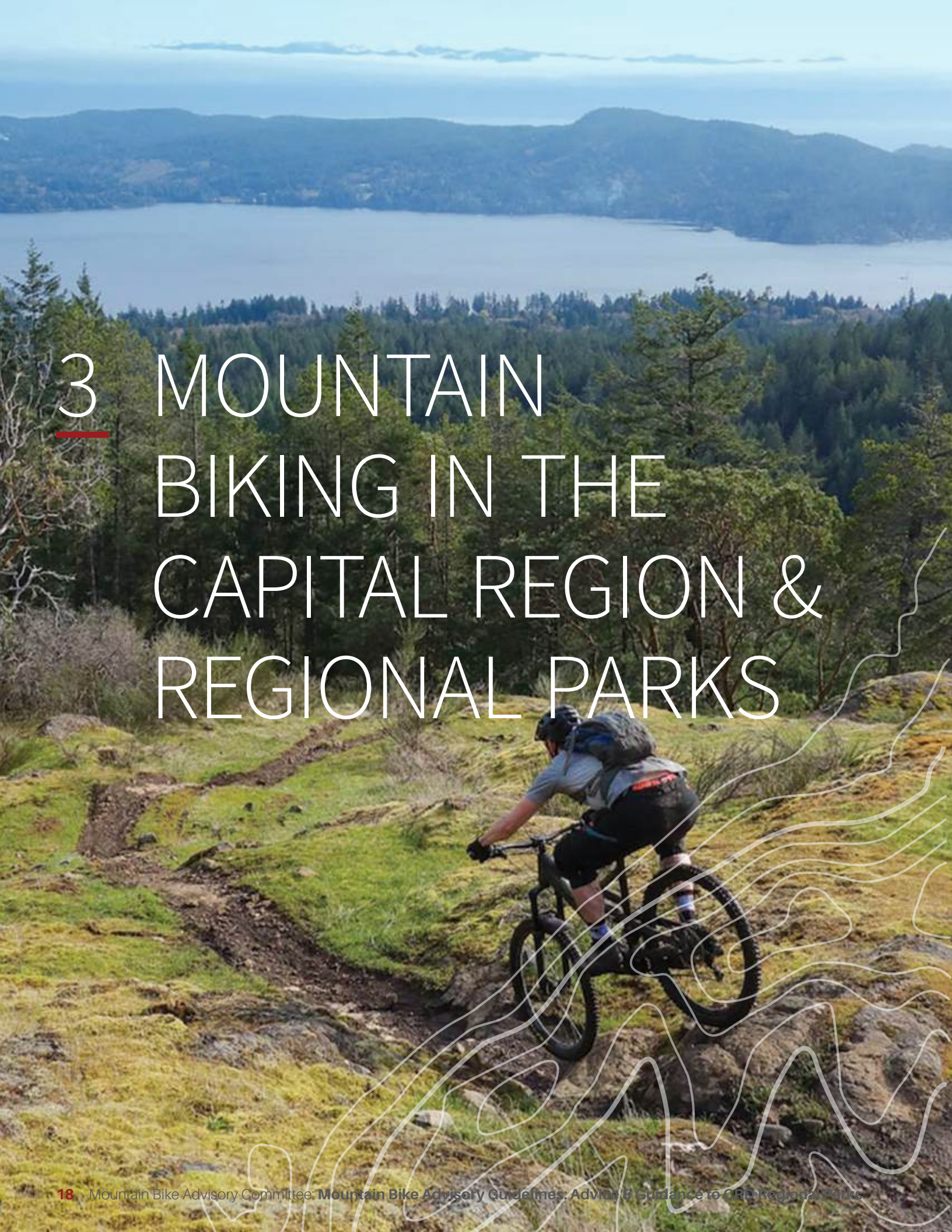
Today's youth, our newest generation of outdoor recreation enthusiasts for whom these guidelines are truly being developed, have always known the outdoor recreation sector to include mountain biking whereas for the older generations, some may still consider mountain biking to be "new". Mountain biking is now mainstream and part of the range of activities that are expected and anticipated to be available to outdoor recreation enthusiasts in parks and recreation areas.

Mountain Biking is Economic Development

One need not look any further than British Columbia and Vancouver Island to know that mountain biking can be an important economic development strategy. Communities and destination marketing organizations across the province, including Indigenous communities, see the potential for mountain biking to help grow, strengthen, and diversify economies especially in rural communities. And these communities know that quality trails are the foundation of this tourism economy. This trend will certainly continue and is likely to expand greatly. The Capital Region is no different. The region holds tremendous potential that has yet to be unlocked and organizations such as Tourism Greater Victoria are working to expand nature based and adventure tourism especially considering recent COVID-19 implications.



Image Source: Mount Work Regional Park - racerfacer, trailforks.com



3 MOUNTAIN BIKING IN THE CAPITAL REGION & REGIONAL PARKS

The delivery of mountain biking trails and opportunities in the Capital Region occurs through an intertwined delivery system made up of various landowners and managers. Each of these land managers and owners have different land management objectives and priorities for those lands. In general, the system is comprised of:

- Regional Parks (e.g. Mount Work, Harbourview)
- Private Forestry Lands (e.g. Tansky Recreation Site)
- Private Resort Lands (e.g. Bear Mountain)
- Municipal Lands (e.g. Jordie Lunn Bike Park)
- BC Provincial Parks (e.g. Goldstream Bike Park)

There is both an opportunity and a need to purposefully coordinate the delivery of mountain biking across this system of land managers. Improved and deliberate coordination will help ensure the region provides the right mix of mountain bike trail experiences in the right locations and in a way that aligns with the objectives of the respective lands. Recognizing the diverse management objectives and realities of each land manager in the system, it is also important to know that the mountain bike community does not expect a single land manager to meet all the demands of the mountain bike community on one particular land base. Instead, the MBAC believes that a broader systems approach to planning this network is needed and will enable the most suitable mountain bike experiences to be developed on the lands that are most appropriate and hold the greatest potential to support those experiences.

Regional parks have become popular mountain bike destinations and are looked at as an important land base to support the future of mountain biking for a variety of reasons:

- Incredible scenery and beauty of regional parks,
- Regional parks contain a variety of terrain that is appealing and suitable for mountain biking,
- The proximity of regional parks to regional population centers and connectivity to transit and regional trails make these lands relatively easy to access, and
- Most of the land in the Capital Region is owned by private forestry companies meaning there is limited public land parcels on which mountain biking can be supported.

The regional parks system provides visitors with 315 km of authorized trails. But only 67 km, or 21%, of the authorized trail system have been assigned a difficulty rating specifically for mountain biking indicating that these trails are intended to deliver a quality mountain bike experience. Currently, two of the existing 31 regional parks (just 6% of all regional parks) – Mount Work and Sea to Sea – provide authorized mountain bike opportunities through a purpose-built mountain bike optimized trail network (Figure 7). Most of these mountain bike optimized trails also accommodate other activities such as hiking.

What is a Trail?

A trail is a type of infrastructure that is purposefully designed, constructed, and used to facilitate one or more recreational activities. To be a recognized trail, the route must be:

- Approved by the landowner / manager,
- Mapped,
- Marked (e.g. signage), and
- Actively managed and maintained.

If one of the above criteria are missing, the route is not a trail. It is linear access.

The CRD should adopt this definition of a “trail”.

What is a Mountain Bike Optimized Trail?

A trail that permits multiple activities (multi-use) but has been designed specifically to, and contains natural and built features that, optimize the trail experience for mountain bikers.

315 km of authorized trail in regional parks

2 of 31 regional parks provide mountain bike optimized trails

21% of authorized trails in regional parks have been assigned a difficulty rating for mountain biking

According to TrailForks, Mount Work Regional Park provides riding for all levels of difficulty though the network heavily favours blue and black diamond rated trails that provide for technical riding and limited flow (Table 1). Though all of these trails exist within Mount Work Regional Park, the mountain bike community identifies two distinct sub-areas in the park including 1) Hartland Mountain Bike Park and 2) Mount Work Regional Park. In Mount Work, the management plan has designated a specific zone in the park for mountain biking, horse riding and hiking. The trails in this portion of the park are developed, maintained, managed, and monitored by the South Island Mountain Bike Society through a license agreement with the CRD.

Sea to Sea Regional Park, which is referred to as the Harbourview riding area, contains a number of mountain bike trails with most segments favouring the more difficult black diamond trails which provide technical riding and limited flow. Unlike Mount Work, a license agreement does not exist between the Sooke Mountain Bike Club and the CRD for the development, maintenance, management, and monitoring of the mountain bike trails in this area and many of the trails are not regularly maintained.

Table 1. Proportion of Trail by Trail Difficulty Rating (TrailForks)

Park & Riding Area	Proportion of Trail by Trail Difficulty Rating (TrailForks)			
	Green	Blue	Black	Double Black
Hartland Mountain Bike Park	0%	45.3%	41.3%	13.3%
Sea to Sea Regional Park - Harbourview	4.2%	29%	54%	8.3%

Source: TrailForks

** For further detail and characteristics on each trail difficulty rating, please see Appendix C*

Growing Pressure & Demands

Hosting over 7 million visits annually, the MBAC understands that regional parks are facing growing pressure and demands from both the mountain biking community and other outdoor recreation activities. The demand for mountain biking and the provision of a diverse supply of high-quality purpose-built mountain bike optimized trails in the Capital Region has grown dramatically since the original network of mountain bike trails in regional parks were developed or sanctioned. The MBAC believes there is a need to expand the quantity, diversity, and quality of mountain bike experiences within regional parks. At the same time, MBAC recognizes that visitation to regional parks by other trail users and visitors has also grown. And, this increase in visitation, which has only been intensified through the COVID-19 pandemic, is happening at a time when land development pressures and the loss of ecosystems and biodiversity in the region have elevated the need for protected areas to protect the Capital Region's biodiversity, ecosystems, and ecosystem processes.

Recognizing the pressures and demands that regional parks face, the advice and guidance prepared by MBAC has considered how the supply of mountain bike experiences can be enhanced and evolved to better meet the needs of the mountain bike community but in ways that will minimize impacts to and conflicts with other visitors and the important Indigenous, biodiversity and ecosystem values that regional parks are helping to protect.

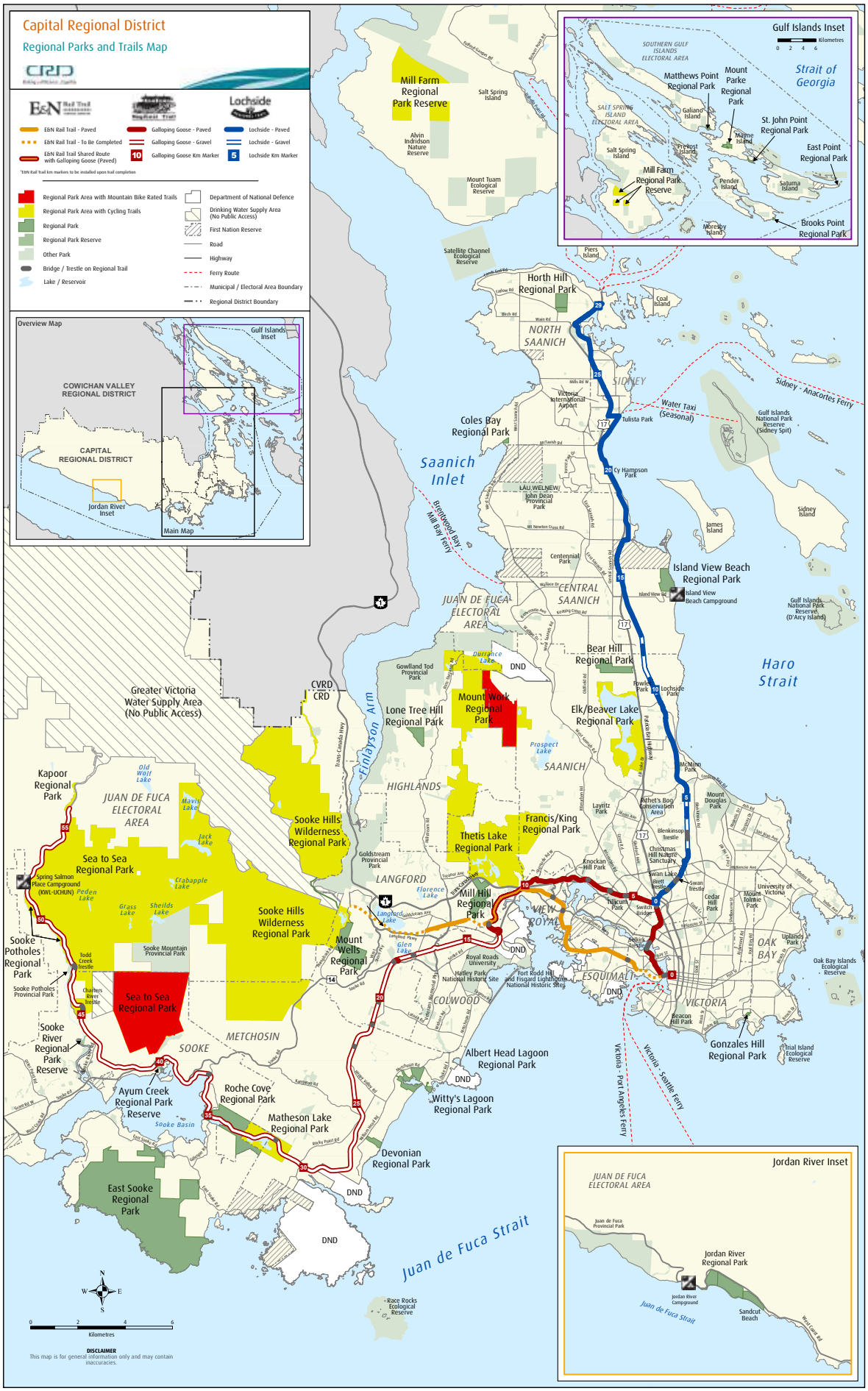


Figure 7. CRD Regional Parks – Biking & Cycling Opportunities

4 ADVICE & GUIDANCE



Photo Cred: Dirty Girlz Bike Club

The following sections present the advice and guidance from the MBAC to the CRD. Each of the priority focus topics discussed by the MBAC have been organized under one of the following four topic themes:

- Mountain Biking Experiences
- Regional Parks Classification & Zoning
- Service Delivery Model
- Planning, Design & Management

An introduction and supporting context are provided for each discussion topic which is followed by clear recommendations to the CRD. The MBAC respectfully requests that the CRD consider and integrate this advice and guidance in the development of Mountain Bike Guidelines for Regional Parks.

4.1 Mountain Biking Experiences

4.1.1 GAPS IN MOUNTAIN BIKE EXPERIENCES IN THE GREATER VICTORIA REGION

Context

As indicated earlier, mountain biking is a remarkably diverse activity. Residents of and visitors to the Capital Region are seeking a wide range of mountain biking experiences. Though specific research into the mountain biking demands in the region are not available, mountain bike organizations have been clear that the supply of existing experiences have not necessarily evolved in line with demands. There are three primary reasons for this:

- The approval of new trail construction has been constrained,
- The unsanctioned trails that have been built may not align with the experiences that are of highest demand by the broader range of riders, and
- Terrain in the Capital Region and in regional parks makes development of less difficult trail experiences and flow trails more challenging but not impossible.

The committee would also like to identify that, currently, there are no purpose-built adaptive mountain bike trails or opportunities in the region for riders who cannot ride a standard mountain bike.

It is the opinion of the MBAC that the current supply of mountain-bike optimized trails does not meet the region's current needs, is not positioned to meet anticipated future needs and is not positioned to capture the true tourism potential that mountain biking can bring to the Capital Region and our economy. The committee believes that deliberate efforts should be taken to increase the supply and diversity of purpose-built mountain bike optimized trails in the Capital Region in general and in regional parks more specifically.

Advice & Guidance

To address the gaps in the diversity and volume of trail experiences in the Capital Region generally, the MBAC recommends that:

1. The system of mountain bike trail providers as a whole, should focus on developing new trails that provide the following mountain bike trail experiences:

- All-mountain flow and tech trails at the green, blue and double black diamond levels of difficulty as well as supporting green and blue climbing trails.
- Cross-country (including gravel riding / cyclocross) at the green and blue levels of difficulty.
- Downhill trails with shuttle opportunities ranging from blue to double black levels of difficulty.
- Adaptive Mountain Bike (aMTB) at the green and blue levels of difficulty.

4.1.2 MOST APPROPRIATE MOUNTAIN BIKE EXPERIENCES IN REGIONAL PARKS

Context

Though there are gaps in the current supply of mountain biking experiences in the Capital Region, the MBAC recognizes that mountain biking is delivered through a regional system comprised of different providers and land managers. The committee agrees that a single provider cannot, and should not attempt to be, all things to all riders. Providers, whether it be Regional Parks or others, should provide the experiences that are best enabled by their lands and aligned with their respective mandates. As such, the MBAC is not suggesting that regional parks should attempt to address all mountain bike experience gaps identified above. The committee recognizes the conservation and outdoor recreation mandate of regional parks and acknowledges that the overarching role of the public sector in the provision of recreation, including mountain biking, is to maximize the "public good". The committee recognizes that the investment of public tax revenues must occur in a way that will maximize the benefit, directly or indirectly, to the majority of the residents in the Capital Region rather than a small few. To this point, the committee understands that as the level of excellence in any recreational activity, including mountain biking, increases, the number of people engaged in the activity, and therefore the public good derived from investments in delivering the activity, typically decreases (Figure 8). Sport for Life's "Long-term Athlete Development Model" (Figure 9) was adopted by the committee as a framework for informing recommendations about the "level of play". In accordance with the above, the MBAC has identified the mountain bike experiences, level of difficulty and level of play that should be the priority focus in regional parks.

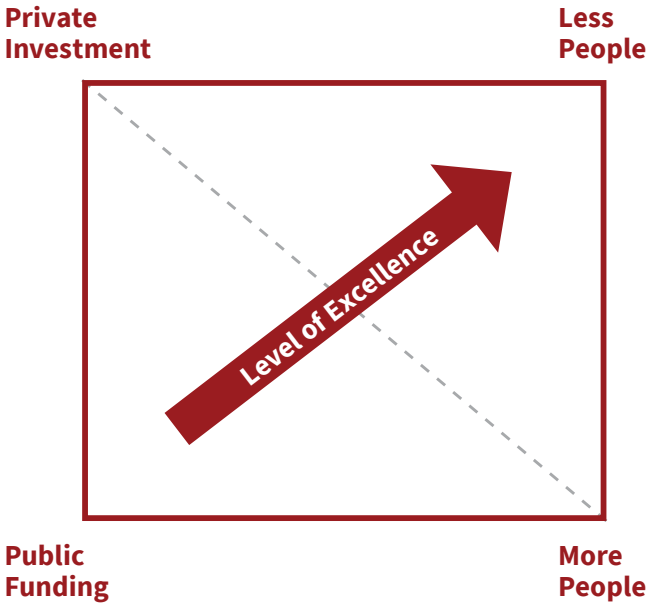


Figure 8. Public Funding & Level of Excellence Model

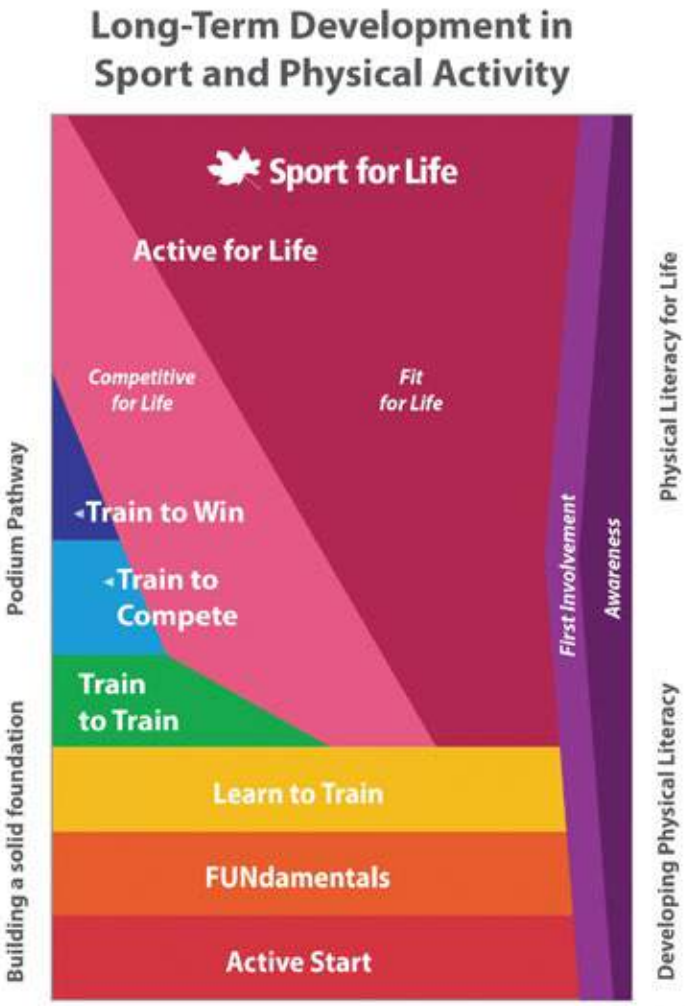


Figure 9. Sport for Life Long-term Athlete Development Model

Advice & Guidance

The MBAC recommends that:

1. The CRD should enable the development of mountain bike optimized trails, including technical trail features and visitor infrastructure, that support the following disciplines:

- All-mountain flow trails at the green, blue and double black diamond levels of difficulty as well as supporting green and blue climbing trails.
- Cross-country (including gravel riding / cyclocross) at the green and blue levels of difficulty (see recommendation #4 as well).
- Adaptive Mountain Bike (aMTB) at the green and blue levels of difficulty.

2. The CRD should prioritize providing, or enabling the provision of, mountain bike trails and programs that will:

- Help introduce new mountain bikers to the activity,
- Enable riders to develop the fundamentals and learn to train, and will
- Keep riders active and fit for life through mountain biking.

The committee supports the region as being the national hub for elite mountain bike training and recognizes that many of the trails developed in Regional Parks are also likely to be used by these athletes for training. However, the MBAC recognizes that CRD priority is unlikely to focus on providing higher level of service trails and facilities that are focused on meeting the expectations of national and international racing standards or programs to develop elite athletes.

3. Regional Parks develop a new, or update the existing, trail classification system to include "activity-optimized" trails as a new classification in addition to typical single use and multi-use class trails and that the classification also include level of difficulty and recreation setting.

4. Regional Parks actively seek opportunities to support the creation and connection of long-distance interconnected natural surfaced single track loops throughout the region that support bike packing, connect riders to existing mountain bike trail destinations and to other adjacent jurisdictions.



Multi Use Trails – allow two or more distinct activities to occur on a single trail but the experience and amenities have not been optimized for any particular activity type.

Single Use Trails – allow only one recreation activity and have been designed to optimize the experience for that activity.

Activity Optimized Trails – allow two or more distinct activities to occur on the trail but have been designed and incorporate activity optimized features that elevate the experience for only one of the activities.

5. Though the MBAC acknowledges the growth in popularity of downhill riding, dirt jumping and gravity parks, the MBAC recommends that these activities are less appropriate to be developed within regional parks due to their intensive footprints and elevated levels of risk and liability. These experiences are important and needed and more appropriate for municipal park settings or private resort lands.

6. During the update of the CRD Regional Parks Strategic Plan, Regional Parks should identify and include the mountain biking experience gaps, as identified in this report, as high outdoor recreation priorities for regional parks to address and affirm the commitment to supporting these experiences in appropriate parks and appropriate locations within parks. In addition, the suitability of land to deliver and support new mountain bike trails should be added as an additional criterion in Regional Parks' parkland acquisition criteria.

7. CRD work with the mountain bike organizations to prepare Trail Management Objectives for each new mountain-bike optimized trail, and where necessary, existing mountain bike optimized trails in order to clearly define the trail user objectives, level of difficulty, technical trail features to be included, trail classification, permitted uses, design parameters and inspection and maintenance standards. The CRD should require TMOs to be submitted as part of all trail development applications.

Trail Management Objective…

> Documents and synthesizes, in a single form, the management intention for the trail in a clear, consistent and understandable way. TMOs should guide all future trail planning, design, construction, maintenance, and management decisions for the trail and are used to help public land managers understand, communicate and, ultimately, approve the development of the trail





4.2 Regional Parks Classification & Zoning

Context

Upon acquisition, each regional park is assigned a park classification (see Appendix DD.1). This classification indicates the high-level management priority and focus for the park. Through the management plan process, zoning (see Appendix DD.2) is used to refine and provide more specific management direction for certain areas within a park. Neither the park classification nor the park zones provide clear direction on what specific recreational activities are deemed to be compatible in the park / zone which are considered incompatible. Without this clarity, it is difficult for the mountain bike community, other recreational users and Regional Parks staff to make clear decisions about the permissibility of mountain biking and where future mountain bike trails could be developed.

Advice & Guidance

To improve clarity and clearly communicate appropriate uses in regional parks and park management zones, the MBAC recommends that:

1. Regional Parks prepare a matrix or framework that provides system wide direction on what activities, trail configurations and visitor amenities are deemed to be compatible, compatible with conditions or incompatible with the management intent of each park management zone. Specific to mountain biking, the framework should clearly articulate which mountain bike disciplines, which trail system configuration (e.g. destination areas with higher density of trails versus single or low density trail network), which technical trail features and which supporting visitor infrastructure is deemed compatible with each management zone. Table 2 is provided as an example and, where necessary, should be refined by Regional Parks and included in the Mountain Bike Guidelines.

TECHNICAL TRAIL FEATURES (TTFs)...

Are constructed or natural obstacles that are purposefully integrated or built into a trail to deliver specific user objectives and require riders to negotiate them. There are 3 categories of TTFs:

Natural

- Drop
- Rock face / slab
- Rock roll
- Exposure
- Roots
- Natural rock garden

Enhanced

- Rock garden
- Dirt Berm
- Switch berm
- Small rollers
- Log ride
- Table top
- Step up / down

Constructed

- Wooden Berm
- Bridge (*that is used for play vs trail infrastructure*)
- Wall ride
- Skinny
- Jump
- Gap Jump
- Roller coaster
- Pump track

Table 2. An Example of Compatible, Permitted and Not Permitted Mountain Bike Uses by Park Management Zone

		PARK MANAGEMENT ZONE					
		Environmental Protection	Cultural Heritage Protection	Regional Wilderness	Natural Environment	Outdoor Recreation	Park Services
DISCIPLINE	Cross country						
	All mountain						
	a-MTB						
	Regional Connections						
TRAIL SYSTEM CONFIGURATION	Dense Network						
	Dispersed Network						
	Single Trail						
TTF'S	Natural						
	Enhanced						
	Constructed						
AMENITIES	Signage						
	Bike wash station						
	Parking						
	Washroom (un-serviced)						
	Washroom (serviced)						
	Day use / picnic areas						
	Bike Play Park / Skills Training Area						

Compatible Use	Uses that are considered to be consistent with the intent of the park management zone under normal trail design and visitor management practices.
Permitted	Uses that may be compatible with the intent of the park management zone under certain circumstances and under special conditions and controls where necessary.
Not Permitted Use	Uses that are not compatible with the intent of the park management zone.

4.3 Service Delivery Model

Context

As demonstrated in jurisdictions such as Cumberland, North Cowichan, Regional District of Nanaimo and on Crown Lands, mountain bike trails and mountain biking opportunities can be delivered through a variety of service delivery models. The MBAC believes that it is imperative that a clear mountain biking service delivery model be established for regional parks.

To inform the MBAC's recommendations, the committee discussed delivery models that are applied in other jurisdictions as well as the mandate of Regional Parks as a public sector recreation provider. Land managers, such as Regional Parks, can and do play a variety of roles in the delivery of mountain biking including:

- **Direct Provider** – the land manager identifies community needs and plans, designs, constructs and operates mountain bike trails and delivers programs and services through public funding.
- **Enabler / Indirect Provider (e.g. community development)** – the land manager initiates and enters into mutually beneficial and collaborative partnerships and alliances and may provide various supports such as capacity building, leadership, facilitation and / or funding to community groups and organizations that plan, design, construct and operate mountain bike trails.
- **Cost Share (Patron)** – the land manager provides financial support through a formal cost share agreement to an existing entity such as another government agency who already offers mountain biking opportunities in their jurisdiction but not in the land manager's jurisdiction.

In accordance with other jurisdictions, the role that the CRD chooses to play in the service delivery model could vary depending on the following service areas:

- Trail planning,
- Trail design,
- Trail construction,
- Trail maintenance,
- Trail and visitor monitoring, and
- Visitor management.

The current service delivery model for mountain biking in regional parks is unclear, inconsistent between parks (e.g. Mountain Work Hartland Area versus Harbourview) and is leading to confusion and frustration for the mountain bike community and CRD staff. It is also directly challenging the ability for the region to meet the current demands for mountain biking and is resulting in growing unauthorized trail building and undesirable environmental and other impacts.

Benefits of a Clarified & Consistent Service Delivery Model

- Certainty for the mountain bike community, the CRD and staff
- Improved partnerships and relationships
- Ability to leverage limited financial and staff capacity
- Enhanced capacity to deliver on regional mountain bike needs
- Stronger stewardship commitment and connection to regional parks
- Improved management, maintenance, and sustainability
- Reduced conflicts and public complaints
- Improved quality of trails and riding experiences
- Improved environmental integrity

Advice & Guidance

Recognizing that Regional Parks will remain a direct provider of policy development, regional park management planning and trail development application review and approvals, the MBAC recommends that:

1. The CRD deliberately adopt an "Indirect Provider" role for the following service areas relating mountain bike optimized trails (Figure 10):

- Trail planning
- Trail design
- Trail construction
- Trail maintenance
- Trail monitoring

2. The CRD deliberately adopt a direct provider role, with support from mountain bike organizations, for:

- Planning, design, construction, and maintenance of supporting visitor infrastructure (e.g. parking lots, bike wash stations, day use areas, washrooms)
- Visitor management activities specific to mountain biking.

3. The CRD establish a consistent license agreement template, performance criteria and process for enabling mountain bike organizations to assume the service delivery roles outlined above.

4. The CRD consider the establishment of a dependable and sustainable granting program to support mountain bike organizations with implementing the service delivery roles outlined above (e.g. contracting professional trail designers) and act as partners in leveraging other funding sources as is done in other jurisdictions such as the Cowichan Trails Stewardship Society in North Cowichan, District of Squamish, Whistler.

5. The CRD provide trail planning, management, and monitoring training for volunteer organizations who enter into a license agreement and others who are authorized to provide trail maintenance activities to build and maintain capacity. And, Regional Parks staff and volunteer leaders participate in trail design, construction and maintenance training provided by third party industry experts.

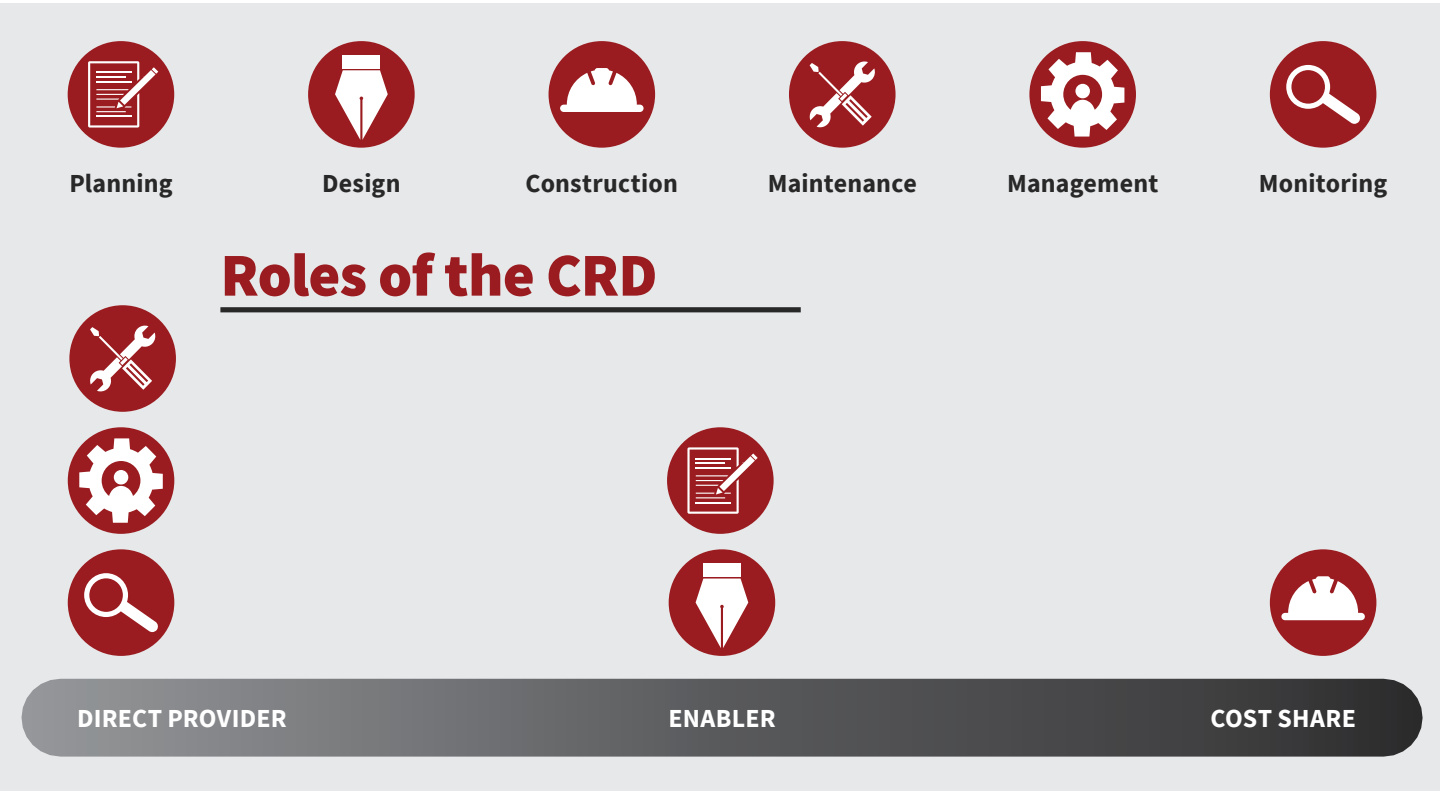


Figure 10. Recommended Service Delivery Role of the CRD

4.4 Planning, Design & Management

4.4.1 AVOIDING & MINIMIZING ECOLOGICAL, INDIGENOUS & CULTURAL IMPACTS

Context

All outdoor recreation activities, including mountain biking, create undesirable environmental impacts and, potentially, adverse effects on areas of cultural and spiritual significance to local Indigenous communities. It is the opinion of the MBAC that each outdoor recreation activity has an obligation and responsibility to take steps to avoid and mitigate the adverse effects of their activity regardless of how their activity might compare to others. Prior to developing advice, the MBAC worked to understand what impacts occur from mountain biking, why they occur, what elements influence the severity and extent of the impacts and how the impacts of mountain biking compare with other typical recreation activities permitted in regional parks. It is essential that the mountain bike guidelines be founded upon the best available research and insights into how mountain biking impacts environmental, Indigenous, and cultural values and how those compare with other activities that are already supported in regional parks.

The committee examined a range of literature reviews on the impacts of outdoor recreation generally and mountain biking more specifically[iii iv v]. Though the science into the impacts of mountain biking continues to evolve, the literature clearly suggests that mountain biking, like any outdoor recreation activity, can adversely impact:

- Soil – erosion, compaction
- Vegetation – damage, loss, introduction and spread of invasive species
- Water – sedimentation, pollution, contamination
- Wildlife – distribution and abundance, disturbance and anti-predator response, mortality, habituation, shift species populations to generalist species and away from specialist species
- Ecological processes and habitat – habitat loss, fragmentation, increase edge effects
- Indigenous values & traditional uses – interference with traditional and spiritual practices, loss / damage / theft of traditional values

Though many of impacts outlined above occur directly on the trail and within the immediate trail corridor, the committee understands that some impacts can also extend well beyond the trail corridor (e.g. wildlife disturbance, edge effects, species displacement). The MBAC recognizes that mountain biking in the Capital Region is a year-round activity which leaves little seasonal reprieve for wildlife in popular areas. And, the MBAC recognizes that night-riding has grown in popularity placing even greater pressures on wildlife that depend on night time for feeding, foraging and movement or for species that have altered their behaviours to favour evening periods where they can avoid human disturbance.

The literature indicates that the severity and extent of environmental impacts from mountain biking specifically, and outdoor recreation more generally, can vary. Several factors combine to influence the overall severity and extent of the impacts including:

- Type of activity and behaviours of visitors,
- Intensity, duration, and timing of the use,
- Weather including precipitation,
- Soil type, slopes, vegetation, and ecosystem types the activity occurs in,
- Species that inhabit the area the activity occurs in, and
- Design and siting of infrastructure and implementation of management practices

A sustainable trail…

> is a trail that allows the visitors to optimize their experience while creating the least amount of adverse impacts to the environment and cultural values, minimal visitor conflicts and safety concerns and requires only routine maintenance. Trails that do not do this are not sustainable.

In general, the committee understands that the activity type, visitor behaviour and location of use is a greater determinant of the severity and extent of environmental and Indigenous and cultural impacts than volume of use. The literature reviewed by the committee suggests that:

- Equestrian use creates the greatest impacts to the trail tread conditions (e.g. soil loss, erosion),
- Hiking and Mountain biking (including class 1 e-bikes) appear to have similar impacts on trail tread conditions,
- Equestrian use creates the least disturbance to wildlife, and
- Mountain biking and other quiet but fast-moving activities (e.g. trail running) create greater disturbance of wildlife due to the element of surprise[vi].

Many park managers may conclude that with greater visitation comes greater impacts. The committee would like to stress that the literature indicates that, though increased use can lead to increased environmental impacts, the magnitude of the increased impacts can be quite small particularly when well designed and maintained trails and infrastructure are in place (**Figure 11**). The greatest degree of impacts to soil and vegetation occurs in the early stages of use (e.g. during the construction of the trail) with impacts levelling off over time. This said, the committee recognizes that impacts to wildlife may follow a different pattern pending the nature of species in the park and the transport and spread of invasive species are also likely to be tied more closely to the volume of use and visitor behaviours.

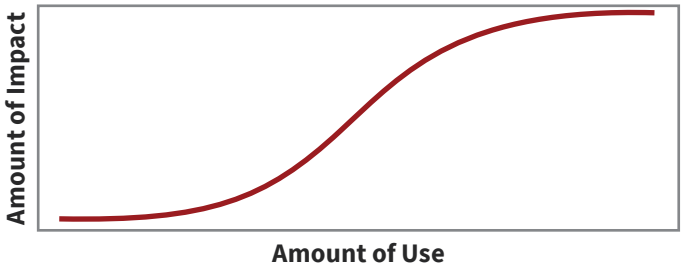


Figure 11. Sigmoid curve that characterizes the relationship between amount of recreation use and resultant intensity of environmental impact

Though the committee acknowledges that mountain biking creates adverse impact, it is the opinion of the MBAC that occurrence of an adverse impact doesn't necessarily mean that the impact results in a significant ecological effect. Leading recreation ecology researchers suggest that overall significance of an impact(s) is a function of a) the impact characteristics (e.g. extent, longevity, intensity) and b) the characteristics of the attribute (e.g. rarity, irreplaceability) that is being impacted[vii] (Figure 12). With all recreation comes adverse impacts. Therefore, it is essential for the CRD to define and understand what degree of impacts are unacceptable and exceed the limits of acceptable change. It is the MBAC's understanding that, at this point in time, the CRD does not have a process for determining which degree of impacts are within the organization's tolerances or limits of acceptable change for a particular park and, therefore, which extent of impacts are deemed to exceed the limits of acceptable change.

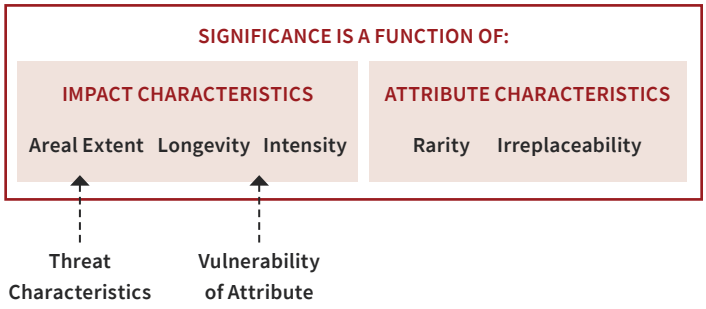


Figure 12. Criteria that help to define the significance of an ecological effect (Cole & Landres 1996)

Advice & Guidance

Based on the above outlined understanding, the committee has prepared the following recommendations on how the impacts of mountain biking on environmental, Indigenous, and cultural values in regional parks can be avoided or minimized. The MBAC recommends that:

1. The CRD adopt, or develop, a visitor use management framework (https://visitorusemanagement.nps.gov/VUM/Framework) to establish clear indicators, triggers and thresholds that define the limits of acceptable change for recreation impacts. The CRD should select and integrate these indicators, triggers, and thresholds of the limits of acceptable change into park management plans and establish a clear structure of what direct and indirect management actions will be taken as / if triggers are reached in relation to the indicators.

2. The CRD ensure all future trails, including the authorization of currently unauthorized trails, are sited to minimize their impacts on environmentally sensitive areas (e.g. species at risk habitat, nesting / den sites, riparian areas, sensitive soils, steep slopes, watercourses, wetlands, unfragmented intact habitat), and areas that are culturally and spiritually important to local Indigenous communities to the extent possible. It is important the CRD balance the protection of environmentally sensitive areas against the need to locate mountain bike trails where they will provide riders with a quality trail experience. Failure to create a quality trail experience due to overly strict environmental limitations is likely to lead to riders seeking their desired experience off-trail. This reality makes it essential that skilled environmental professionals work together with skilled trail planners and designers to achieve this delicate balance. The CRD should maintain, or undertake, appropriate biophysical inventories, archeological overview assessments and archeological impacts assessments to fully understand the environmental and archeological values in areas proposed for trail development as required by the CRD's current policies and provincial, regional, and municipal legislation and bylaws.

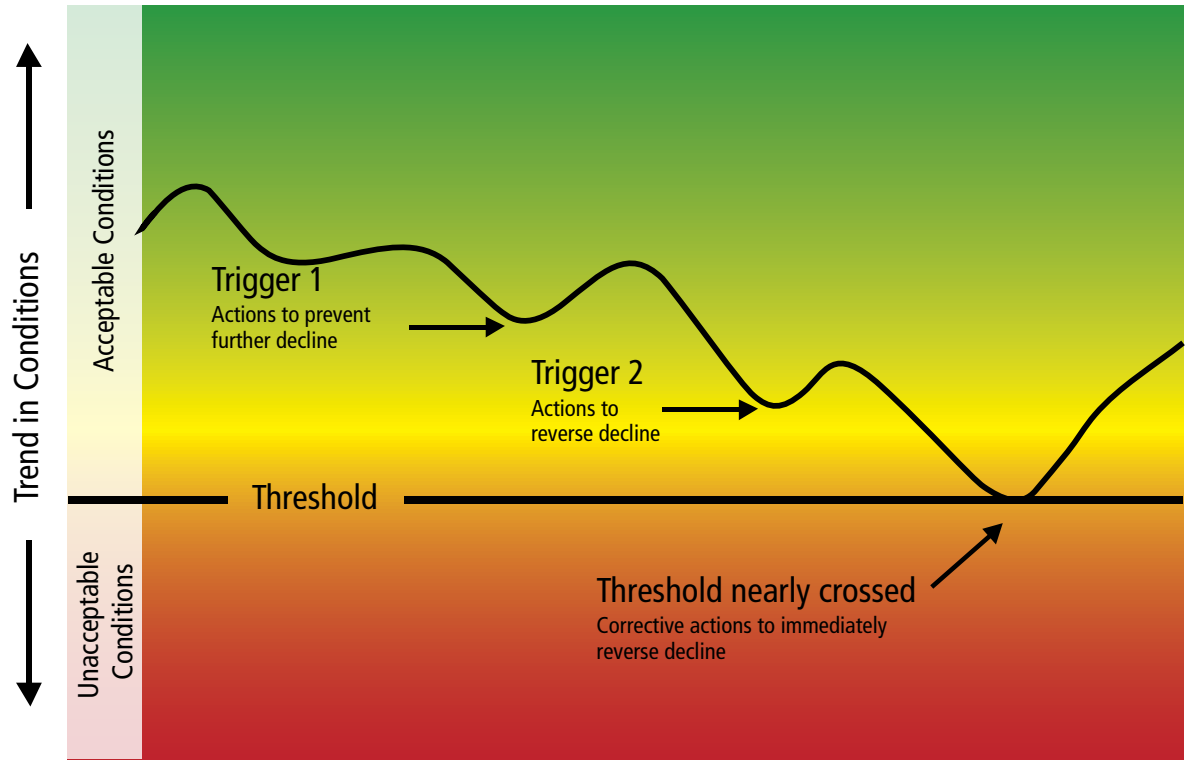
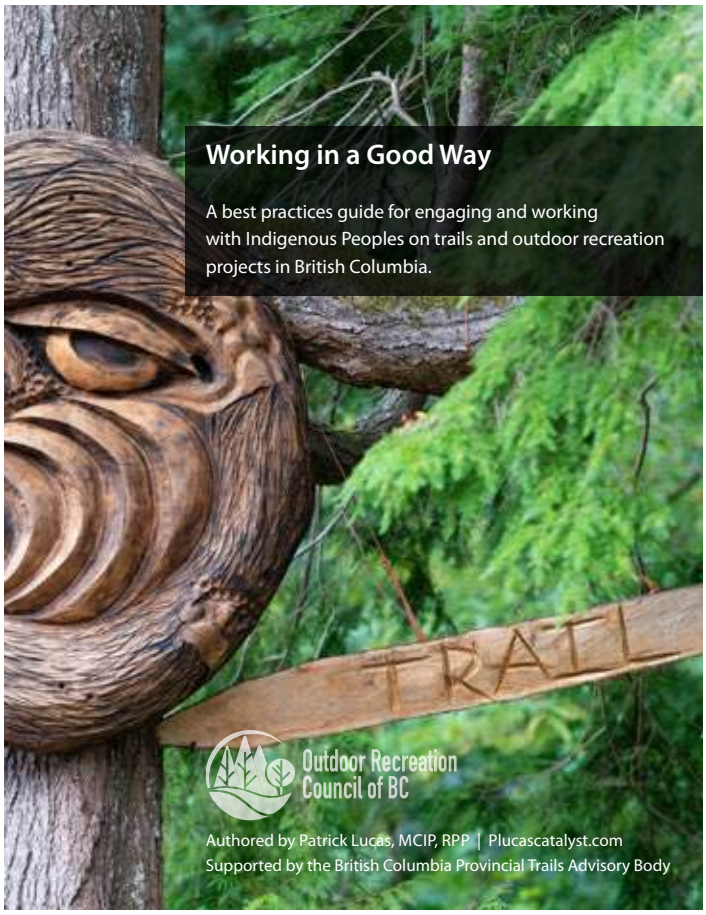


Figure 13. Example Relationship between Triggers and Threshold for Visitor Management Indicators

3. Engage local Indigenous communities with overlapping territories early in the trail planning and design process to ensure Indigenous values in the area of interest are understood, actions to mitigate impacts to Indigenous values can be jointly determined and opportunities to support reconciliation and visitor education about local Indigenous communities (e.g. education and interpretation) directly on the trails can be identified. The CRD should encourage mountain bike organizations to adopt and follow the best practices outlined in the Outdoor Recreation Council of BC's "Working in a Good Way" guide during trail planning.

4. Recognizing the CRD's desire to minimize further linear disturbance and fragmentation, the CRD should thoroughly evaluate whether existing linear disturbance (e.g. historic industrial access roads) and unauthorized trails are suitable to become mountain bike trails. The past practice of the CRD is to utilize existing linear access as the foundation for a park's trail system. However, it is the opinion of the MBAC that this practice is often not the most sustainable nor does it provide the desired mountain biking experience. Past linear access was not designed to provide long-term quality recreational experiences nor were they designed in accordance with sustainable trail design practices. The CRD should incorporate existing linear disturbances into the mountain bike trail system cautiously and only when the access:

- Will deliver a quality mountain bike trail experience and can be upgraded to contain features that optimize the route for mountain biking,
- Meets, or can be easily upgraded to meet, sustainable trail design guidelines (e.g. tread widths, slopes, grades, half rule, sight lines),
- Is intended to serves as a connection between purpose-built mountain bike trails rather than a destination trail or a climb trail, and when
- Creating a new purpose-built trail is simply not feasible or will create unacceptable environmental or cultural impacts.





5. The CRD work with the mountain bike community to apply an integrated mix of direct and indirect visitor management actions to manage the adverse impacts of mountain biking and mountain bikers. The CRD should recognize that direct management actions are effective at creating short-term changes in visitor behaviours especially for those that are uncaring and intentionally non-compliant. However, indirect management actions have been demonstrated to be more successful in shifting the long-term behaviours of recreation enthusiasts - especially those who are unskilled, uninformed and careless - and are known to result in better relationships with land managers and a stronger stewardship ethic. The following direct and indirect management strategies should be integrated into park management plans and visitor management plans and implemented by the CRD and mountain bike organizations:

Indirect Management Actions:

- Provide the right volume and mix (discipline and difficulty level) of purpose-built mountain bike trails to meet the range of mountain bike experiences demanded in the region and appropriate in regional parks (section 4.1.2). Ensure all trails are designed and maintained in accordance with established sustainable mountain bike trail design guidelines (see section 4.4.6).
- Through the proposed volunteer license agreement process (see section 4.3), enable, encourage and ensure that mountain bike organizations are regularly inspecting and maintaining their respective trails to avoid and minimize environmental impacts. Enable these organizations to re-route existing trails that are deemed to be unsustainable.
- Adopt and utilize the Leave No Trace program (www.leavenotrace.ca / www.lnt.org) as the foundation of the CRD's visitor education and skills and ethics program. Building on Leave No Trace, develop and implement education messaging and materials that reach visitors at every stage of the "visitor journey" (see Figure 14) and at key decision making points during their rides (e.g. parking lot, environmentally sensitive areas, unauthorized trails, day use areas, places where multiple activities mix). Engage key mountain bike influencers and organizations to distribute the educational messages to the mountain bike community through social media, mountain bike websites, mobile applications, and stewardship days. Train CRD staff and mountain bike club leaders as Leave No Trace trainers and encourage the staff and club leaders to deliver awareness workshops.



Figure 14. Visitor Journey Process (adapted from Destination Canada)

- Develop a clear mountain bike focused signage typology including trail classification (e.g. discipline, difficulty) signage, trailhead / kiosk, visitor education and information signage, regulatory signage, wayfinding and way markers, warning / safety signage, technical trail feature signage and interpretive signage as well as signage siting guidelines. Support the mountain bike organizations in the development and implementation of deliberate signage plans for mountain bike optimized trails and mountain bike areas (e.g. Mount Work).

- Working with recreation organizations in the region, develop and implement a Regional Parks Trail Guardian or Steward program to help maintain a stewardship presence on the trails, promote Leave No Trace practices and good etiquette to visitors and to monitor visitor use.



Trail Classification & Wayfinding Sign



Trailhead Kiosk

Direct Management Actions:

- Review, and if needed, update the CRD Parks Bylaw to ensure undesirable visitor behaviours that create environmental impacts and visitor conflicts are prohibited and enforceable and any seasonal or temporal closures are enforceable.
- Apply seasonal and time of day trail closures where needed to prohibit mountain biking in specific areas or on specific trails during sensitive periods for wildlife.
- Apply weather-based closures during inclement weather or seasons where the trails become overly susceptible to degradation and impacts from visitation.
- During management planning, identify existing trails that could be decommissioned (e.g. unsustainable, poor quality) to reduce linear disturbance. Pursue decommissioning and restoration to minimize the potential that the trail will continue to be used and continue to create impacts (e.g. erosion).
- Rapidly decommission unauthorized trails as they are constructed. However, ensure that all decommissioning actions and rationales are communicated to the mountain bike organizations and to the public in advance of decommissioning. Erect signage warning of decommissioning and ensure that appropriate decommissioning practices are applied to minimize safety risks to riders and other park visitors.
- Maintain CRD bylaw officer presence in mountain bike areas to promote compliance and pursue enforcement as a last resort, for the most serious of offences and for repeat offenders.

6. The CRD develop a trail and visitor impact monitoring training program and train the mountain bike organizations on how to monitor and report on changes in the visitor management indicators established in the management plans / visitor management plans. The program should also include practices on how to monitor visitation on the mountain bike trails (e.g. Traf-x counters, cameras).

7. The CRD work with established recreational organizations (e.g. hiking, mountain biking, equestrian, trail running etc.) and conservation organizations to develop annual opportunities for these organizations to interact, share education and develop an understanding of each others' interests, perspectives and concerns about recreation and conservation priorities in regional parks.

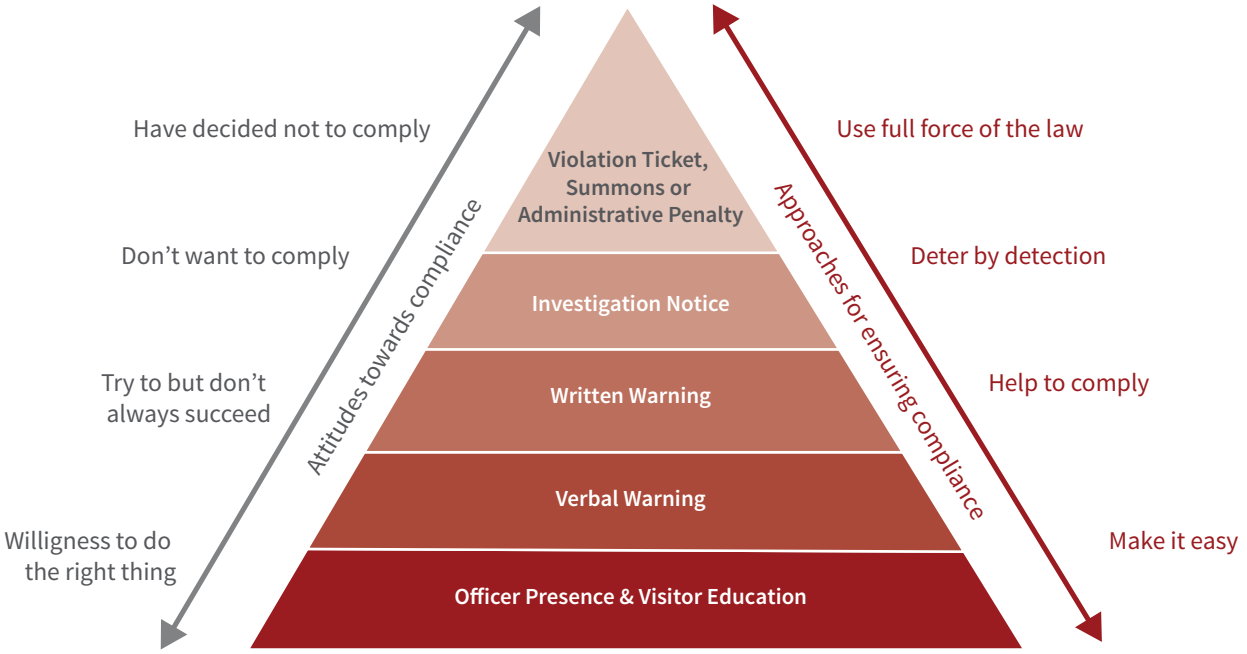


Figure 15. Compliance Pyramid Adapted from John Braithwaite

4.4.2 INTEGRATING MOUNTAIN BIKING WITH OTHER TRAIL ACTIVITIES

Context

Conflicts between recreational activities and between visitors of the same activity can create significant adverse effects on the quality of visitor experiences. It is essential that all recreation activities, including mountain biking, be planned, their infrastructure designed, and the visitors managed to mitigate the potential for conflicts between visitors and activities. The MBAC understands that conflict in outdoor recreation settings is best defined as "goal interference attributed to another's behavior"[viii]. Conflicts can occur between visitors of the same activity (e.g. varying skill levels, e-assist versus non e-assist, riders with dogs versus riders without dogs) and visitors undertaking different activities. Conflicts can even occur when no physical interaction takes place between visitors (e.g. perception of impacts, opinion on what is or is not appropriate).

The MBAC understands that conflicts are most often related to differences in:

- Activity styles (e.g. mode of travel, degree of technology, noise, smells),
- Focus of and goals for the outing,
- Visitor behaviours,
- Expectations of visitors (what is expected vs experienced),
- Attitudes towards and perceptions about the environment,
- Personal norms (beliefs on what is right or wrong),
- Level of tolerance toward other activities, and the
- "Last Settler Syndrome" where the first users of an area want that area to remain the way it was when they first arrived.

Important Note

> The degree to which one recreational activity experiences conflict is often asymmetrical to how another recreational activity experiences it.

From the MBAC's experience, the most common conflicts occurring between mountain bikers and other regional park users include:

- Speed and control of mountain bikers can create actual and perceived safety issues,
- Poor etiquette by a few creates perceptions for the many (e.g. yielding right of way, large groups dominating the trail, nudity, profanity, noise),
- Off-trail travel,
- Riding in, or a trail being developed (unsanctioned and sanctioned) in, areas that are or are perceived to be environmentally sensitive is creating perceptions that there is a lack of education, understanding and appreciation of nature,
- Failing to follow COVID-19 physical distancing guidelines,
- Some riders are unwelcoming to other visitors, are territorial or entitled and do not understand what other activities are permitted on trails that are used for mountain biking,
- Using trails that do not permit mountain biking,
- Scaring/startling horses, and
- Dogs on the trails.

The MBAC recognizes that visitors respond to actual and perceived conflicts in different ways. In response to conflicts, visitors may:

- Change their personal expectation of what is acceptable,
- Change their visitation behaviours and patterns (e.g. visit less often, visit at different times), or they may be
- Displaced from the area and go somewhere else for their recreation.

The MBAC believes it is incredibly important to minimize conflicts and negative encounters given that the outdoor recreation community is small and even a single negative experience can have a stronger impact and last longer than a positive experience. It is important to recognize that when negative interactions occur, some people can hold onto the memory of those conflicts and experiences and share them widely with others which can foster negative perceptions.

The MBAC recognizes and wishes to stress that the degree to which one recreational activity experiences the conflict is often asymmetrical to how another recreational activity experiences it. For example, the MBAC recognizes that some hikers, as an example, may experience greater negative impacts to their experience because of encounters with mountain biking than mountain bikers may experience because of encounters with hiking. The MBAC understands that just because one activity may be willing to share a trail(s) with another, it does not mean that the quality of the experience for those other activities will be maintained. At the same time, MBAC does not believe that providing single use trails is realistic or warranted in most cases. It is the opinion of the MBAC that the CRD and trail users need to find ways to ensure activities can co-exist on multi-use trails though some trails may be, and should be, deliberately optimized for specific activities.

Advice & Guidance

To avoid and mitigate the risk of conflicts between mountain biking and other approved recreation activities in regional parks, the MBAC recommends that:

1. The CRD work with the mountain bike community and other recreational users to develop an etiquette education program as part of a broader regional parks visitor education program (see section 4.4.1).
2. Ensure all trails are designed in accordance with established guidelines for safety, sustainability, and quality (section 4.4.6). In areas where multiple activities cannot mix safely, develop bypass routes to minimize conflicts.
3. Provide and maintain well placed and appropriate regulatory, education, wayfinding, and interpretive signage. Ensure that signage clearly communicates the trail classification, permitted uses, level of difficulty, etiquette and responsible skills and ethics and visitor preparedness. Ensure signs are purposefully sited to reach riders at key decision-making points and, where appropriate, incorporate QR codes to link riders to further information.
4. Adopt, utilize and promote an existing mobile device application to help riders identify sanctioned trails from unsanctioned trails, connect riders with trails that will meet their desired experiences, support wayfinding while on the trail, educate riders on responsible skills and ethics and etiquette and connect riders to mountain bike organizations.
5. Ensure CRD bylaws regulate unauthorized trail use and unsafe, reckless, and undesirable behaviours.





4.4.3 FORMALIZING MOUNTAIN BIKING ON AUTHORIZED AND UNAUTHORIZED TRAILS

Context

The committee recognizes that, as management plans are updated, new trail development proposals are prepared and regional initiatives to create interconnected mountain bike opportunities continue, the CRD is going to be asked to consider a) approving mountain biking as a permitted use on specific trails that currently prohibit mountain biking and / or b) to formally sanction and endorse specific unsanctioned trails. The MBAC believes that these decisions need to be made cautiously and transparently. The committee discussed and developed several transparent criteria that can be used to inform and structure decisions about which existing trails should permit mountain biking and which unauthorized trails should be formalized as sanctioned trails.

Advice & Guidance

1. The MBAC recommends that the CRD adopt the following criteria to enable an objective evaluation of whether an existing trail could be a good candidate to permit mountain biking or an unsanctioned trail may be a good candidate to be formalized as a sanctioned trail where:

- Mountain biking on the proposed trail is consistent with permitted uses in the park's classes and park zone that the trail occurs within.
- The trail provides, or enables the provision, of mountain bike experiences that are recognized as gaps in the region (4.1.1) or would provide a quality mountain bike experience.
- The trail generally adheres to established mountain bike trail and technical trail feature design guidelines (see section 4.4.6) while recognizing the unique biophysical conditions in the Capital Region.
- Permitting mountain biking does not create unacceptable safety risks for mountain bikers or other trail users.
- The trail improves the interconnectivity between established mountain bike trail networks in the region.
- The trail serves as a quality climb trail to access approved mountain-bike optimized trails.
- Permitting mountain biking does not introduce new, or exacerbate existing, unacceptable impacts to environmentally sensitive areas or further habitat fragmentation.
- Permitting mountain biking does not introduce new, or exacerbate existing, unacceptable impacts to sites of spiritual and cultural importance to local Indigenous communities.

4.4.4 UNAUTHORIZED TRAIL BUILDING

Context

The construction of unauthorized trails, also known as "rogue trails", is a management challenge in most jurisdictions. The MBAC recognizes, and would like to make it clear, that the development of unauthorized trails is not confined solely to the mountain bike community. In addition to mountain bikers, unauthorized trails and social trails are frequently created, whether intentionally or unintentionally, by many different activity types including hiking, horse back riding, dog walking, off-road vehicle use, among others. Regardless of which activity is creating trails, the MBAC recognizes the importance of and need to limit unauthorized trail development.

Unauthorized trail development can lead to a wide range of undesirable impacts such as:

- Increased risk & liability for the CRD and the trail builder,
- Elevated rider safety concerns especially when trails are not designed to accepted guidelines,
- Potential environmental, Indigenous, and cultural / historic resource impacts as unauthorized trail locations have not been studied for environmental and Indigenous or cultural values,
- The supply of trails becomes aligned more with what the builder wants to build rather than the trail experiences that are most needed in region to meet rider demands,
- Tenure conflicts,
- Conflicts with other recreational activities and visitors,
- Degraded relationship and trust between the land managers and the mountain bike community,
- Taking limited money and resourcing away from sanctioned trail building to fund the decommissioning and restoration of unsanctioned trails, and
- Degrading the mountain bike community's social license and support from non-mountain bikers for advancing sanctioned mountain biking.

The MBAC's and the CRD's experience shows that unauthorized trail building can be led by people of all ages and for a wide range of reasons. Though there is no known empirical research into why people build unauthorized mountain bike trails, anecdotal discussions between MBAC members and the riding community suggest the following:

- There is a perception that there is a significant amount of land in regional parks and the watershed,
- The process for developing sanctioned mountain bike trails does not exist, is unclear and uncertain and is slow and the likelihood of approval is uncertain. Some have a sense of hopelessness whereby they believe that there will not be any more authorized trails in the parks – they have given up on the sanctioned trail building,
- The current supply and diversity of mountain bike trails is insufficient to meet current needs especially as more historical unsanctioned trails are being decommissioned,
- There have been very few new mountain bike trails and riders are beginning to get bored of the current supply,
- The mountain bike community in the Capital Region is witnessing the success and growth of other mountain bike destinations on the Island and around BC and have a vision for what "mountain biking could be" here in the region,
- The current location and distribution of trails may not be sited close to where riders are living (e.g. youth want to be able to ride from where they live and access trail without the need for cars, even if the trails are small),
- There are issues with overcrowding on trails and in parking lots in the current riding areas and more capacity is needed, and
- Creating new experiences that are enjoyed by so many creates a great sense of satisfaction, enjoyment & reward for the builders.



Figure 16. European Mountain Bike Survey, 2015



Advice & Guidance

Though the MBAC understands that mountain biking, and indeed some of the top mountain bike destinations in the Province, exist because of a significant unsanctioned trail building movement that occurred over the past decade, the MBAC would like to be clear with the riding community that unauthorized trail building is not supported by the organized mountain bike community and, due to the impacts it can create, the MBAC supports the CRD in taking reasonable actions to safely decommission unsanctioned trails after the guidelines are released and following the implementation of a process to review if those trails should become sanctioned. A "shovel first and beg forgiveness" approach is not an approach that will advance mountain biking in the Capital Region and certainly in regional parks.

To avoid or limit the building of unauthorized mountain bike trails in regional parks, the MBAC recommends that:

1. CRD work with the entire mountain bike community to develop a sufficient volume and diversity of trails that meet users' needs as outlined earlier in these recommendations.
2. Establish a clear, transparent and easy to follow mountain bike trail development application and approval process that will enable the development of new, redevelopment of existing or sanctioning of existing unauthorized trails in regional parks in line with park management plans. This process should be clearly communicated to local mountain bike organizations and should be appropriately resourced to enable timely reviews and decisions.
3. Building on best practices in other jurisdictions, the CRD should provide a clear and consistent mechanism for allowing and supporting volunteer organizations to build and maintain mountain bike trails as long as those organizations can demonstrate the capacity to do so. This will allow the mountain bike organizations to engage many of the unauthorized trails builders and direct their talents and passion toward sanctioned projects.
4. Once a clear development and approval process is in place, judiciously pursue compliance assurance (officer presence, verbal / written warnings, enforcement) tactics against frequent offenders.
5. Engage and partner with mountain bike organizations to proactively:
   - Educate the riding community on the impacts of and actively discourage unsanctioned trail building,
   - Support, promote and educate the riding community on the application and approval process and sanctioned trail building, and
   - Provide training on sustainable and quality trail design, construction, and maintenance.

4.4.5 ELECTRIC MOUNTAIN BIKES

Context

An electric bicycle is a bicycle with an electric motor mounted either at the bottom bracket (mid-drive) or at either wheel hub, which provides power to the bicycle's drivetrain. Electric bicycles use an electric motor to either assist with propulsion or fully propel the user. The MBAC recognizes that the popularity of electric bicycles and electric mountain bikes has grown rapidly over the past 5 years and that electric bicycles are an emerging activity with many similarities and some important differences to conventional mountain biking.

The committee understands that the CRD has not developed an explicit policy regarding the classification of or use of electric bicycles in regional parks or regional trails. Currently, the CRD has adopted the definition of a Motor Assisted Cycle (MAC) as defined by the *British Columbia Motor Vehicle Act's Motor Assisted Cycle Regulation.* Motor Assisted Cycle:

- Have continuous power output ratings that in total do not exceed 500 watts,
- Not be capable of propelling the cycle faster than 32 kilometers per hour on level ground without pedaling,
- Must be equipped with a mechanism that either allows the driver to turn the motor on and off, or prevents the motor from turning on or engaging before the MAC attains a speed of 3 kilometers per hour,
- Must disengage when the operator stops pedaling or releases the accelerator or applies a brake,
- Cannot be gasoline or other fuel powered, must be electric powered, and
- Must be capable of being propelled by muscular power using the pedals, but it is not necessary to always be pedaling (RSTBC E-Bike Policy, 2019).

Bicycles that meet the definition of a MAC are currently permitted on any regional trails or trails in regional parks that currently permit cycling.

The MBAC recognizes that both throttle controlled, and e-assist mountain bikes have become a point of contention on trails throughout the region and the sport in general. A variety of concerns have been expressed, but not necessarily proven through science, regarding this emerging activity. Electric bicycles may:

- Elevate safety concerns by:
  - Enabling less experienced riders to travel at faster speeds with potentially less skill to manage their bicycles at increased speeds which may pose greater safety risks to the rider and other trail users.
  - Removing some physical limitations and allowing more riders to travel further and more quickly which may lead to safety concerns due to malfunctions, accidents that happen further into remote area and riders being unprepared for more remote riding.
- Increase the levels of use a trail receives which can create the need for additional maintenance requirements,
- Increase the level of visitation and use in more remote areas which may add greater stress and strain on wildlife populations and limited visitor infrastructure (e.g. washrooms, rest areas), and
- Create inter-activity conflict with conventional mountain bike riders as some conventional riders may see e-bikes as motorized recreation instead of non-motorized, as a form of cheating, as lazy or may have assumptions that they create greater environmental and trail impacts.

Though many of the above concerns have yet to be studied academically, research undertaken by IMBA does conclude that impacts on the amount of soil displacement and erosion on a trail from conventional mountain bike and electric-assist (class 1) mountain bikes are not significantly different[ix]. However, the body of science into the range of environmental and social impacts is limited, given the novelty of this activity, and understanding of the impacts of electric bicycles, e-assist bicycles and how these impacts compare to conventional mountain bikes will continue to evolve over time.

The MBAC also recognizes that there are several positive benefits that may arise from electric mountain bikes. Electric mountain bikes may:

- Allow more people to enter activity who might not have otherwise,
- Allow disparate riders and families to ride together strengthening relationships and social bonds,
- Improve physical and mental health of a segment of the mountain bike population who would not have received these benefits otherwise, and
- Allow segments of the population to connect with and appreciate our parks that might not have otherwise.

The MBAC is aware of the electric bicycle policies that agencies such as Parks Canada, BC Parks and Recreation Sites and Trails have developed. These policies differentiate between the classifications of electric bicycles and explicitly indicate which classification of trails, park classes and zones each classification of electric bicycle is permitted to be operated in. In these jurisdictions, it is consistently agreed that electric bicycles that are capable of being propelled without pedaling are considered to be more similar to a motorized motorcycle or dual-sport motorcycle than they are a conventional mountain bike and are deemed incompatible on trails, or in environments, that prohibit motorized recreation (e.g. 4x4, Off-road vehicles).

Advice & Guidance

The committee reviewed the policies used in other jurisdictions and feels there is great merit in remaining consistent with these other provincial and federal jurisdictions as many visitors to regional parks also frequent national parks, provincial parks, and crown lands. However, the committee did not have sufficient time to develop a policy recommendation on electric bicycle use for the Capital Region.

To appropriately manage electric bikes in regional parks, the MBAC recommends that:

1. The CRD recognize that its current policy approach to electric bicycle use on trails in the Capital Region, through the adoption of the motor assisted cycle definition, is inadequate to address the concerns that have and will continue to arise over electric bicycle use in regional parks.
2. The CRD recognize that off-road vehicles such as motorcycles, all-terrain vehicles and side by sides are being electrified and that a clear policy is required to ensure clear and deliberate management of these recreational activities along with electric bicycle use.
3. The CRD develop a clear policy statement on the use of electric bikes on regional trails and on trails in regional parks and that this policy utilize existing classifications of electric bikes, clearly identify what trail types each classification of electric bicycle is permitted on as well as what park classifications and zones each classification of electric bicycle is permitted in. It is imperative that any policy developed by the CRD can be easily understood by the riding community, can be easily communicated through park and trail signage and trip planning information and can be readily enforced when and where needed.

Table 3. Example Alignment of Electric Bicycle Class with Trail Classification - RSTBC

E-Bike Class	Mixed Use Trail	Non-Motorized Trail that Permits Cycling	Non-Motorized Trail that Prohibits Cycling	Active Transportation Trails
Class 1	Yes	Yes	No	Maybe
Class 2	Yes	No	No	Maybe
Class 3	Yes	No	No	Maybe
a-MTB (met criteria)	Yes	Yes	No	Yes

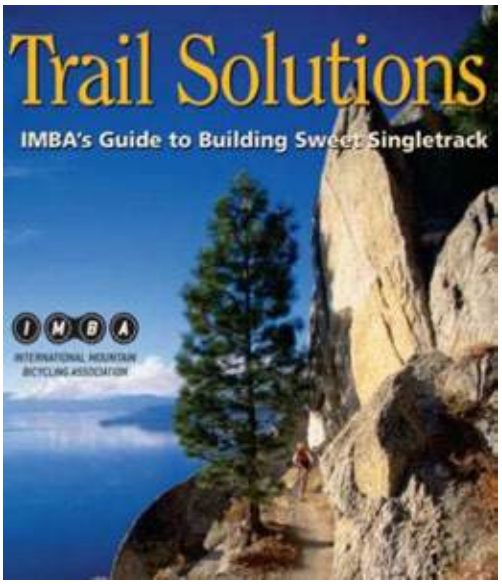


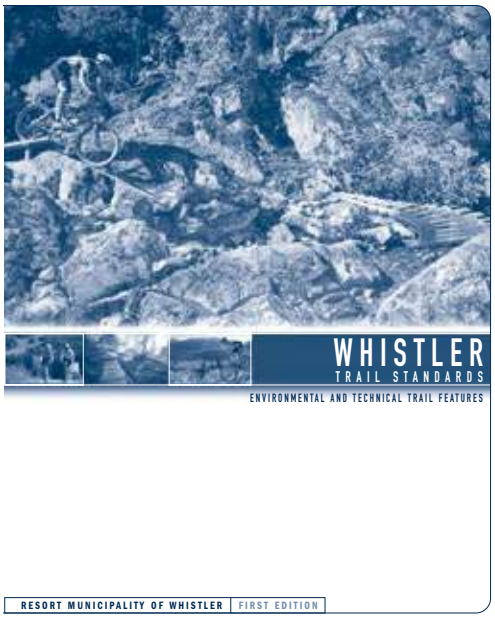
4.4.6 TRAIL PLANNING & DESIGN GUIDANCE

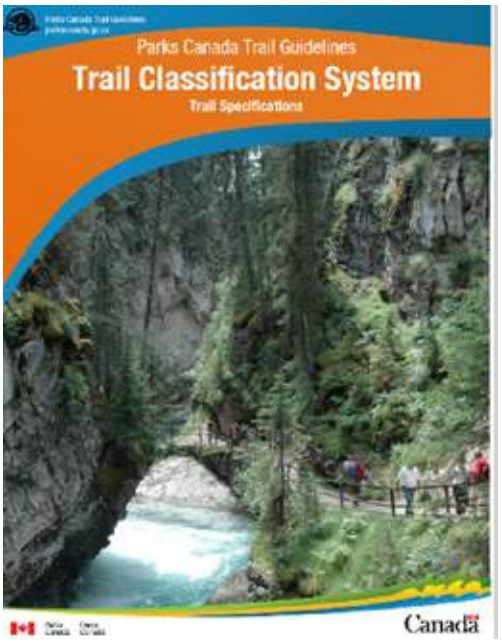
Context

Development of quality, sustainable and safe mountain bike trails do not happen by accident, it is the result of applying good planning, design, construction, and maintenance practices. Many planning and design guidance manuals and documents have been developed by mountain bike and trail organizations and other park and land management agencies. The MBAC understands that the CRD currently relies on the following planning and design guidance documents:

- International Mountain Bike Association (IMBA) Trail Solutions
- Whistler Trail Standards: Environmental & Technical Trail Features
- Parks Canada Trail Guidelines – Trail Classification System & Trail Specifications







Advice & Guidance

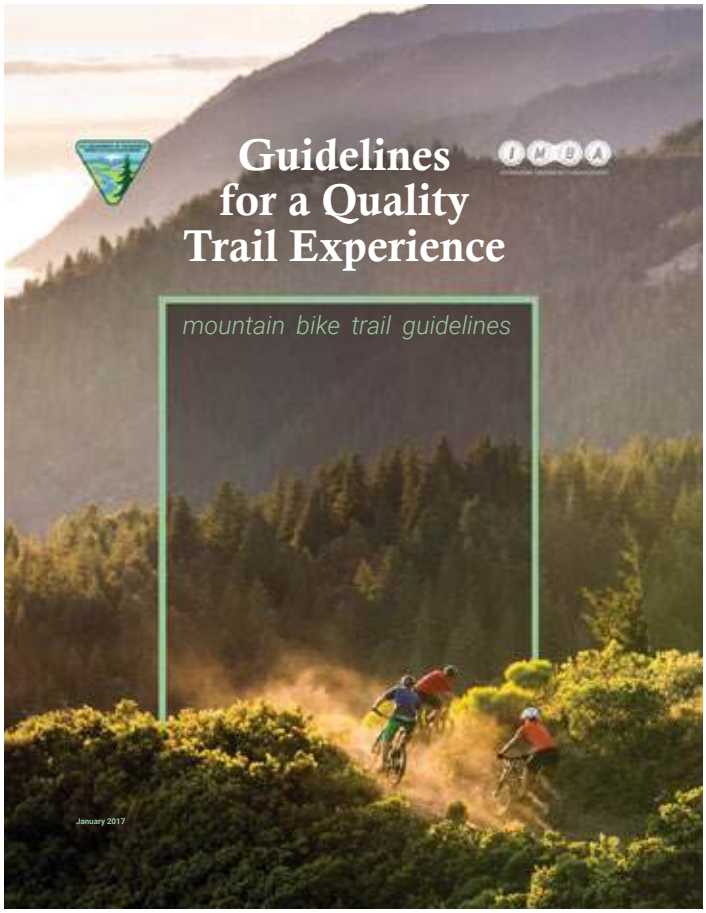
To ensure mountain bike trails are planned, designed, constructed, maintained and managed in accordance with best practices, the MBAC recommends that:

1. CRD continue to apply the classification, planning, design, construction, and maintenance manuals from IMBA, Whistler and Parks Canada. However, the CRD should recognize that some of these manuals are general in nature, not specific to the conditions in the Capital Region and are aging. Though the MBAC does not recommend that the CRD should develop its own trails planning, classification, design, construction and management manual at this time, the CRD should actively review new and refreshed guidance documents as they are released in other leading jurisdictions.

2. In addition to the above listed resources, the MBAC also recommends that the CRD adopt and apply the following newly released manuals as they provide more refined understanding of mountain bike user objectives and allow the CRD to understand what trail features can deliver which user objectives and how those features align with the desired recreation setting and typical land management classifications. These manuals also uniquely address new insights on eMTB:

- Bureau of Land Management's Guidelines for a Quality Trail Experience
- eMTB Land Manager Handbook







4.5 Implementation & Review of Guidelines

Context

While cognizant of the capacity and resourcing and significant demands on CRD staff, the MBAC recognizes the considerable anticipation and expectation that this process has generated in the mountain bike community. There is considerable hope and expectation that reasonable action will be taken in a reasonable time period to advance the implementation of the guidelines and improvement of mountain biking opportunities in regional parks. The MBAC also recognizes that there will be a period of learning and likely refinement once the guidelines are released and implemented and that further dialogue and input with the mountain bike community and other regional parks stakeholders will be needed to ensure the guidelines are effective.

Advice & Guidance

Recognizing this, the MBAC recommends that:

- CRD immediately identify multiple easy wins opportunities implementing the guidelines and enhance mountain biking opportunities where mountain biking is not explicitly prohibited by a management plan and the criteria presented earlier in this report can be met.
- CRD expedite the development of the internal and operational policies and structures needed to allow the effective and timely implementation of the guidelines (e.g. mountain bike trail development approval process, operation, and maintenance agreements).
- CRD expedite the review and update of park management plans for parks that hold the greatest mountain biking potential and suitability to support mountain biking and / or will allow the trail connection between other established or under development mountain bike trail networks.
- Recognizing that mountain biking is evolving rapidly and new parks continue to be acquired by the CRD, the CRD should review and, if necessary, update the guidelines after 2 years in collaboration with the mountain bike community and other park stakeholders and Indigenous peoples.
- CRD Regional Parks staff review and recommend an ongoing stakeholder process for feedback and advice on mountain bike management in regional parks, and procedures and policies relating to mountain bike trail development, maintenance, and management.



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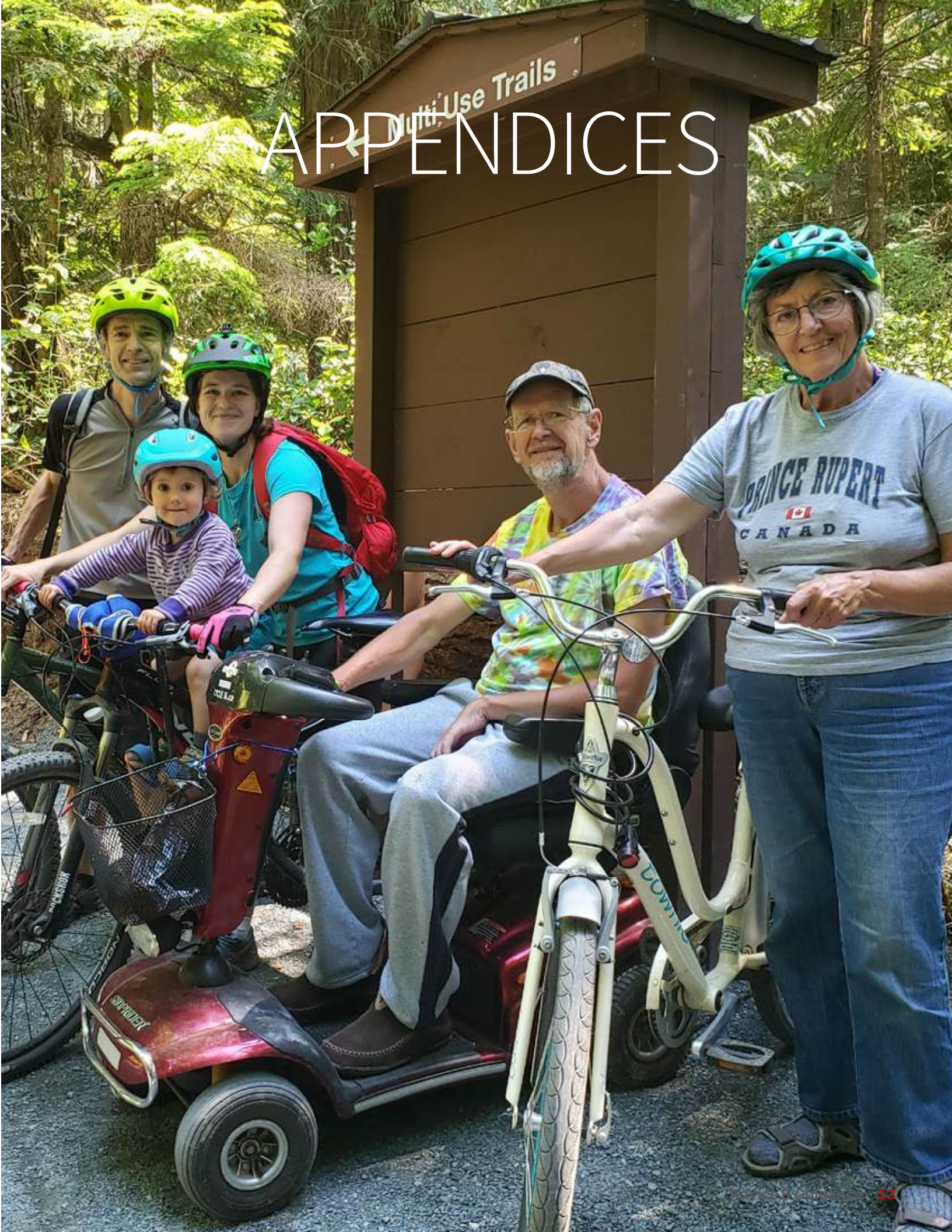
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APPENDICES





APPENDIX A POTENTIAL DISCUSSION TOPICS FOR MBAC

The following topics were tabled with the MBAC for review and prioritization.

Mountain Biking & Mountain Bike Experiences

- Recognizing that "mountain biking" is a diverse recreational activity, what are the different segments of mountain bikers and their expectations in terms of trail experiences, trail length and size of riding area, amenities, and infrastructure? And what type of mountain bike experiences do riders expect in regional parks?

- Currently, mountain biking opportunities are delivered through a system of different lands and providers (e.g. BC Parks, private lands, regional parks, municipal parks). The system should work together and be planned to ensure the diversity of desired mountain biking experiences can be met. Thinking about the mandate of CRD Regional Parks, ***what role does CRD Regional Parks currently play in meeting residents' mountain biking needs and what role should it play moving forward?***

- What are the most **significant future trends** in mountain biking that CRD Regional Parks need to consider as it develops the Mountain Biking Guidelines? How should the CRD plan for addressing these trends?

- What are the benefits of mountain biking in regional parks?

- How is mountain biking and its varying disciplines defined?

Appropriateness of Mountain Biking in Regional Parks & Service Delivery

- What are the most significant challenges associated with mountain biking in regional parks, and the CRD's ability to achieve their environmental and cultural heritage (e.g. for archaeological sites, First Nations village sites) protection mandate?

- What are the ***criteria that should be used to determine when and which existing trails (e.g. multi-use trails) are appropriate to permit mountain biking*** and which will provide a desired mountain biking experience? And, what activities tend to be more compatible with mountain biking and what management actions are required to increase compatibility?

- Planning, design, construction, monitoring and management of mountain bike trails in regional parks can happen in a number of ways. ***What is the preferred service delivery model for the planning, design, construction, management and monitoring of mountain bike trails and mountain bike use in regional parks (direct, indirect, enablement)?*** How can relationships between CRD Regional Parks and the riding community be strengthened and data and information sharing enhanced?

- Recognizing the range of mountain bike segments and their expectations, ***what type of mountain bike experiences are most appropriate to provide / enable in regional parks?*** And, thinking about park management planning at an individual park scale, ***what are the criteria that should be used to determine/ evaluate where mountain bike areas should be developed and for which mountain bike experiences*** (i.e. # hectares, elevation/topography/slope, trail distances, variety of route options, mix of styles and levels of difficulty)?

- Moving forward, of the total amount of approved mountain bike trails in regional parks, generally what proportion should be allocated to each mountain bike experience type?

Mountain Bike Trail Planning & Design

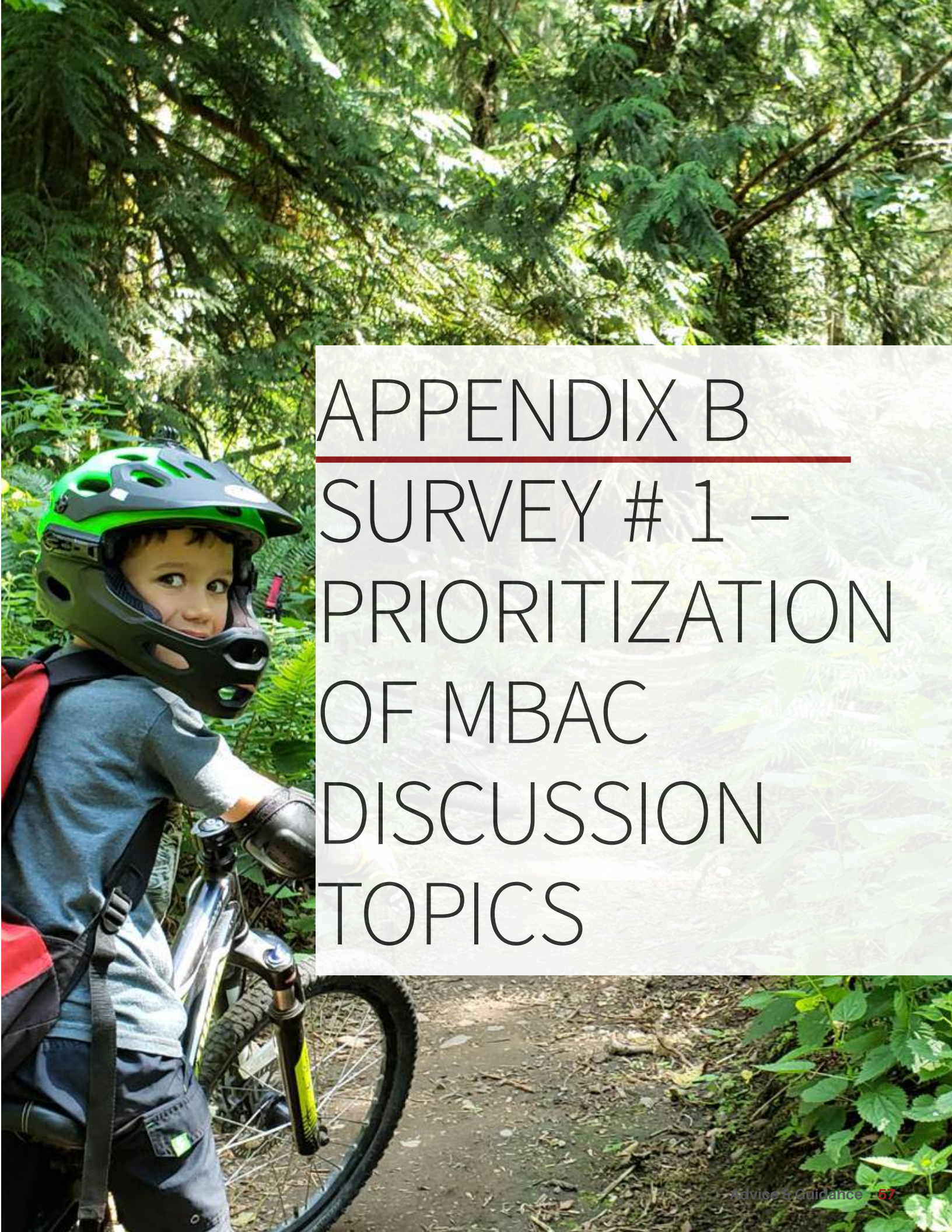
- How can the trail planning process ensure that mountain biking does not create undesirable environmental and cultural impacts and conflicts?
- Thinking about the design of mountain bike trails in regional parks, are there any ***existing design guideline manuals or documents that should be adopted and implemented by the CRD to guide the design of mountain bike trails and related trail infrastructure*** (e.g. Technical Trail Features) and signage?
- What are the characteristics of a high quality, safe and sustainable mountain bike trail and experience?
- There are many benefits to a mountain bike trail classification system. The system can create consistency in how mountain bike trails are described and understood between the mountain bike community, the CRD, trail designers and other visitors. The classification system allows the accurate and consistent communication of essential information about the trail to allow visitors to self-select the appropriate trail. Should, and if so, wow should mountain bike trails and mountain bike experiences be classified in regional parks?
- What type of trail configurations (e.g. linear, loop, stacked loop, maze etc.) are most desirable for mountain bikers by discipline? And, what practices can be implemented to determine an appropriate density of mountain bike trails at a park level?

Mountain Biking & Mountain Bike Trail Management

- How can mountain biking be effectively integrated with other approved recreational uses of regional parks in order to minimize impact to the environment as well as social impacts?
- How can mountain biking and mountain bike trails be managed to avoid / minimize impacts to ecological, Indigenous, and cultural heritage values in regional parks?
- Rogue, or unauthorized trail building, is on the rise in regional parks. What promising practices can be implemented to avoid or limit unauthorized trail building?
- How can mountain biking and mountain bike trails be managed to avoid / minimize impacts on the experience of other visitors?
- How should mountain bike trails and mountain biking be monitored in regional parks?
- What research should be undertaken to understand mountain biking (e.g. visitation, origins, satisfaction, impacts) in regional parks?
- The popularity of e-MTB (electric mountain bikes) continues to grow. Are e-MTB's appropriate in regional parks, what class and how should they be managed?
- How can risks/impacts to personal and public safety from mountain biking be managed in regional parks?
- Should, and if so, how should commercial mountain biking businesses be managed and promoted in regional parks?
- Should, and if so, how should mountain bike based special events (e.g. races), group rides etc. be managed and promoted in regional parks?

Members of the MBAC were invited to identify other topics of importance for consideration. The following topics were identified by the MBAC:

- How will CRD provide the amount of mountain bike trail opportunities (design, build, maintain) needed by our region?
- I hope the committee to have plenty space for the discussion focused around the benefits that MTB brings to the region. I'm concerned that question 5 in particular seems to focus on challenges without consideration for how to promote the many positives of welcoming MTB in regional parks. As I write this, I am realizing that the many benefits of the sport (physical & mental health, love of nature/environmental stewardship, community involvement to name a few) should be addressed as an additional fundamental topic. I'm concerned that there are some persistent misconceptions and biases against the mountain bike community, but optimistic that this committee can serve to find the common interests and passions (and I truly believe there are plenty!) between all the stakeholders involved.
- In consideration of CRD mandate to protect environment and current park classification systems should existing trails and use be reconsidered in where there are sensitive, rare or endangered ecosystems, plants or animals (e.g. Night hawk nesting sites Mt. Quimper).
- It was very difficult to prioritize the questions in the survey, as I find them all very important and necessary to a robust and multi-faceted management plan. It would be worth considering, when we approach the end of this committee's objective, the creation a standing committee that provides feedback and suggestions about the management plan on an ongoing basis.
- Other regional districts have implemented mountain biking plans in parks with varying rates of success; what qualities of these plans have created successes or failures? Which mountain bike societies/communities are active within CRD Parks, are they involved in this discussion, and if not at what stage will they be consulted with? Which CRD Parks currently see the most and least mountain bike use and does that correlate with ecological sensitivity (i.e. are sensitive species/ecosystems avoided)? What is/will be the CRD's strategy for preventing, restoring and otherwise mitigating unauthorized trail building?
- What models adopted in other similar park systems (Canada/US) have implemented a successful balance among concerns of mountain bikers, hikers, and conservationists?
- Who maintains and clears trail? CRD or volunteer organizations. How is this contract developed? How is training provided?



APPENDIX B SURVEY # 1 – PRIORITIZATION OF MBAC DISCUSSION TOPICS

Report for CRD Mountain Bike Advisory Committee - Survey # 1

CRD Mountain Bike Advisory Committee - Survey # 1

Response Statistics

	Count	Percent
Complete	8	80
Partial	2	20
Disqualified	0	0
Totals	10	

1. Mountain Biking & Mountain Bike Experiences

Item	Overall Rank	Score	Total Respondents
Recognizing that "mountain biking" is a diverse recreational activity, what are the different segments of mountain bikers and their expectations in terms of trail experiences, trail length and size of riding area, amenities, and infrastructure? And, what type of mountain bike experiences do riders expect in regional parks?	1	28	7
Currently, mountain biking opportunities are delivered through a system of different lands and providers (e.g. BC Parks, private lands, regional parks, municipal parks). The system should work together and be planned to ensure the diversity of desired mountain biking experiences can be met. Thinking about the mandate of CRD Regional Parks, what role does CRD Regional Parks currently play in meeting residents' mountain biking needs and what role should it play moving forward?	2	28	8
What are the most significant future trends in mountain biking that CRD Regional Parks need to consider as it develops the Mountain Biking Guidelines? How should the CRD plan for addressing these trends?	3	22	7
What are the benefits of mountain biking in regional parks?	4	15	6
How is mountain biking and its varying disciplines defined?	5	15	6

2. Appropriateness of Mountain Biking in Regional Parks & Service Delivery

Item	Overall Rank	Score	Total Respondents
What are the most significant challenges associated with mountain biking in regional parks, and the CRD's ability to achieve their environmental and cultural heritage (e.g. for archaeological sites, First Nations village sites) protection mandate?	1	28	7
What are the criteria that should be used to determine when and which existing trails (e.g. multi-use trails) are appropriate to permit mountain biking and which will provide a desired mountain biking experience? And, what activities tend to be more compatible with mountain biking and what management actions are required to increase compatibility?	2	27	8
Planning, design, construction, monitoring and management of mountain bike trails in regional parks can happen in a number of ways. What is the preferred service delivery model for the planning, design, construction, management and monitoring of mountain bike trails and mountain bike use in regional parks (direct, indirect, enablement)? How can relationships between CRD Regional Parks and the riding community be strengthened and data and information sharing enhanced?	3	25	7
Recognizing the range of mountain bike segments and their expectations, what type of mountain bike experiences are most appropriate to provide / enable in regional parks? And, thinking about park management planning at an individual park scale, what are the criteria that should be used to determine/evaluate where mountain bike areas should be developed and for which mountain bike experiences (ie. # hectares, elevation/topography/slope, trail distances, variety of route options, mix of styles and levels of difficulty)?	4	21	7
Moving forward, of the total amount of approved mountain bike trails in regional parks, generally what proportion should be allocated to each mountain bike experience type?	5	10	6

3. Mountain Bike Trail Planning & Design

Item	Overall Rank	Score	Total Respondents
How can the trail planning process ensure that mountain biking does not create undesirable environmental and cultural impacts and conflicts?	1	28	7
Thinking about the design of mountain bike trails in regional parks, are there any existing design guideline manuals or documents that should be adopted and implemented by the CRD to guide the design of mountain bike trails and related trail infrastructure (e.g. Technical Trail Features) and signage?	2	26	7
What are the characteristics of a high quality, safe and sustainable mountain bike trail and experience?	3	25	7
There are many benefits to a mountain bike trail classification system. The system can create consistency in how mountain bike trails are described and understood between the mountain bike community, the CRD, trail designers and other visitors. The classification system allows the accurate and consistent communication of essential information about the trail to allow visitors to self-select the appropriate trail. Should, and if so, wow should mountain bike trails and mountain bike experiences be classified in regional parks?	4	17	7
What type of trail configurations (e.g. linear, loop, stacked loop, maze etc.) are most desirable for mountain bikers by discipline? And, what practices can be implemented to determine an appropriate density of mountain bike trails at a park level?	5	15	7

4. Mountain Biking & Mountain Bike Trail Management

Item	Overall Rank	Score	Total Respondents
How can mountain biking be effectively integrated with other approved recreational uses of regional parks in order to minimize impact to the environment as well as social impacts?	1	69	8
How can mountain biking and mountain bike trails be managed to avoid / minimize impacts to ecological, Indigenous, and cultural heritage values in regional parks?	2	65	8
Rogue, or unauthorized trail building, is on the rise in regional parks. What promising practices can be implemented to avoid or limit unauthorized trail building?	3	52	8
How can mountain biking and mountain bike trails be managed to avoid / minimize impacts on the experience of other visitors?	4	46	8
How should mountain bike trails and mountain biking be monitored in regional parks?	5	39	7
What research should be undertaken to understand mountain biking (e.g. visitation, origins, satisfaction, impacts) in regional parks?	6	38	6
The popularity of e-MTB (electric mountain bikes) continues to grow. Are e-MTB's appropriate in regional parks, what class and how should they be managed?	7	31	7
How can risks/impacts to personal and public safety from mountain biking be managed in regional parks?	8	28	7
Should, and if so, how should commercial mountain biking businesses be managed and promoted in regional parks?	9	24	6
Should, and if so, how should mountain bike based special events (e.g. races), group rides etc. be managed and promoted in regional parks?	10	23	6

5. We likely missed some other questions that may you feel are important for MBAC to consider and provide advice to the CRD on. If so, please identify and describe the question(s) in the space below.

Response
How will CRD provide the amount of mountain bike trail opportunities (design, build, maintain) needed by our region?
I hope the committee to have plenty space for the discussion focused around the benefits that MTB brings to the region. I'm concerned that question 5 in particular seems to focus on challenges without consideration for how to promote the many positives of welcoming MTB in regional parks. As I write this, I am realizing that the many benefits of the sport (physical & mental health, love of nature/environmental stewardship, community involvement to name a few) should be addressed as an additional fundamental topic. I'm concerned that there are some persistent misconceptions and biases against the mountain bike community, but optimistic that this committee can serve to find the common interests and passions (and I truly believe there are plenty!) between all the stakeholders involved.
In consideration of CRD mandate to protect environment and current park classification systems should existing trails and use be reconsidered in where there are sensitive, rare or endangered ecosystems, plants or animals (e.g. Night hawk nesting sites Mt. Quimper).
It was very difficult to prioritize the questions in the survey, as I find them all very important and necessary to a robust and multi-faceted management plan. It would be worth considering, when we approach the end of this committee's objective, the creation a standing committee that provides feedback and suggestions about the management plan on an ongoing basis.
Other regional districts have implemented mountain biking plans in parks with varying rates of success; what qualities of these plans have created successes or failures? Which mountain bike societies/communities are active within CRD Parks, are they involved in this discussion, and if not at what stage will they be consulted with? Which CRD Parks currently see the most and least mountain bike use and does that correlate with ecological sensitivity (i.e. are sensitive species/ecosystems avoided)? What is/will be the CRD's strategy for preventing, restoring and otherwise mitigating unauthorized trail building?
What models adopted in other similar park systems (Canada/US) have implemented a successful balance among concerns of mountain bikers, hikers, and conservationists?
Who maintains and clears trail? CRD or volunteer organizations. How is this contract developed? How is training provided?

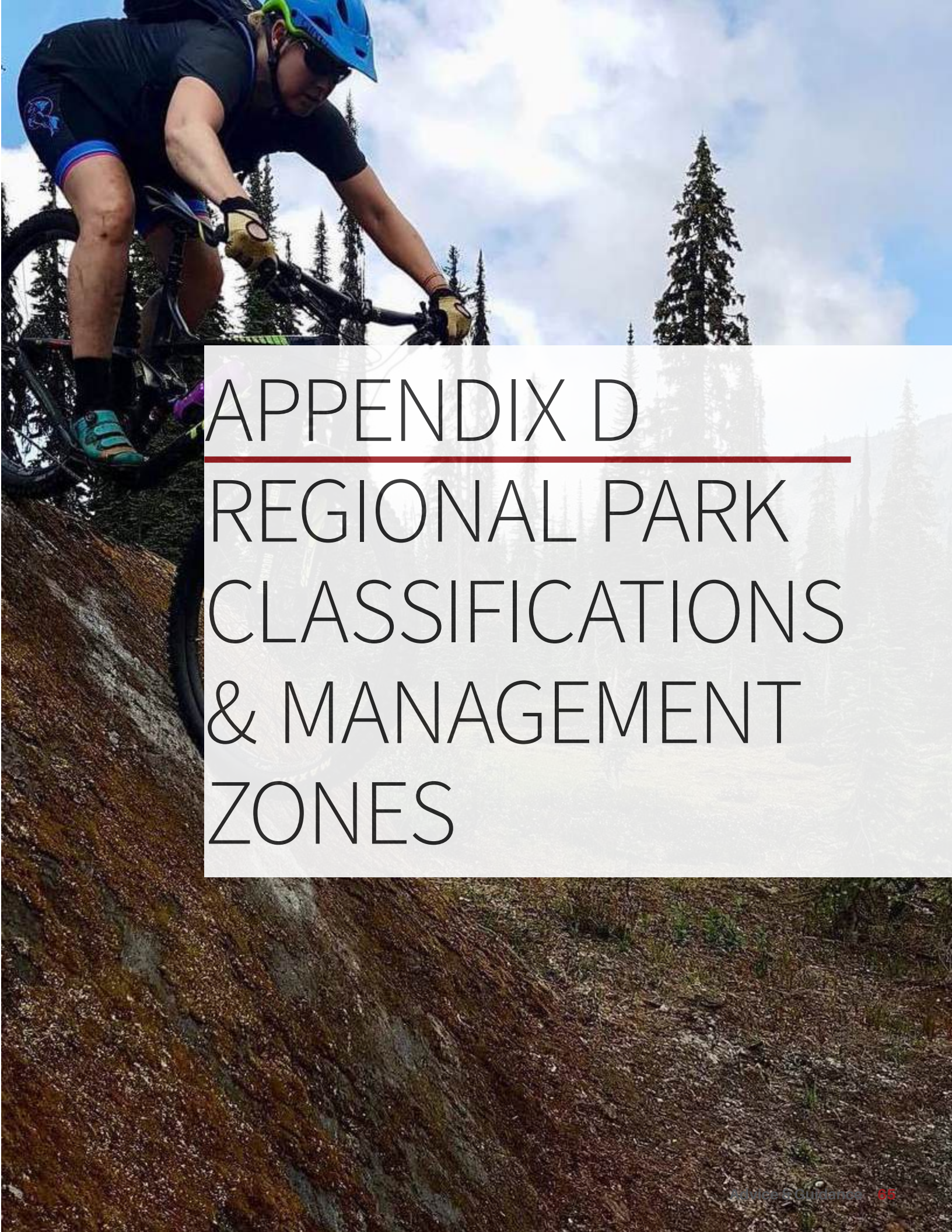


APPENDIX C TRAIL DIFFICULTY RATING

TRAIL DIFFICULTY RATINGS

TRAIL SIGN ICONS	 Easiest White Circle	 Easy Beginner Green Circle	 More Difficult Intermediate Blue Square	 Very Difficult Advanced Black Diamond	 Extremely Difficult Expert Double Black Diamond	 Extremely Dangerous Professional Double Orange Diamond
BASIC DESCRIPTION	Fairly flat, wide, possibly paved but can be a hardened surface. Suitable for users of all skill levels.	May have gentle climbs and avoidable or optional obstacles such as rocks, roots, and small drops. Trail is relatively wide.	Steeper slopes and some unavoidable obstacles such as roots, rocks, and medium drops. Trail is beginning to narrow.	Increasingly steeper slopes on a much narrower trail. Trail surface may be loose and have many difficult obstacles such as roots, rock gardens, larger drops, jumps, and sharp corners.	Very steep and technical, requiring highly advanced skills and balance to clear obstacles safely.	Very dangerous conditions requiring very highly advanced skills, balance, and bike control to traverse safely. Not recommend for most riders—even seasoned mountain bikers.
TRAIL WIDTH	72" or wider	36" or wider	24" or wider	12" or wider	6" or wider	3" or wider
TRAIL SURFACE	Hardened or paved	Firm and stable	Mostly stable with some variability	Widely variable	Widely variable and unpredictable	Extremely variable and unpredictable
TRAIL GRADE	Average: Less than 5% Max: 10%	Average: 5% or less Max: 15%	Average: 10% or less Max: 15% or greater	Average: 15% or less Max: 15% or greater	Average: 20% or more Max: 15% or greater	Average: 20% or more Max: 20% or greater
TECHNICAL TRAIL FEATURES (TTFs)	None	Avoidable obstacles may be present Some unavoidable obstacles 2" tall or less Unavoidable bridges 36" or wider	Avoidable obstacles may be present Unavoidable obstacles 8" tall or less Unavoidable bridges 24" or wider TTFs 2" high or less, width of deck is greater than 1/2 the height	Avoidable obstacles may be present Unavoidable obstacles 15" tall or less Unavoidable bridges 24" or wider TTFs 4" high or less, width of deck is less than 1/2 the height May include loose rock Short sections may exceed above criteria	Avoidable obstacles may be present Unavoidable obstacles 15" tall or greater Unavoidable bridges 24" or narrower TTFs 4" high or greater, width of deck is unpredictable May include loose rock Many sections may exceed above criteria	Avoidable obstacles may be present Unavoidable obstacles 20" tall or greater Unavoidable bridges 12" or narrower TTFs 8" high or greater, width of deck is highly unpredictable May include loose rock Most sections may exceed above criteria

Source: https://ntxtrails.com/what-do-the-trail-difficulty-ratings-mean/



APPENDIX D
REGIONAL PARK CLASSIFICATIONS & MANAGEMENT ZONES

D.1 Current Park Classifications

The CRD defines the purpose of each park classification as follows:

WILDERNESS AREA	CONSERVATION AREA	NATURAL AREA	RECREATION AREA
A Regional Wilderness Area is characterized by: - a large land base, generally more than 1,000 hectares; - the conservation of ecosystems, with minimal human interference; - opportunities for visitors to experience, firsthand, the park's ecosystems; - opportunities for backcountry recreation and camping; - the provision of few, if any, rudimentary services and facilities; and - the experience of remoteness, solitude and harmony with nature. Maintaining wilderness areas in the region is an important part of the regional parks function. Wilderness is critical to sustain wildlife and plants that rely on sizable natural areas for their survival and to provide wilderness outdoor experiences and activities. They are places where residents can experience wilderness close to their home. East Sooke, Sea to Sea Green Blue Belt and Sooke Hills Wilderness regional parks are the sole examples of Regional Wilderness Areas in the capital region.	A Regional Conservation Area protects regionally significant natural environments that contain sensitive and threatened ecosystems (e.g., they will have significant Garry oak, old-growth forest, salt marsh, or estuary ecosystems). They contain rare or endangered plant and wildlife species and their supporting ecosystems. The size of a Regional Conservation Area should be sufficient to ensure that natural features can be protected and remain viable over the long-term. Outdoor activities will be permitted in a Regional Conservation Area, provided they have minimal impact on the natural environment. In most cases, the main activity will be hiking. These areas will generally have basic facilities, such as trails, parking areas, toilets and signage. Examples of a Regional Conservation Area are Witty's Lagoon, Mill Hill, Francis/King, Matthews Point and Island View Beach regional parks.	A Regional Natural Area protects the natural environment and provides opportunities for a range of appropriate outdoor experiences and activities. These natural areas are not as ecologically sensitive or diverse as those found in a Regional Conservation Area, although they may contain some sensitive and threatened ecosystems. These ecosystems will be identified in the park management plan, and conservation will be the priority in those areas. Regional Natural Areas also protect key greenspaces that are important to the natural character of the region. These areas will try to accommodate a range of appropriate outdoor experiences and activities. The exact uses will be outlined in the park management plan. Examples of a Regional Natural Area are Mount Parke, Coles Bay and North Hill regional parks.	A Regional Recreation Area provides opportunities for many outdoor experiences, activities and events, and will be managed to accommodate a relatively high number of visitors. Facilities will be developed to support this level of use. The area must lend itself to development for a variety of uses that meet recreational needs, and it must be able to withstand intensive public use. This classification is distinct from other parks classifications in a number of ways: - The emphasis is on outdoor experiences and activities, although protecting the natural environment will be addressed in all decision-making about visitor use and facilities. - The range of acceptable recreational activities in these areas will be the widest within the regional parks and trails system. - Recreation activities may include competitive sports. - Recreation facilities operated by non-profit groups may be permitted. - Opportunities and facilities may be provided for celebrations such as festivals, and group functions (e.g., picnics). Elk/Beaver Lake is an example of a Regional Recreation Area. It is the only regional park in the capital region with this classification.

The classification assigned to each park is as follows:

Albert Head Lagoon	6.960	Regional Conservation Area
Ayum Creek	6.403	Regional Conservation Area
Bear Hill	48.764	Regional Natural Area
Brooks Point	6.041	Regional Conservation Area
Coles Bay	3.598	Regional Natural Area
Devonian	13.526	Regional Conservation Area
East Point	0.883	Regional Natural Area
East Sooke	1456.806	Regional Wilderness Area
Elk/Beaver Lake	443.168	Regional Recreation Area
Francis/King	107.333	Regional Conservation Area
Gonzales Hill	1.796	Regional Natural Area
Horth Hill	36.359	Regional Natural Area
Island View Beach	51.064	Regional Conservation Area
Jordan River	147.036	Regional Natural Area
Kapoor	12.591	Regional Natural Area
Lone Tree Hill	31.401	Regional Conservation Area
Matheson Lake	157.148	Regional Natural Area
Matthews Point	24.730	Regional Natural Area
Mill Farm Reserve	315.266	Regional Natural Area
Mill Hill	71.654	Regional Conservation Area
Mount Parke	49.085	Regional Natural Area
Mount Wells	120.827	Regional Conservation Area
Mount Work	728.823	Regional Natural Area
Roche Cove	159.984	Regional Natural Area
Sea to Sea	3979.793	Regional Wilderness Area
Sooke Hills Wilderness (total)	4120.073	Regional Wilderness Area
Sooke Potholes	71.886	Regional Natural Area
Sooke River Road Reserve	6.968	Regional Natural Area
St. John Point	27.467	Regional Conservation Area
Thetis Lake	923.060	Regional Natural Area
Witty's Lagoon	56.233	Regional Conservation Area

D.2 Park Management Zones

The following management zones are applied through the management planning process and set more specific management direction for specific areas of the park:

Environmental protection zone

To protect ecologically significant areas within regional parks through long term science-based land stewardship

Cultural heritage protection zone

To protect culturally significant areas and features through a long term cultural resource management strategy

Regional wilderness zone

To keep large natural systems functioning and provide a regional wilderness experience for park visitors

Natural environment zone

To provide easily-accessible natural areas within the parks. To provide areas within the parks that can be used for more active recreational pursuits

Outdoor recreation zone

To provide areas within a regional park that can accommodate concentrated recreation use

Park services zone

To provide areas within a park needed to support park services

The following regional parks have been assigned a recreation zone:

- **Elk Beaver Lake -** has both general outdoor recreation and intensive outdoor recreation zones.
- **Island View Beach -** has outdoor recreation zone in the existing management plan.
- **Thetis Lake** - has a Natural Area Recreation zone in the existing management plan.
- **Francis King -** has a natural area recreation zone in the existing management plan.
- **East Point** - had a recreation zone included in management plan, but CRD no longer manages the portion of land that it was on (it is now part of Gulf Islands National Park Reserve)


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SHORT-TERM ACTIONS TO SUPPORT THE MOUNTAIN BIKING ADVISORY COMMITTEE ADVICE AND GUIDANCE REPORT

Short-term Actions

- Focus on improved relationships between the CRD, mountain biking community, and various stakeholders.
- Build on the success of the MBAC relationship by continuing to better understand the needs of the mountain biking community.
- Develop a communication campaign for summer 2021 to bring awareness to the new guidelines, trail etiquette and mountain biking opportunities in the regional parks system.
- Create a new mountain biking steward volunteer position.
- Explore an additional licence agreement at Mount Manuel Quimper within Sea to Sea Regional Park.
- Continue to improve the mountain biking trails within the mountain bike area of Mount Work Regional Park such as upgrades to the technical training area, an overall mountain biking area plan, working with South Island Mountain Bike Society on trail improvements and improved wayfinding signage.
- Develop mountain biking specific sign standards.
- Organize a training session for key CRD staff with a certified IMBA trail builder to improve capacity and to provide quality mountain biking trails within our existing authorized trail network.
- Work with local agencies for improved connectivity and consistency of the trail networks.
- Create a new sign standard for closing off ecologically sensitive areas for trail rehabilitation.
- Develop an impact assessment process to identify planned land altering work to ensure regional park values are protected.
- Review mountain biking opportunities in Thetis Lake Regional Park that fit within the existing management plan.

Making a difference...together

REPORT TO THE TRANSPORTATION COMMITTEE
MEETING OF WEDNESDAY, APRIL 21, 2021

SUBJECT **Identification of Regional Transportation Priorities**

ISSUE SUMMARY

To review municipal, electoral area and partner agency input on regional transportation priorities, and to set priorities and direct next steps based on a consideration of policy context and regional transportation and climate action needs.

BACKGROUND

On December 9, 2020, the Capital Regional District (CRD) Board directed staff to work with municipalities, electoral areas and agency partners to develop a list of regional transportation priorities, informed by the CRD's declaration of a climate emergency, and report back to the Board for prioritization. The Board also directed staff to consider options to improve coordination and governance for transportation.

In directing this work, the Board confirmed three core transportation issues affecting the region:

1. **Congestion:** Traffic congestion in the AM and PM peak periods increases travel time and decreases residents' quality of life.
2. **Mode Share:** The regional road network is largely built out, constraining infrastructure solutions because of cost and geography; as a result, there is a need to focus on solutions that shift mode share.
3. **Climate Change:** Transportation is the largest source of greenhouse gas (GHG) emissions in the region and with the declaration of a climate emergency, the region needs to act by substantially reducing GHG emissions from transportation.

As reported to the Board on March 10, 2021 the 2014 Regional Transportation Plan (RTP) sets out a framework for addressing the above issues. The RTP identifies a multi-modal transportation network and eight outcomes for regional transportation. The RTP catalyzed the development of municipal level transportation plans and has supported the integration of multi-modal facilities in key infrastructure projects.

Full realization of the multi-modal transportation network will require additional infrastructure investments and a concerted effort to direct growth to designated centres and corridors. The development of travel demand management policies and programs is also needed to support mode shift. As noted in the December 9, 2020 staff report, there are four key implementation gaps that need to be resolved in order to progress action on regional transportation issues:

1. Develop a list of agreed-upon regional priorities to further catalyze action and attract funding;
2. Identify an agency that can act as a champion for regional priorities;
3. Incentivize regional prioritization of infrastructure projects through new funding sources; and,
4. Based on the agreed-upon priorities, identify whether a formal coordination or governance mechanism is needed to consider regional impacts of local or agency transportation decisions.

Priority Identification Process
Per Board direction, CRD staff worked collaboratively with staff from the following partners having jurisdiction over a transportation function to prepare a list of regional transportation priorities:

- 13 CRD municipalities
- 3 CRD Electoral Areas
- BC Transit
- Ministry of Transportation and Infrastructure (MoTI)
- BC Ferries
- Island Corridor Foundation

Partners were asked to identify their top three to four regional transportation priorities and assign points to indicate the relative level of importance *for their own respective priorities*. In collaboration with partners, CRD staff confirmed that priority areas accurately reflect all input. The summary of weighted partner input and a description of the priority identification process is available in Appendix A.

Key Findings
Partner input reveals several key themes to consider when reviewing the draft list of priority areas:

1. Two transportation priorities received broad levels of regional support – BC Transit's RapidBus initiative and active transportation / regional trails.
2. All other transportation priorities received varying levels of sub-regional support, reflecting the different needs of communities across the region; rural and remote communities require different solutions than the urban core and more densely populated centres.
3. Partners clearly identified that their internal point allocation was intentional to drive focus on the transportation priorities of most significance to them.
4. Partners noted that they support areas to which they did not allocate points, indicating some priorities have broader levels of support than the summary suggests.

Priority Areas
Given the different transportation needs of communities across the region, consideration of sub-regional priorities will build trust and consensus.

Staff have prepared a draft list of priority areas that seeks a viable path forward to resolve regional transportation issues and address implementation gaps. The proposed approach categorizes priority areas into the three types of action that will advance regional and sub-regional priorities, as shown below.

1. **Advocacy:** Priority areas related to multi-modal infrastructure investments garner cross-regional support or respond to sub-regional needs. These priority areas require action by agency partners (i.e., MoTI and BC Transit) and the CRD role is to advocate for the region's fair share of these investments.
    - **RapidBus (Bus Mass Transit)**: Accelerate RapidBus Implementation.
    - **Highway Safety Improvements**: Advance highway projects that focus on multi-modal infrastructure and safety.
    - **SSI / SGI Connectivity**: Seek multi-modal and safety improvements to enhance connectivity to Salt Spring Island (SSI) and the Southern Gulf Islands (SGI).
    - **Transit – General**: Improve local transit service in rural areas.

2. **Action:** Several priority areas require regional direction or local action to implement, and all but active transportation reflect the sub-regional variations in priorities. The CRD role is to act where it has authority, coordinate where needed, and set direction on matters that are currently not the responsibility of any partner.
   - **Active Transportation**: Complete the regional trail network and seek dedicated active transportation funding.
   - **TDM**: Undertake transportation demand management (TDM) policy and programming.
   - **Safety Policy**: Develop and implement a "Vision Zero" policy approach that aims to keep all road users safe from the risk of being seriously injured or killed on the road network.
   - **Strengthen Land Use**: Continue to implement the Regional Growth Strategy (RGS) Settlement Concept by directing growth to places that encourage walking, cycling and efficient use of public transit
   - **Parking and Access Upgrades**: Improve access to transit park-n-rides and parks.

3. **Pivot:** A few priority areas require careful consideration of context. These priority areas could be challenging for the region to advance successfully in the short- to medium-term given existing senior government policy direction, current context and costs, and could detract from advancing other priorities. The CRD role is to support a balanced consideration of needs before advancing this work.
   - **Governance**: Consider initiating a process to change governance and/or authorities once the region has been able to evaluate the success of prioritization.
   - **Light Rail Link and Westshore Passenger Ferry**: Consider taking action on these alternative mass transit approaches once ridership capacity can accommodate both bus rapid transit and light rail and / or passenger ferry.

The above approach balances the distinct needs of the region and focuses on actions that can address transportation issues in the short-term. Moving forward, this approach allows for priorities to be updated as they are successfully delivered. High-level implementation actions and fact sheets that describe each priority area are provided in Appendix B.

ALTERNATIVES

Alternative 1
The Transportation Committee recommends to the Capital Regional District Board:
1) That the categorized priority areas listed in Appendix A be confirmed;
2) That the list of confirmed regional transportation priority areas be shared with the Minister of Transportation and Infrastructure, all CRD municipalities, CRD electoral areas and agency partners; and
3) That staff be directed to develop implementation strategies for each of the approved transportation priority areas and report back to the Board on the findings, including a consideration of cooperation mechanisms.

Alternative 2
That the Identification of Regional Transportation Priorities report be referred back to staff for additional information based on Transportation Committee direction.

IMPLICATIONS

Environmental & Climate Implications
The CRD Board has declared a climate emergency. Partners clearly identified the importance of taking action to mitigate the effects of climate change throughout priority identification. All priorities have been considered against climate criteria, informed by senior government policy frameworks. These policy frameworks prioritize increasing the number of zero-emission vehicles available for purchase, greening fuel sources and improving multi-modal transportation. The priority areas align to this policy framework, as summarized in Appendix *C*.

From a regional transportation perspective, priority areas focus on improving multi-modal transportation. Jurisdictions such as BC Transit and BC Ferries have mandate direction to pursue fleet greening through electrification or use of alternate fuel. The CRD's Climate Action Service is investigating how to support priorities related zero-emission vehicles from a community-focused perspective and greening the CRD fleet from a corporate-focused perspective. While these actions help reduce GHG emissions, they will not address the transportation problems of congestion and mode shift.

Intergovernmental Implications
Responsibility for transportation policy, decision making and operations is shared across a number of jurisdictions, each with authority for different functional aspects of the transportation system. Given this context, a regional approach to transportation requires significant and ongoing collaboration to balance the needs of local, regional and higher levels of government. See Appendix D for a summary of regional priorities by transportation function.

Prior to this priority setting process most attention has been focused on the development of an authority to lead transportation decisions in the region. The region has not been able to reach consensus on the establishment of such an authority. Lessons learned from this experience is that municipalities and the electoral areas need assurance that they will not lose control over localized transportation decisions and that the potential for cost impacts are mitigated. Further, governance reviews and correspondence with the Province clearly state that the region must first establish agreed-upon transportation priorities before any consideration is given to a change in authorities. Governance did not receive high levels of partner support through this process.

Given the lessons learned and the current context, staff suggest:
1. Explore cooperation or governance mechanisms as an output of the prioritization process, rather than a priority in itself. This work could be undertaken, at a conceptual level, should staff be directed to report back on implementation strategies. Staff will be better able to provide meaningful input for consideration with a confirmed list of priorities.
2. Acknowledge that transportation solutions vary by sub-region, driven by the different needs of communities across the region. The proposed categories attempt to provide a path to success. If the region cannot reconcile sub-regional differences, any viable governance mechanism would need to significantly alter existing local government authorities to make a meaningful difference in transportation decision making.

Confirmation of regional transportation priorities follows from the 2020 release of the South Island Transportation Strategy (SITS). The Minister of Transportation and Infrastructure has indicated that the findings of the regional prioritization work will help inform ongoing priority setting and resource allocations within MoTI.

Regional Growth Strategy Implications
A mode share target of 42% is identified in the RGS. Land use patterns that support transit and active transportation – the densification designated centres and corridors – are needed to achieve mode share and climate change targets. The RGS sets out a settlement concept in Map 3(b) and policies to support such land use patterns.

The need for integrated land use and transportation was identified as a priority area by the region's two most populous municipalities. Generally local official community plans and transportation plans reflect the need for this integration. The 2020 RGS Indicators Report highlights that recent growth in the region has largely gone to parts of the region that do not have a high active transportation and transit mode share. Realizing the desired land use patterns set out in policy requires that growth be directed to designated locations and on-going monitoring to track progress against objectives.

Social Implications
A multi-modal transportation network supports equitable access to transportation options across the region. Different approaches, from infrastructure investment to TDM, is critical to delivering affordable and readily available transportation options. The regional priority areas reflect the needs of the people who live in the communities that make up the region.

Financial Implications
The CRD does not requisition any dedicated funding towards transportation other than for regional trails, regional information services and the Traffic Safety Commission.

Achieving the targeted mode share shift will require the investment of resources across all levels of government, as well as a strong commitment to change in terms of status quo. Some of the priority areas call on MoTI and BC Transit to fund significant infrastructure projects, while other priority areas require the identification of funding sources to drive regional and local action. The development of a funding strategy could be undertaken should staff be directed to report back on implementation strategies.

Within its authority for regional trails, the CRD would need to dedicate more or reallocate existing staff and financial resources to fast track improvements on the regional trail network and associated parking infrastructure. Within its authority for regional transportation planning, the CRD would need to adjust work planning to develop implementation strategies for each of the priorities.

Service Delivery Implications
The CRD has the service authority to manage regional trails, collect and analyze transportation data and collaborate with partners to plan for the region's transportation needs including the identification of regional priorities. The CRD does not have a mandate to operate transit, ferries or rail, build road infrastructure, prioritize regional grant applications or dictate road standards. No single agency has the responsibility or direction to develop TDM policies and programs, including incentives, or safety policy. The CRD would need to expand its transportation service function to deliver regional policies and programs related to TDM or safety.

As a regional government, the CRD Board is in a unique position to:
1. Advocate for regional priorities that would achieve objectives in its regional plans such as the RGS and the RTP; and
2. Develop and possibly implement region-wide TDM and safety policy.

The CRD can be most effective at addressing these gaps by undertaking strategic advocacy only once priorities have been confirmed, and driving regional action in areas where there is an agreed-upon need for regional action.

The RTP established mode share targets for the region at 15% for cycling, 15% for walking and 12% for transit. This total 42% target was seen as being ambitious. Since the adoption of these mode share targets and pre-pandemic, BC Transit increased its mode share target to 15%.

The region's mode share is currently 26.6%. The status quo will not deliver these mode share targets for several generations. Achieving these targets will require substantial investment and commitment to change across all priority areas. It should be noted that the full long term impacts of the pandemic on travel behavior and public transportation services are not yet fully understood. It is expected that it will take considerable effort and time to bring transit ridership back to pre-pandemic levels let alone surpass it. As such it is unlikely that mode share increases to transit will be seen in the short to medium term.

Alignment with Board & Corporate Priorities
The 2019-2022 Board priorities identify two priority transportation initiatives:
1. Work with government/community partners to increase use of public transit, walking and cycling and to plan for and deliver an effective, long-term regional multi-modal transportation system.
2. Protect the E&N Corridor as a transportation corridor and participate in a provincial working group to come to agreement on the future use of the E&N corridor.

Both of the above Board priorities have informed the prioritization process.

Alignment with Existing Plans & Strategies
Identification of the regional transportation priorities was largely based on priorities identified in existing plans, strategies and bylaws at local, regional and provincial levels. See Appendix C for additional policy context. At the regional level, priorities align well with the RGS, RTP and the Regional Trails Management Plan. The priorities also align to plans and policies from other agencies and senior governments, including the BC Transit Future Plan, BC Transit's RapidBus Strategy, SITS and CleanBC.

CONCLUSION

Confirmation of regional transportation priority areas would be the first step to resolving a number of implementation gaps in the region. This would help all partners address transportation problems related to congestion and mode shift. The proposed list of transportation priority areas reflects input from partners around the region, organized by the type of action required for implementation. Once priorities are confirmed, CRD staff can inform partners and report back to the Board on implementation strategies. Taking action on these priorities will continue to require significant and ongoing coordination, in which the CRD plays a critical role.

RECOMMENDATION

The Transportation Committee recommends to the Capital Regional District Board:
1. That the categorized priority areas listed in Appendix A be confirmed;
2. That the list of confirmed regional transportation priority areas be shared with the Minister of Transportation and Infrastructure, all CRD municipalities, CRD electoral areas and agency partners; and
3. That staff be directed to develop implementation strategies for each of the approved transportation priority areas and report back to the Board on the findings, including a consideration of cooperation mechanisms.

Submitted by:	Emily Sinclair, MCIP, RPP, Senior Manager, Regional & Strategic Planning
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

Appendix A: Summary of Partner Input and Priority Setting Process
Appendix B: Regional Transportation Priority Areas
Appendix C: Transportation and Climate Action Policy Context
Appendix D: Summary of Regional Priorities by Transportation Function

Overview

Purpose

- Review input on regional transportation priorities.
- Consider regional needs and outcomes.
- Agree to priorities and direct next steps.

What Staff Evaluated

1) Partner input
2) Regional needs & outcomes
3) Policy context & performance against criteria

Filling our Implementation Gaps

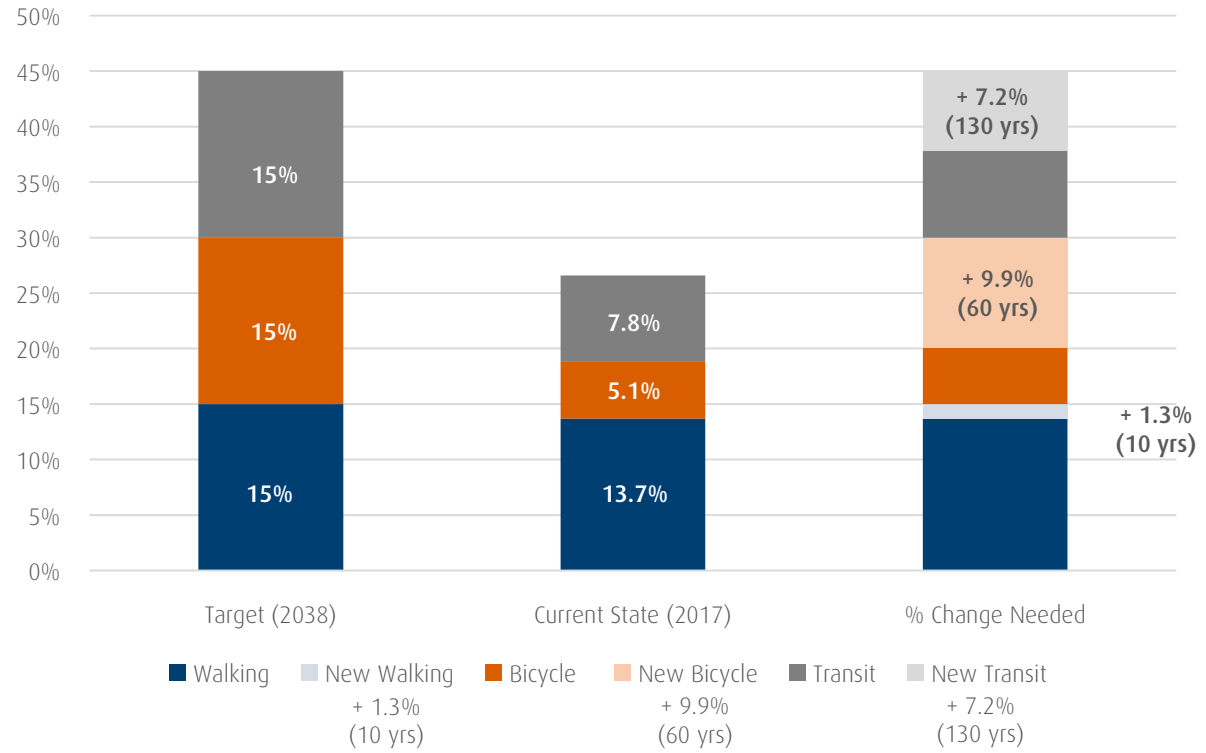
1) **Prioritize:** Agree to priorities that advance the RTP
2) **Champion:** Opportunity to speak with one regional voice
3) **Attract Funding:** Opportunity to leverage new funding streams
4) **Coordinate:** Future areas requiring coordination identified

Current State

Problem Statements

1. Traffic congestion in peak periods
2. Mode shift – improve mode choice and change behaviour
3. Reduce GHG emissions from transportation

Mode Share Context



Gathering Partner Input

Partners

- 13 CRD Municipalities
- 3 CRD Electoral Areas
- BC Transit
- Ministry of Transportation and Infrastructure (MoTI)
- BC Ferries
- Island Corridor Foundation

1

Identify Partner Priorities

- Focus on short-term, regional-scale matters
- Identify top 3-4 regional priorities
- Indicate relative importance

2

Collate and Analyze

- Group priorities by transportation function
- Analyze against performance criteria
- Confirm grouping and adjust priorities

3

Validate

- Gather feedback from Local Area Administrators
- Finalize list for Committee consideration

4

Board Prioritizes

- Report on priorities and next steps
- Seek confirmation of priorities
- Seek direction on implementation

Generating the Priority List

Analysis	**Step 1: Priority Function & Performance** Group priorities by transportation function. Individually evaluate against performance criteria.	If performs well →	**Step 2: Action to Implement Priority** Categorize priority areas by type of action required to deliver on the priority.
Output	Partner Input Summary Priority Area Fact Sheets		Priority Area List for Board Approval

Findings

1. **Region-Wide Support:** RapidBus and active transportation
2. **Sub-Regional Support:** All other priorities - communities have different needs
3. **Significance:** Point allocation focuses attention on what is most important
4. **Not Mutually Exclusive:** Partners support other priorities, even if didn't allocate points

Summary of Partner Input

	TRANSIT			GOVERNANCE	AUTO		ACTIVE	TRANSPORTATION DEMAND MANAGEMENT, POLICY AND ADVOCACY	
PARTNER	Bus Mass Transit (RapidBus)	Non Bus Mass Transit	General Transit	Governance	Parking and Access Upgrades	Integrated safety focused approach to Highways and Arterials	Active Transportation including Regional Trails	Transportation Demand Management	Policy
JDF			30	30	40				
SGI	20						35		45
SSI			15				70		15
Esquimalt	40	20					40		
Oak Bay	50								50
Saanich	20						40		40
Victoria	20		20				30	15	15
View Royal		25		75					
Colwood	50	15					15	10	10
Highlands					30	40		30	
Langford	20	20			20		20	20	
Metchosin	50	15			35				
Sooke	10					90			
Central Saanich	25				25	20	25	5	
Sidney	50						35	15	
North Saanich						100			
TOTALS	355	95	65	105	150	250	310	95	175
AGENCY PARTNER	30	100	70			100			
BC Transit	30		70						
Island Corridor Foundation		100							
MoTI						100			

Summary of Partner Input

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Saanich	20						40		40
Victoria	20		20				30	15	15
View Royal		25		75					
Colwood	50	15					15	10	10
Highlands					30	40		30	
Langford	20	20			20		20	20	
Metchosin	50	15			35				
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AGENCY PARTNER	30	100	70			100			
BC Transit	30		70						
Island Corridor Foundation		100							
MoTI						100			

Priority Areas



Advocate

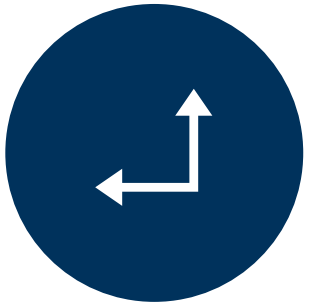
Take action now to leverage funding and project delivery. Initiatives in this category require action by agency partners. The CRD role is to advocate for the region's fair share.



Act

Provide regional direction or take local action to deliver the work. The CRD role is:

- act where it has authority
- coordinate where needed
- set direction if no lead agency



Pivot

Consider context carefully. Senior government policy direction, current context and costs are not favourable. The CRD role is to support balanced consideration of needs before advancing this work.

Advocate: Funding & Implementation

RapidBus: Accelerate RapidBus implementation.

- Faster delivery
- Corridors that link to centres

Highway Safety Improvements: Advance highway projects that focus on multi-modal infrastructure and safety.

- Multi-modal in all projects
- Prioritize safety
- Free-flow on corridors



SSI / SGI Connectivity: Enhance connectivity to SSI and SGI.

- Ferry electrification
- Terminal upgrades
- Prioritize reducing vehicle volume

Transit – General: Improve local transit service in rural areas.

- Service standardization
- Improve service frequency & span

Act: Regional Direction / Local Action

Active Transportation: Focus on regional trails and dedicated funding.

- Complete regional trail network
- Develop standards & complete upgrades
- Seek dedicated funding

TDM: Develop regional policy and programming.

- Identify lead organization
- Seek ways to incent behaviour change

Safety Policy: Develop & implement a "Vision Zero" policy approach.

- Identify lead organization
- Develop regional safety policy



Strengthen Land Use: Continue to implement RGS Settlement Concept.

- Direct growth to places that encourage walking, cycling and efficient use of public transit
- Incent transit oriented development

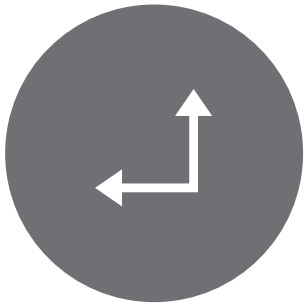
Parking & Access: Improve access to transit park and rides and parks.

- Increase availability in rural areas
- Improve parking & road safety at regional parks

Pivot: Consider Regional Context

Governance: Consider once region has evaluated success of prioritization.

- Province and partners have identified the region must agree to priorities before governance is considered.
- Address concerns about insufficient municipal council support, loss of control over transportation decisions, possible local cost impacts and legislative implications for partner authorities.



Light Rail Link and Westshore Passenger Ferry: Consider once ridership share is greater.

- Investigate once ridership capacity can accommodate both bus mass transit and these alternative modes.
- Address concerns about cost, efficiency, competiveness, density and lack of connectivity (e.g., no downtown terminus for rail, difficult to access ferry by active modes).

Policy Context

Senior levels of government set policy that shapes funding, infrastructure and grants. Policy on climate, economic recovery and transportation will shape what gets built in the region.

- Pan-Canadian Framework on Clean Growth and Climate Change (2016 – Federal)
- CleanBC (2019 – Provincial)
- South Island Transportation Strategy (2020 – Provincial)
- Regional Growth Strategy (2018 – CRD)

Policy Direction	Priority Area Response
Transition to lower emitting vehicles	RapidBus Integrated roads and highways General transit investments Parking and access upgrades
Multi-Modal Transportation	RapidBus Dedicated active transportation funding Regional trail network completion Continue to implement RGS settlement concept SSI / SGI connectivity
Affordability	RapidBus Dedicated active transportation funding Regional trail network completion General transit investments Continue to implement RGS settlement concept
Safety	SSI / SGI island connectivity Safety policy – Vision Zero Integrated roads and highways Continue to implement RGS settlement concept

Priorities by Transportation Function

	Capital Regional District	Municipalities	BC Transit	MoTI
Regional and Multi-Use Trails	**Primary Service Provider** Complete regional trail system (incl. standardization). Upgrade parking at regional parks.			**Funder** Provide secure funding for active transportation infrastructure (trails).
Regional and Local Roads		**Primary Service Provider** Upgrade roads near regional and local parks. Build active transportation infrastructure once funded.	**Primary Service Provider** Add park and ride stations.	**Funder** Provide secure funding for active transportation infrastructure (on-road).
Land Use – Corridors & Nodes		**Primary Service Provider** Continue to implement RGS growth concept. Adopt policies to incentivize transit-oriented development.	**Advocacy - Policy** Adopt policies to incentivize transportation-oriented development.	
Regional Transit Network			**Primary Service Provider** Accelerate RapidBus. Ensure RapidBus directly links to centres.	**Funder** Provide secure funding for ridership recovery.
Provincial Highways				**Primary Service Provider** Upgrades / improvements. Include transit & active modes in all highway improvements.
Outcomes	Take action once funding is secured.	Take action once funding is secured.	Consensus on these items provides advocacy leverage with BC Transit.	Consensus on these items provides advocacy leverage with MoTI.

Responsibility for transportation in the region is shared. The table shows how each priority area would be implemented by function and jurisdiction.

Priority areas requiring regional direction or careful consideration are shown outside the table as they are either a new function or do not belong to an existing jurisdiction.

Requires Regional Direction

1) Develop TDM policies and programs
2) Develop regional vision zero program

Requires Consideration of Context

1) Regional transportation governance
2) Phased introduction of rail service on E&N corridor
3) Ferry service between the Westshore and Esquimalt

Recommendations

1. Confirm the categorized priority areas listed in Appendix A.

2. Share the list of confirmed regional transportation priority areas with the Minister of Transportation and Infrastructure, all CRD municipalities, CRD electoral areas and agency partners.

3. Direct staff to develop implementation strategies for each of the approved transportation priority areas and report back to the Board on the findings, including a consideration of cooperation mechanisms.

Priority Areas

Priority areas are categorized by the type of action needed to advance each priority recognizing that communities across the region have different transportation needs. This proposed approach seeks a viable path forward to resolve transportation issues and address implementation gaps.

Advocacy	Priority areas related to multi-modal infrastructure investments garner cross-regional support or respond to sub-regional needs. These priority areas require action by agency partners (i.e., MoTI and BC Transit) and the CRD role is to advocate for the region's fair share of these investments.	• **RapidBus (Bus Mass Transit):** Accelerate RapidBus implementation. • **Highway Safety and Multi-modal Improvements:** Prioritize highway improvements that deliver multi-modal infrastructure and safety, while advancing regional mode share and climate targets. • **SSI / SGI Connectivity:** Seek multi-modal and safety improvements to enhance connectivity to Salt Spring Island (SSI) and the Southern Gulf Islands (SGI). • **Transit – General:** Improve local transit service in rural areas. • **Westshore Passenger Ferry (Non Bus Mass Transit):** Plan for long term need by conducting a service feasibility study. • **E&N Corridor (Non Bus Mass Transit):** Plan for long term need by maintaining and upgrading the E&N right of way for future use as a transportation corridor.
Action	Several priority areas require regional direction or local action to implement, and all but active transportation reflect the sub-regional variations in priorities. The CRD role is to act where it has authority, coordinate where needed, and set direction on matters that are currently not the responsibility of any partner.	• **Active Transportation:** Complete the regional trail network and seek dedicated transportation funding for green transportation alternatives. • **TDM:** Undertake transportation demand management policy and programming. • **Safety Policy:** Develop and implement a "Vision Zero" policy approach that aims to keep all road users safe from the risk of being seriously injured or killed on the road network. • **Strengthen Land Use:** Continue to implement the RGS Settlement Concept by directing growth to places that encourage walking, cycling and efficient use of public transit. • **Parking and Access Upgrades:** Improve access to transit park and rides and parks.
Pivot	A few priority areas require careful consideration of context. These priority areas could be challenging for the region to advance successfully in the short- to medium-term given existing senior government policy direction, current context and costs, and could detract from advancing other priorities. The CRD role is to support a balanced consideration of needs before advancing this work.	• **Governance:** Consider initiating a process to change governance and/or authorities once the region has been able to evaluate the success of prioritization. • **Rail Link and Westshore Passenger Ferry:** Consider taking action on these alternative mass transit approaches once ridership capacity can accommodate both bus rapid transit and light rail and / or passenger ferry.

Priority Areas

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Summary of Partner Input

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Island Corridor Foundation		100							
MoTI						100			

Priority Setting Process

On December 9, 2020, the CRD Board directed staff to develop a list of regional transportation priorities. Staff worked collaboratively, following an iterative process, with partners having jurisdiction over a transportation function to prepare the list.

In order to generate priorities that reflect the regional and sub-regional needs of all CRD communities, and against which the CRD can act, staff used a two-step evaluation process:

Analysis	**Step 1: Function & Performance** Group priorities by transportation function and individually evaluate against performance criteria.	If performs well →	**Step 2: Action** Categorize functional priority areas by type of action required to deliver on the priority.
Output	Summary of Partner Input Priority Area Fact Sheets		Priority Area List for Board Approval

Partners Responsible for a Transportation Function
- 13 CRD Municipalities
- 3 CRD Electoral Areas
- BC Transit
- Ministry of Transportation and Infrastructure (MoTI)
- BC Ferries
- Island Corridor Foundation

Criteria
- Climate action
- Congestion
- Mode share
- Safety
- Affordability

Key findings
1. Two transportation priorities received broad levels of regional support – BC Transit's RapidBus initiative and active transportation / regional trails.
2. All other transportation priorities received varying levels of sub-regional support, reflecting the different needs of communities across the region; rural and remote communities require different solutions than the urban core and more densely populated centres.
3. Internal point allocation was intentional to drive focus on the transportation priorities of most significance to partners.
4. Partners noted that they support areas to which they did not allocate points, indicating some priorities have broader levels of support than the summary suggests.

Process Steps

1

Identify Partner Priorities
- CAOs / senior executive identify staff technical expert (staff) as contact
- Staff identify top three or four transportation priorities
- Staff assign points to indicate the relative level of importance for their own respective priorities
- Submit priorities to CRD staff

2

Collate and Analyze
- CRD staff grouped like priorities by transportation function to produce the input summary table
- CRD staff analyzed the priorities against criteria to evaluate how each performs in relation to achieving transportation objectives
- CRD staff worked collaboratively with partners to confirm groupings and adjust weighting of their respective priorities
- Some partners sought Council approval of priorities, as required by their own internal processes

3

Validate
- CRD executive validated input with local area administrators
- Proposed list of priorities prepared for Board consideration

4

Board Prioritizes
- CRD staff reports back with draft priorities list and coordination mechanisms
- Seek Board confirmation of priorities
- Seek Board direction to develop implementation strategies for each of the approved priorities

Advocate: Funding & Implementation

Advocate

Take action now to leverage funding and project delivery

The Province expects that regional priorities will drive the implementation of projects and actions set out in the South Island Transportation Strategy (SITS).

The proposed priority areas:

- Reflect projects with regional and sub-regional support.
- Perform well against all criteria to address regional transportation problems and take action on climate change.

Proposed Priority Area	Implementation Action
RapidBus	Seek accelerated implementation from BC Transit / MoTI. Seek dedicated corridors with direct links to designated growth centres.
Integrated Highway Improvements	Leverage multi-modal improvements from any highway work. Seek projects that prioritize safety improvements. Support free-flow of traffic along highway corridors.
SSI / SGI Island Connectivity	Seek ferry electrification and implementation of terminal safety upgrades. Seek policy and infrastructure to prioritize reduction in vehicle volumes.
General Transit	Seek service standardization in rural areas (weekend / evening service). Seek improved frequency and span of service (incl. SGI/SSI ferry).

BUS MASS TRANSIT / RapidBus

REGIONAL SUPPORT

- Esquimalt
- Oak Bay
- Saanich
- Victoria
- Langford
- Colwood
- Metchosin
- Sooke
- Central Saanich
- Sidney
- SGI

RapidBus is a BC Transit initiative to provide frequent, high-capacity service along key corridors. With buses removed from general traffic, the initiative aims to significantly reduce travel times compared to single occupancy vehicle travel.

RapidBus consists of dedicated bus lanes, branding and priority measures for transit with a focus on Highway 1, Highway 17 and McKenzie Avenue. RapidBus includes the requirement for an exchange at Uptown and a new transit operations facility.

Key Features / Key Partner Asks

- Accelerate RapidBus implementation.
- Create direct links to designated growth centres.

CRD	BC Transit (Victoria Regional Transit Commission)	MoTI
Advocacy	Service Operator	Funding
If directed, develop an integrated advocacy strategy: • MoTI – funding • BC Transit – facility planning	• Set operational policy, priorities and facility design (e.g., accelerate implementation) • Set fares • Seek fair share of funding • Set mode share targets	• Provide funding • Approve new service hours • Adopt and adhere to provincial policy and regulations (e.g., CleanBC prioritizes bus rapid transit and fleet greening)

PERFORMANCE EVALUATION

CLIMATE ACTION

- Shift to electric vehicles
- Reduce GHG by encouraging more people to use transit instead of single occupancy vehicles

CONGESTION

- Potential to reduce the number of personal vehicles on the road - particularly during peak periods

MODE SHARE

- Offers capacity for mode shift change towards regional targets
- Offers greater appeal than general transit, particularly to riders who have the capacity to use other modes (non captive)

SAFETY

- A very safe mode facilitated by trained safety teams and transit supervisors

AFFORDABILITY

- Offers an affordable alternative when compared against single occupancy vehicles

AUTO / INTEGRATED SAFETY FOCUSSED APPROACH TO HIGHWAY PROJECTS AND ARTERIALS

REGIONAL SUPPORT

- Sooke
- Highlands
- Central Saanich
- North Saanich

The highway system in the CRD consists of three major highways (1, 14 and 17) connecting major centres across the region with gateways to the rest of Vancouver Island, the mainland via ferries, and internationally via the airport. The MoTI is responsible for the highway system which allows for both freight and passenger movement.

An integrated approach to highways was a cornerstone of the South Island Transportation Strategy. Highway upgrades in the region consider the safety and movement of people across all modes. Arterial roads, which connect to the highway system, are the responsibility of local governments and often accommodate strategic employment and service centres as well as increased housing density. Support for highway improvements came from communities in the region which rely on highways to access services and employment opportunities.

Key Features / Key Partner Asks

- Maintain arterials and highways as the dominant traffic corridors.
- Prioritize improvements based on safety.
- Integrate transit and active transportation in all highway improvements.
- Support free flow of traffic along highway corridors.

CRD	Local Government	MoTI
Advocacy	Arterial road design and maintenance	Highway design and maintenance
• Continue to provide data and technical expertise on a project basis • If directed, develop an advocacy strategy	• Set arterial policy direction • Plan, operate, maintain and fund arterial connections to the highway system • Collaborate with BC Transit and CRD Regional Trails	• Set policy direction • Plan, operate, maintain and fund integrated highway system • Collaborate with BC Transit, CRD Regional Trails and local governments

PERFORMANCE EVALUATION

CLIMATE ACTION

- Gradual shift to electric vehicles
- Reduce GHG by encouraging more people to use transit and active transportation by fast tracking improvements

CONGESTION

- Potential to reduce queuing / idling through improved traffic flow
- Potential to move some single occupancy vehicle users to transit and active transportation

MODE SHARE

- Leverages significant provincial spending power to support mode shift by providing improved transit and active transportation infrastructure at time of highway improvements

SAFETY

- Prioritizes safety improvements
- Single occupancy vehicle travel is statistically more dangerous than transit

AFFORDABILITY

- Single occupancy vehicles are a high cost option due to up front and ongoing costs of use
- Road improvements and maintenance are expensive

POLICY - BC FERRIES / ISLAND CONNECTIVITY

REGIONAL SUPPORT

- SGI
- SSI

The region is dependent on the ferry system to access vital goods and services and connect with the rest of the province. This is particularly significant for the Electoral Areas of Salt Spring Island (SSI) and the Southern Gulf Islands (SGI), whose residents rely heavily on ferries to access the region.

Ferries generated little discussion amongst municipal partners, but were dominant discussion points for the SSI and SGI Electoral Areas.

Key Features / Key Partner Asks

- Electrify ferry and implement terminal safety upgrades.
- Advocate to the Province to amend mandate letter to prioritize reduction in vehicle volumes and emphasize active transportation passenger volumes.
- Advocate for MoTI to include 1.5m to 1.8m bike lanes as a part of every repaving project.

CRD	BC Ferries	MoTI
Advocacy	Service Operator	Mandate & Funding
If directed, develop an integrated advocacy strategy: • MoTI – policy • BC Ferries – facility planning	• Act as the operating company to meet the scope of service mandated by the Province • Set operational policy	• Set BC Ferries operating mandate • Set policies and priorities • Provide funding

PERFORMANCE EVALUATION

CLIMATE ACTION

- Shift to electric fleet
- Vehicle movement a priority over passenger only

CONGESTION

- Limited potential to reduce the number of personal vehicles on the road particularly during peak periods

MODE SHARE

- Limited capacity for mode shift change towards regional targets

SAFETY

- A very safe mode facilitated by trained safety teams

AFFORDABILITY

- Cost of ferry travel is seen as a deterrent for many

GENERAL TRANSIT

REGIONAL SUPPORT

- Juan de Fuca
- Victoria
- SSI

BC Transit provides local bus service, connecting residents to destinations via local-serving routes. Transit provides transportation choice for significant numbers of residents and visitors. Local transit service operates buses in mixed traffic, with closely spaced stops.

Transit is working towards the greening of its fleet through the introduction of LNG and electric busses in the region.

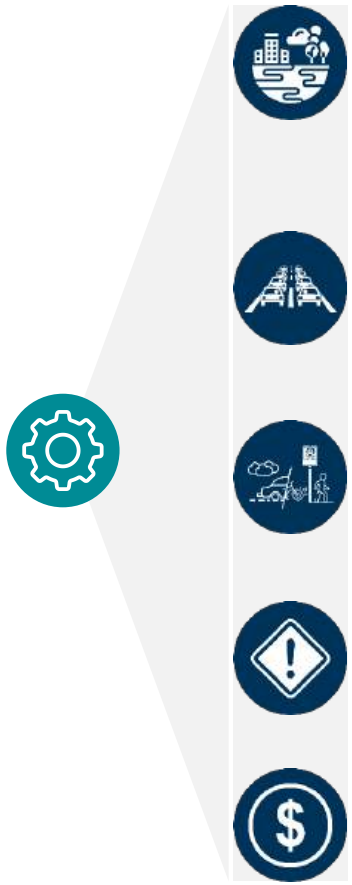
BC Transit has seen significant passenger losses as a result of the pandemic. The next few years will require significant work to build passenger confidence and volumes back. This rebuild offers potential to reexamine how routes, service span and frequency across the region represent the needs of the community.

Key Features / Key Partner Asks

- Service standardization in communities across the region to include weekend and evening services.
- Improved frequency and span of service.
- Better integration between SGI and SSI ferries and Swartz Bay transit.

CRD	BC Transit (Victoria Regional Transit Commission)	MoTI
Advocacy	Service Operator	Funding
• If directed, develop an advocacy strategy	• Set operational policy and priorities • Approve service levels, frequency and routing • Set transit mode share targets	• Provide funding • Approve new service hours • Adopt and adhere to provincial policy and regulations (e.g., CleanBC prioritizes fleet greening)

PERFORMANCE EVALUATION



CLIMATE ACTION

- Adopt renewable energy sources
- Reduce GHG by encouraging more people to use transit instead of single occupancy vehicles

CONGESTION

- Potential to reduce the number of single occupancy vehicles on a limited road corridor particularly during peak periods

MODE SHARE

- Offers capacity for mode shift away from single occupancy vehicles based on improved service quality and comfort

SAFETY

- A very safe mode facilitated by trained safety teams

AFFORDABILITY

- Offers a more affordable way to travel when compared against single occupancy vehicles

Act: Regional Direction / Local Action

Advocate | **Act** | Pivot

Needs Regional Direction or Local Action

Consider options to initiate work

A number of priority areas require regional or local action, or a decision to take new action. These priority areas reflect matters requiring varying levels of regional coordination.

The proposed priority areas:

- Reflect initiatives that require regional coordination and/or action to be effective.
- Require additional direction from the CRD Board to move forward as it would change aspects of CRD service delivery.

Proposed Priority Area	Implementation Action
Regional Trails and Active Transportation	Complete regional trail network. Develop trail standards and complete safety upgrades. Seek dedicated active transportation funding.
Transportation Demand Management (TDM)	Identify a lead organization. Seek ways to incentivize behaviour change. Develop and implement TDM policies and programs.
Safety Policy (Vision Zero)	Identify a lead organization. Develop and implement a regional traffic safety policy.
Strengthen Land Use	Continue to implement the RGS Settlement Concept by directing growth to places that encourage walking, cycling and efficient use of public transit. Incentivise transit oriented development.
Parking and Access Upgrades	Increase parks & rides in rural areas to make transit use more convenient. Improve parking and road safety at regional and provincial parks.

ACTIVE TRANSPORTATION INCLUDING REGIONAL TRAILS

REGIONAL SUPPORT

- SSI
- Langford
- Esquimalt
- Colwood
- Central Saanich
- SGI
- Saanich
- Victoria
- Sidney

The region's active transportation network is composed of three regional trails – the Galloping Goose, Lochside and E&N Rail Trail – and local active transportation infrastructure. Significant progress by both the CRD and municipalities has been made towards the implementation of this network with the construction of all ages and abilities pedestrian and cycling infrastructure throughout the region.

Cycling and walking are well documented as being the most climate friendly form of transportation options with the added bonus of health benefits to the user.

There is no longer a stable, dedicated funding pool for active transportation outside of established budgets for the general operation and maintenance of regional trails.

Key Features / Key Partner Asks

- Standardize the regional trail network to reflect its year round use.
- Seek dedicated regional active transportation funding.
- Provide for safety upgrades.
- Complete the E&N Rail Trail.

CRD	Local Governments	MoTI
Operations and Advocacy	Operations and Advocacy	Land Owner
• Plan, operate and maintain the three regional trails, per the Regional Trails Management Plan • Set regional mode share targets • Seek funding for new trail construction and improvements	• Plan, operate and maintain local active transportation infrastructure • Set local mode share targets • Prioritize local service delivery	• Critical funding partner • Active transportation policy direction • Land Owner (E&N)

PERFORMANCE EVALUATION

CLIMATE ACTION

- Most climate friendly of transportation options

CONGESTION

- Potential to reduce the number of single occupancy vehicles on the road particularly during peak periods

MODE SHARE

- Offers capacity for mode shift change towards regional targets

SAFETY

- Generally offers safe options particularly through the development of an all ages and abilities network

AFFORDABILITY

- Offers the most affordable transportation option, for both the user and the funder

TRANSPORTATION DEMAND MANAGEMENT

REGIONAL SUPPORT

- Colwood
- Highlands
- Victoria
- Langford
- Sidney
- Central Saanich

Transportation Demand Management (TDM) includes a range of incentives and deterrents that encourage people to make travel choices that shift modes, reduce congestion or mitigate the need for travel. The objective of TDM is to remove pressure during peak periods from high volume transit routes and road networks.

The pandemic has offered a unique trial of how some TDM measures can alter peak travel times and spread traffic volume across a longer time horizon. Other measures include incentives such as affordable passes for transit or deterrents such as parking fees or congestion charges. The most appropriate TDM measures for the region would need careful evaluation.

Key Features / Key Partner Asks

- Strong belief from many partners that working from home and staggered work and school hours will continue after the pandemic and that the impact of this will assist in decreasing congestion.
- Incentivize active transportation, transit and high-occupancy vehicles and dis-incentivize the use of single occupancy vehicles and the need for travel.

CRD	Local Governments	MoTI/ BC Transit
• If directed, develop collaborative policy • Implement policy at a workforce level	• Provide and funds localized incentives (e.g., Victoria Youth Pass, pay parking) • Develop collaborative policy • Implement policy at a workforce level	• Develop collaborative policy • Implement policy at a workforce level • Provide incentives (e.g., bus passes and promotions)

PERFORMANCE EVALUATION

CLIMATE ACTION

- Potential to significantly reduce the need for travel
- Significant potential to decrease the average vehicle kilometres travelled per person

CONGESTION

- Potential to reduce the number of personal vehicles on the road during peak periods

MODE SHARE

- Offers capacity to shift modes towards regional targets
- Incentivise use of active travel and transit modes

SAFETY

- Development of TDM measures by trained experts prioritizing safety of all road users

AFFORDABILITY

- Offers affordable options
- Could result in making travel by personal vehicle more expensive

POLICY – SAFETY VISION ZERO and DEFAULT SPEED PILOT

REGIONAL SUPPORT

- Saanich
- Oak Bay

Vision Zero is a traffic safety policy with an aim for all road users to be safe from the risk of being killed or seriously injured on the road network.

British Columbia has a default speed limit of 50km/h, where no speed limit sign is posted. The provincial government amended the *Motor Vehicle Act* to allow pilot projects that would research, test and evaluate new regulatory approaches to support active transportation and increase safety. A number of municipalities have expressed an interest in participating in a pilot of a lowered default speed.

Key Features / Key Partner Asks

- Develop a regional Vision Zero program.
- Pilot lowered default speed.

CRD	Local Governments	Province
Advocacy	Infrastructure and Policy	Support and collaboration.
If directed: • Develop an advocacy strategy • Collaborate to develop and set policy direction	• Fund planning and engineering solutions to align with Vision Zero principles • Collaborate to develop policy direction	• Set provincial legislation, policy and plans • Fund and plan for safety upgrades on MoTI road networks • Provide educational campaigns and disincentives such as fines for not obeying rules

PERFORMANCE EVALUATION

NOTE: Vision Zero would have little direct impact in the short term advancement of four of the five criteria but significant potential to improve user safety.



CLIMATE ACTION

CONGESTION

MODE SHARE

SAFETY

- Pedestrian and cyclists are at higher risk of injury but the development of all ages and abilities infrastructure can mitigate the higher likelihood of potential injury
- Decreasing vehicle kilometres travelled reduces the likelihood for injury

AFFORDABILITY

POLICY - LAND USE

REGIONAL SUPPORT

- Saanich
- Victoria

Land use and transportation are intrinsically linked. The Regional Growth Strategy (RGS) provides the vision for sustainable growth including such areas as population growth, transportation and settlement patterns. Settlement patterns that densify designated centres and corridors support efficient transit service and connected active transportation networks that get people to the places they want to go.

Key Features / Key Partner Asks

- Continue to implement RGS vision and adopt regional land use policy that supports transit oriented development.
- Develop settlement patterns that minimize the use of automobiles and encourage walking, cycling and the efficient use of public transit.

CRD	Local Governments	Province
Regional Growth Strategy	Official Community Plan	Legislation
• Draft and approve the RGS • Approve local government regional context statements	• Prepare and implement Official Community Plan • Direct and approve growth in designated centres and corridors to support efficient transit and active transportation	• Develop and approve legislation under the *Local Government Act* that sets requirements for content and adoption of Regional Growth Strategies and OCPs

PERFORMANCE EVALUATION

CLIMATE ACTION

- Potential to significantly reduce the need for longer trips to access services and employment
- Significant potential to decrease the average vehicle kilometres travelled per person

CONGESTION

- Potential to significantly reduce the number of personal vehicles on the road particularly during peak periods

MODE SHARE

- Potential to shift a significant number of trips away from single occupancy vehicles to active modes of transportation and transit

SAFETY

- Support a greater number of people walking and cycling places
- Greater levels of active travel, when combined with all ages and abilities infrastructure, can mitigate the potential of injury

AFFORDABILITY

- A shift to active transportation and transit mode share could reduce household spending on personal vehicle use

AUTO / PARKING AND ACCESS UPGRADES

REGIONAL SUPPORT

- Juan de Fuca
- Central Saanich
- Metchosin
- Langford
- Highlands

Numerous partners identified a concern for user safety at access points to regional and provincial parks. Often the available parking is full and users are forced to park on the edge of busy roads and highways that offer no pedestrian infrastructure. It was felt strongly that access to parks needed to be available to all and that transportation options needed to reflect this.

Park and Rides linking to high quality transit were seen as an important way of attracting riders to transit particularly in areas where local transit connections are poor or non-existent.

Key Features / Key Partner Asks

- Increased availability of Park and Rides in the outlying areas of the region to make transit more convenient and accessible.
- More parking and road access safety upgrades at regional and provincial parks, particularly in those locations where it is challenging or not possible to access by public transit or active transportation.

Local Governments and EAs	CRD/MoTI/BC Transit	BC PARKS
Advocacy & Infrastructure	Operations & Funding	Operations
• Advocacy • Collaborate with BC Transit on Park and Rides • Collaborate on road safety upgrades	• Plan, design and maintain parking at regional parks (CRD) • Plan, design and maintain access points on MoTI road network (MoTI) • Plan, design and operate Park and Rides in collaboration with local governments (BC Transit and VRTC) • Various funding sources	• Plan, design and maintain parking at provincial parks • Funding source

PERFORMANCE EVALUATION

CLIMATE ACTION

- Incentivizes driving
- Park and rides encourage use of transit for part of a trip

CONGESTION

- Park and rides have the potential to decrease the vehicle kilometres travelled per person

MODE SHARE

- Offers limited capacity for mode shift change towards regional targets

SAFETY

- A relatively safe mode or combination of modes
- Dedicated parking areas decrease likelihood of crashes
- Provides a safe and convenient option for people with mobility and health challenges

AFFORDABILITY

- Offers a more expensive option as reliant upon use of a personal motor vehicle

Pivot: Consider Context

Needs Careful Consideration

Consider delaying initiation in short- and medium-term

A few priority areas require careful consideration before advancing. These matters would be better addressed in the long-term, once conditions are more favourable for success and the effectiveness of other priorities have been evaluated.

The proposed priority areas:

- Would be difficult to implement / achieve success in the short- and medium-term given the existing senior government policy direction, current context and costs.
- Could detract from the success of priority areas receiving higher levels of support.

Proposed Priority Area	Implementation Action
New Governance Authority	Investigate once it is possible to evaluate the relative success of establishing and implementing regional priorities as an approach. Address previously raised concerns about insufficient municipal council support, loss of control over transportation decisions, possible local cost impacts and legislative implications for partner authorities.
Light Rail Link and Westshore Passenger Ferry	Investigate once ridership capacity is competitive to bus mass transit. Address concerns about cost, efficiency, competiveness, density and lack of connectivity (e.g., no downtown terminus for rail, difficult to access ferry by active modes).

GOVERNANCE

REGIONAL SUPPORT

- View Royal
- Juan de Fuca

Governance refers to the decision making body and process related to the delivery of transportation services. In the CRD, transportation governance is multi-jurisdictional: the CRD is responsible for regional trails, local governments for local roads and active transportation infrastructure, BC Transit for bus transit and the Province for highways and BC Ferries. The federal government also sets regulations for some waterways and airports.

Historically, transportation governance has not received consensus support at the CRD Board. Governance can only be examined once priorities have been agreed upon and there is a demonstrated gap that cannot be addressed within existing jurisdictional roles.

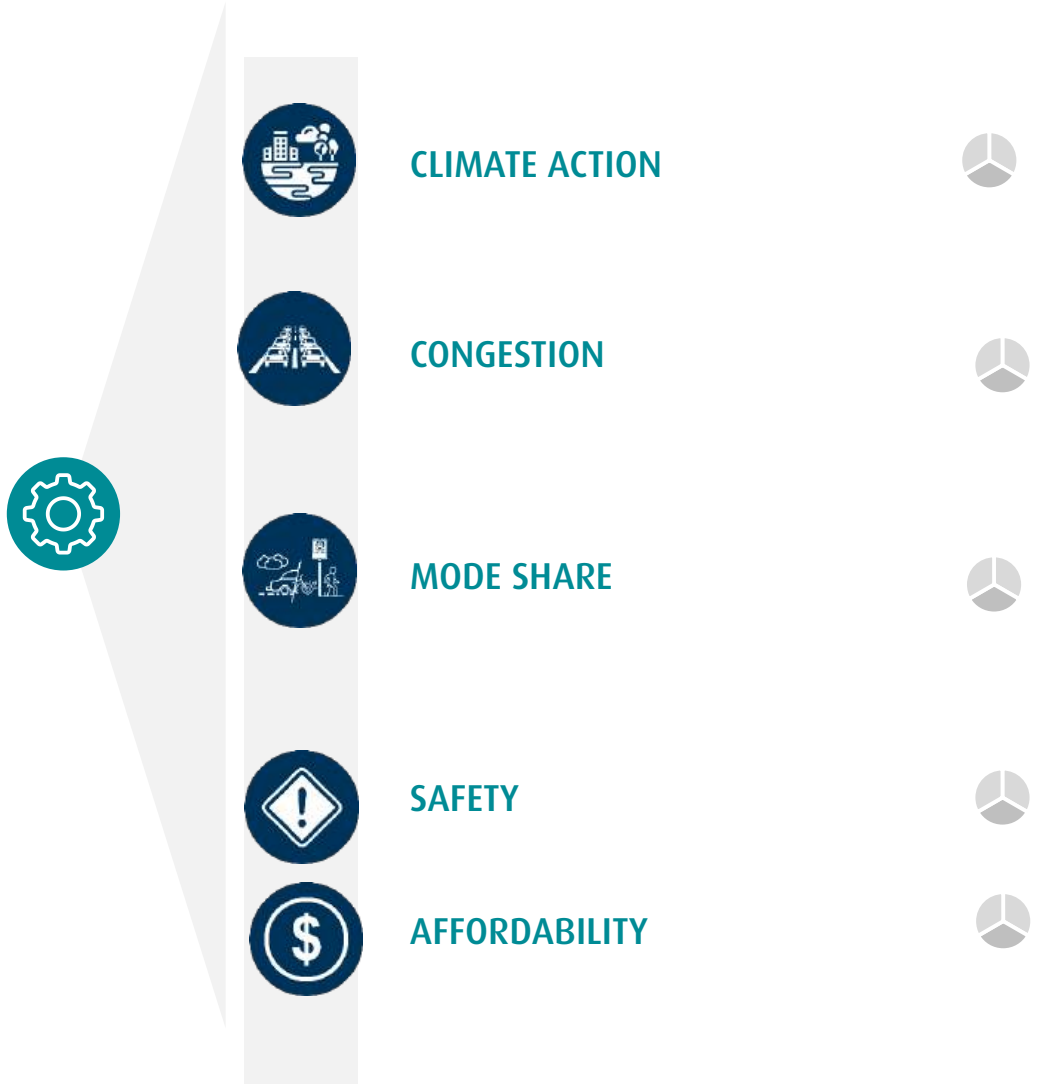
Key Features / Key Partner Asks

- The creation of a new regional transportation authority.
- If and when a new governance model is discussed, the impacts to and contributions from smaller isolated electoral areas and municipalities needs to be examined.

CRD	Local Governments	BC Transit / MoTI
Advocacy and priority setting	Advocacy and priority setting	Advocacy and priority setting
• Set policy, plan, operate and maintain regional trails • Provide data and technical expertise on regional transportation	• Set policy, plan, operate and maintain local roads and active transportation	• MoTI: Set policy, plan, operate and maintain highways • MoTI: Set mandate for BC Ferries • BC Transit: Set policy, plan and operate transit

PERFORMANCE EVALUATION

Governance changes would have little direct impact in the short term advancement of the five performance criteria.



NON BUS MASS TRANSIT / RAIL & PASSENGER FERRY

REGIONAL SUPPORT

- Esquimalt
- View Royal
- Metchosin
- Colwood
- Langford

Non bus mass transit refers to the introduction of rail along the E&N corridor and a passenger ferry from the Westshore to Esquimalt and Victoria.

Numerous rail studies indicate that ridership capacity would be uncompetitive to bus transit and that costs are prohibitively expensive. Island Corridor Foundation have questioned the findings of these reports and believe that the costs could be substantially reduced. Rail service would be unable to enter the employment and service hub of downtown Victoria.

Preliminary investigation of a passenger ferry shows that ridership capacity would be significantly smaller than other modes of transit and that population density and land use patterns would be challenged to sustain a viable passenger ferry service.

Key Features / Key Partner Asks

- Phased introduction of rail in the region and up island.
- Further investigate a Westshore passenger ferry.
- Consider Light Rail Transit.

Island Corridor Foundation	BC Transit (Victoria Regional Transit Commission)	MoTI
Advocacy	**Service Operation**	**Funding**
• Manage the former E&N rail corridor • Set vision and advocates for connected rail service along the corridor	• Set policy and priorities for land-based modes of transportation • Set mode share targets	• Fund studies and implementation • Adopt and adhere to provincial policy and regulations (e.g., CleanBC prioritizes bus rapid transit and fleet greening)

PERFORMANCE EVALUATION

CLIMATE ACTION

- Operates using largely non renewable fuel sources (as identified in plans)
- Could reduce GHG by encouraging more people to use a mode of public transit

CONGESTION

- Potential to reduce the number of personal vehicles on a limited road corridor particularly during peak periods

MODE SHARE

- Offers some capacity for mode shift change towards regional targets
- Reliant upon other forms of transportation for first and last mile travel
- Offers greater appeal than general transit particularly to riders who have the capacity to use other modes (non captive)

SAFETY

- A very safe mode facilitated by trained safety teams

AFFORDABILITY

- More expensive than RapidBus in terms of passenger fares and subsidies

Policy Context

Senior levels of government set policy that shapes funding, infrastructure and grants. Policy on climate, economic recovery and transportation will shape what gets built in the region.

Table 1 shows the regulatory and planning frameworks by transportation function.
Table 2 summarizes how the proposed priority areas deliver on key policy commitments.

Table 1: Policy Framework Summary

Focus Area	Legislative Framework	Policy and Regulatory Framework
Land Use	*Local Government Act*	Regional Growth Strategy, Official Community Plans, Local Area Plans, regional and municipal bylaws
Highway and Road Network	*Motor Vehicle Act*	South Island Transportation Strategy, Regional Transportation Plan, municipal transportation plans, regional and municipal bylaws
Transit	*BC Transit Act*	BC on the Move, Victoria Transit Future Plan, Transit Local Area Plans RapidBus Strategy, regional and municipal bylaws
Active Transportation	*Motor Vehicle Act*	CRD Pedestrian and Cycling Master Plan, Regional Trails Management Plan, municipal active transportation plans, regional and municipal bylaws
Climate Change	*Carbon Tax Act* (2008), *Climate Change Accountability Act* (2007), *Zero-Emission Vehicles Act* (2019), *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* (2008/2009), Community Charter, *Local Government Act, BC Climate Action Charter*	Pan-Canadian Framework on Clean Growth and Climate Change (2016), CleanBC (2019), Regional Growth Strategy, Official Community Plans, Local Area Plans, regional and municipal climate action plans, regional and municipal bylaws

KEY FEATURES OF STRATEGIC POLICY DOCUMENTS

PAN-CANADIAN FRAMEWORK ON CLEAN GROWTH AND CLIMATE CHANGE (2016 – Federal)

The Pan-Canadian Framework is the national plan that sets out how the federal government will take action on climate change. The federal approach to addressing emissions from transportation is to create the economic conditions needed to transition to lower emitting vehicles: (1) improve vehicle emission standards, (2) expand the number of zero-emission vehicles on the road, (3) invest in infrastructure that supports mode shift and (4) use cleaner fuels.

CLEANBC (2019 – Provincial)

CleanBC is the provincial plan sets BC's climate action visons and targets. Informed by the federal approach, the Province will take action on emissions from transportation by: (1) making zero-emission vehicle use more convenient and affordable, (2) increasing the supply of green fuels and (3) investing in infrastructure that supports mode shift, focusing on bus rapid transit and integrated active transportation.

SOUTH ISLAND TRANSPORTATION STRATEGY (2020 – Provincial)

SITS is the most recent provincial planning document related to transportation on the South Island. The strategy takes an integrated multi-modal approach to transportation in the region. It is aligned with CleanBC and sets clear goals for the integration of transit and active transportation in the overall transportation network. It has a strong focus on safety, reliability of transportation and connections between modes and communities.

REGIONAL GROWTH STRATEGY (2018 – CRD)

The RGS establishes a vison and targets for the growth management of the region under the authority of the *Local Government Act*. The strategy focuses on reducing GHG emissions and improving multi-modal connectivity and mobility by setting out a compact settlement concept that directs growth to designated nodes and corridors.

Table 2: Priority Area Alignment to Key Policy Priorities

Priority Area Alignment

- The proposed priority areas align to senior government policy frameworks. Senior government focus on greening fuel sources will significantly help reduce GHG emissions, but will not address the transportation problems of congestion and mode shift.
- The region needs to agree to these priority areas to leverage maximum access to investments.

Senior Government Policy Priorities	Proposed Regional Priority Areas
Transition to Lower Emitting Vehicles - Expand charging infrastructure - Make zero-emission vehicles more affordable - Expand the low-carbon fuel standard - Increase the supply of renewable fuels	RapidBus Integrated roads and highways General transit investments Parking and access upgrades
Multi-Modal Transportation - Invest in integrated infrastructure - Improve public transit by investing in bus rapid transit	RapidBus Dedicated active transportation funding Regional trail network completion Continue to implement RGS settlement concept SSI / SGI connectivity
Affordability - Pandemic recovery - Integrate transportation into an economic vision for the South Island (SITS) - Promote investment, economic development and job opportunities near affordable housing (SITS)	RapidBus Dedicated active transportation funding Regional trail network completion General transit investments Continue to implement RGS settlement concept
Safety - Explore trail enhancements - Focus on intersection improvements - Protect vulnerable road users (i.e. Vision Zero) - Implement highway safety improvements - Target investments to improve network connectivity	SSI / SGI island connectivity Safety policy – Vision Zero Integrated roads and highways Continue to implement RGS settlement concept

Priorities by Transportation Function

	Capital Regional District	Municipalities	BC Transit	MoTI
Regional and Multi-Use Trails	**Primary Service Provider** Complete regional trail system (incl. standardization). Upgrade parking at regional parks.			**Funder** Provide secure funding for active transportation infrastructure (trails).
Regional and Local Roads		**Primary Service Provider** Upgrade roads near regional and local parks. Build active transportation infrastructure once funded.	**Primary Service Provider** Add park and ride stations.	**Funder** Provide secure funding for active transportation infrastructure (on-road).
Land Use – Corridors & Nodes		**Primary Service Provider** Continue to implement RGS growth concept. Adopt policies to incentivize transit-oriented development	**Advocacy - Policy** Adopt policies to incentivize transportation-oriented development.	
Regional Transit Network			**Primary Service Provider** Accelerate RapidBus. Ensure RapidBus directly links to centres.	**Funder** Provide secure funding for ridership recovery.
Provincial Highways				**Primary Service Provider** Upgrades / improvements. Include transit & active modes in all highway improvements
Outcomes	Take action once funding is secured.	Take action once funding is secured.	Consensus on these items provides advocacy leverage with BC Transit.	Consensus on these items provides advocacy leverage with MoTI.

Responsibility for transportation in the region is shared. The table shows how each priority area would be implemented by function and jurisdiction.

Priority areas requiring regional direction or careful consideration are shown outside the table as they are either a new function or do not belong to an existing jurisdiction.

Requires Regional Direction

1) Develop TDM policies and programs
2) Develop regional vision zero program

Requires Consideration of Context

1) Regional transportation governance
2) Phased introduction of rail service on E&N corridor
3) Ferry service between the Westshore and Esquimalt

NOTICE OF MOTION TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF MAY 12, 2021

SUBJECT **Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests**

ISSUE

This report provides a recommendation that the Capital Regional District work with the Pacheedaht First Nation and the Government of British Columbia to pursue protection of Fairy Creek and other at-risk old-growth forests on southern Vancouver Island.

BACKGROUND

Local governments including the City of Powell River, the City of Port Moody, the City of Nanaimo and the City of Victoria have joined the chorus of voices calling for protection of remaining stands of original high-productivity old-growth forests on Vancouver Island.

Local governments in the Capital Region have consistently advocated for protection of old-growth rainforests through the immediate and just transition to sustainable management of second-growth forests, improving outcomes including biological diversity, water quality, sustainable employment and community resilience.

Current controversy surrounding proposed logging in the upper headwaters of Fairy Creek – the last unlogged watershed in the San Juan River system in the Capital Regional District – has demonstrated the need for action on recommendations in the Provincial government's Old Growth Strategic Review (2020).

It is therefore recommended that the Capital Regional District Board endorse the following resolution and support potential partnerships to protect Fairy Creek and other at-risk old-growth forests on southern Vancouver Island.

RECOMMENDATION

That the Board endorse the following resolution and direct staff to forward copies to the Premier of British Columbia, Members of the Legislative Assembly representing constituencies on Vancouver Island, the Capital Regional District Board, municipalities in the Capital Region, and the Association of Vancouver Island and Coastal Communities, requesting favourable consideration:

> *Resolution: Partnerships to Protect Fairy Creek and Other At-Risk Old-Growth Forests on Vancouver Island*
>
> WHEREAS Ancient high productivity old-growth ecosystems are globally one of the most valuable climate mitigation and resiliency assets in terms of carbon storage, sequestration, protection against wildfire, storage of water and preservation of biological diversity;
>
> AND WHEREAS Less than 3% of the original high productivity (big tree) old-growth forests in British Columbia remain standing, and of this residual land base, 75% is slated to be eliminated through industrial logging operations;

AND WHEREAS Alternatives exist to increase protection of biological diversity and employment, through the immediate and just transition to sustainable management of second-growth forests with expanded value-added processing and manufacturing;

THEREFORE BE IT RESOLVED THAT the Capital Regional District expresses its willingness to work with the Pacheedaht First Nation, the Government of British Columbia and other entities to protect Fairy Creek and other at-risk old-growth forests on southern Vancouver Island, including consideration of establishing Indigenous Protected and Conserved Areas;

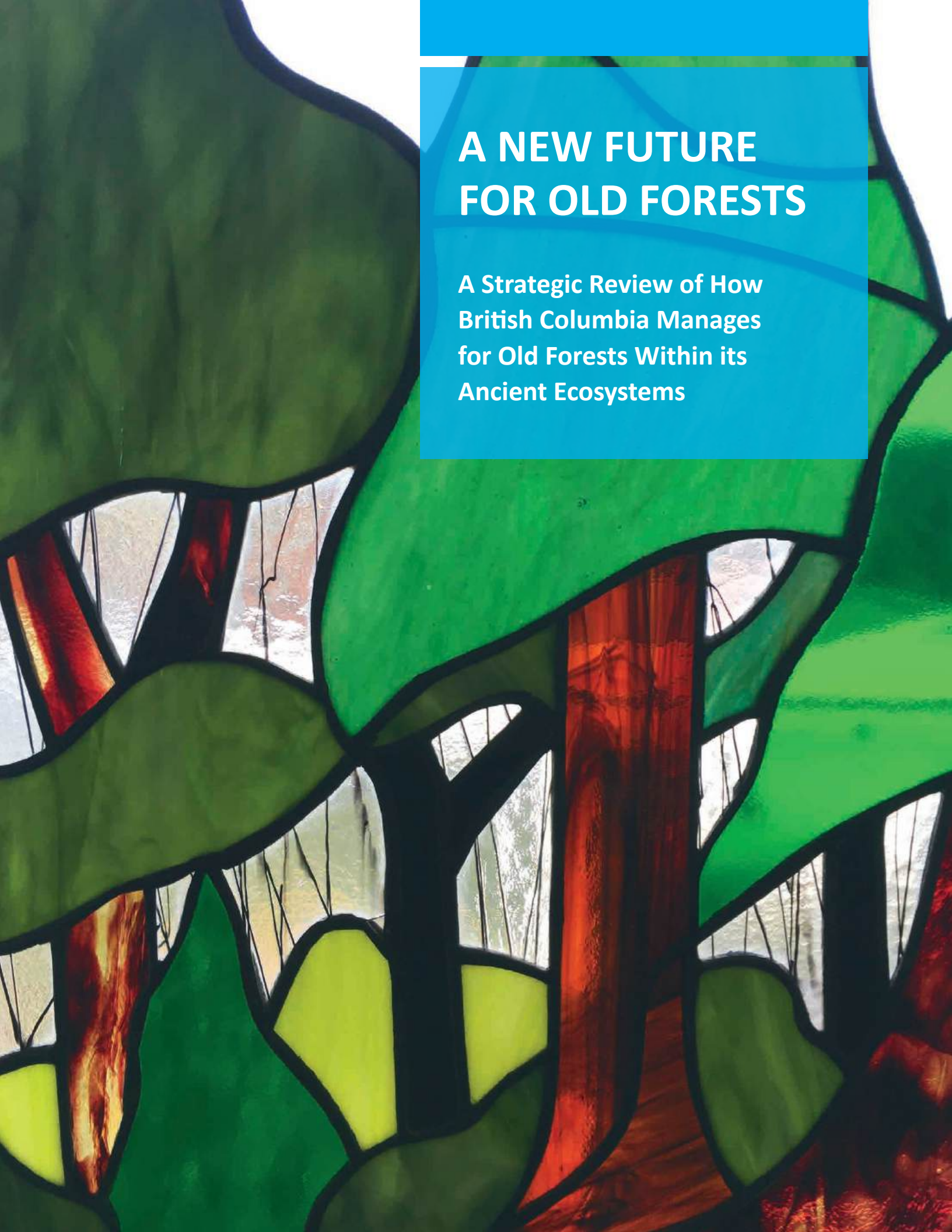
AND BE IT FURTHER RESOLVED THAT the Capital Regional District calls on the Government of British Columbia to defer logging in high-productivity old-growth forests on Vancouver Island, as recommended by the Old Growth Strategic Review, until the panel's 14 recommendations have been implemented;

AND BE IT FURTHER RESOLVED THAT the Capital Regional District calls on the Government of British Columbia to allocate funding to enact deferrals in an economically just manner, in the full spirit of reconciliation and to support the economic transition of affected First Nations and non-First Nation workers, communities and companies from unsustainable old-growth logging toward the development of long-term sustainable local economies.

Submitted by:	Director Ben Isitt, Victoria
	Director Gary Holman, Salt Spring Island
	Director Ned Taylor, Saanich
	Director Dave Howe, Southern Gulf Islands
	Direct Ken Williams, Highlands
	Alternate Director Nathalie Chambers, Saanich

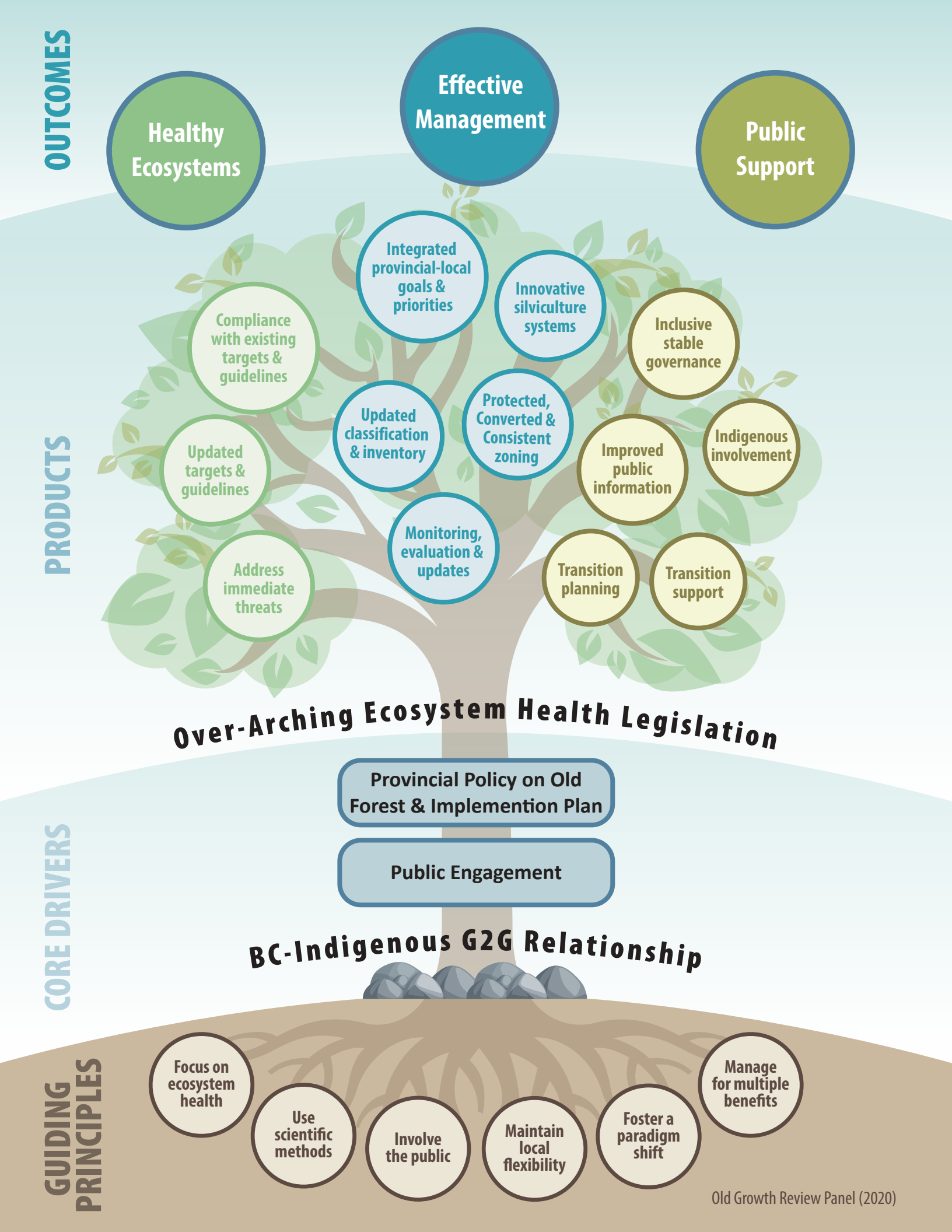
Attachments:

1. *A New Future for Old Forests: Old Growth Strategic Review* (2020)
2. Statement from Pacheedaht First Nation (April 2021)
3. Letter from Elder Bill Jones, Pacheedaht First Nation (2020)
4. Resolution adopted by the City of Port Moody (March 2021)
5. Letter from the City of Nanaimo (March 2021)
6. Letter from the City of Powell River (March 2021)
7. Letter from the City of Victoria (April 2021)



A NEW FUTURE FOR OLD FORESTS

A Strategic Review of How British Columbia Manages for Old Forests Within its Ancient Ecosystems



Old Growth Review Panel (2020)



April 30, 2020

Honourable Doug Donaldson
Minister of Forests, Lands,
Natural Resource Operations
and Rural Development
Room 248 Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister,

We are pleased to submit this report detailing the results of our independent strategic review of old growth forest management in British Columbia. We have been honoured to co-chair this work, and to have had the opportunity to engage with and hear from British Columbians directly about how they value old forests, and how they believe they should be managed.

In addition to scientific studies and data, people shared their personal observations, perspectives, and ideas about what needs to be done. In many cases, their information and ideas were about broader land use policies, or sometimes they focused on how to manage a specific plot of land. We particularly appreciated the constructive approach taken by nearly every participant in the dialogue, and the common sentiment that we need to find better ways to manage old forests for a broad spectrum of benefits and reasons.

Our recommendations are shaped by a recognition that society is undergoing a paradigm shift in its relationship with the environment, and the way we manage our old forests needs to adapt accordingly. In the government's upcoming deliberations about how to implement our recommendations, we encourage you to engage with Indigenous leaders and organizations from the outset, and to involve local communities and stakeholders throughout the process.

We also encourage you to consider our recommendations as a whole. Had previous old forest strategies and recommendations been fully implemented, we would likely not be facing the challenges around old growth to the extent we are today, i.e., high risk to loss of biodiversity in many ecosystems, risk to potential economic benefits due to uncertainty and conflict, and widespread lack of confidence in the system of managing forests.

We would finally like to thank you and your government for putting your trust in us to carry out this review. We have done our best to capture the passion and many good suggestions that were provided in the hopes that the results of our deliberations will help you as your government determines the future management of old forests in British Columbia.

Al Gorley, RPF
Co-Chair

Garry Merkel, RPF
Co-Chair



Ponderosa pine
Photo by Deb MacKillop

ACKNOWLEDGEMENTS

Many people care about appropriately conserving and managing British Columbia's old forest ecosystems. We spoke directly with nearly 800 people and heard from thousands more through our survey, written submissions and emails. We thank everyone for sharing their knowledge and opinions. Viewpoints were often expressed with passion and a sincere interest in old forests and land stewardship. In addition to scientific studies and data, people shared their personal observations, perspectives, and ideas about what needs to be done. In many cases, the information and good ideas we received were about broader land use policies, or sometimes they focused on how to manage a specific plot of land. We particularly appreciated the constructive approach taken by nearly every participant in the dialogue, and the common sentiment that we need to find better ways to manage old forests for a broad spectrum of benefits and reasons.

The written input we received has been provided to the provincial government, with the survey results, a specially commissioned technical report, and a summary of the written submissions is also provided in a What We Heard report. Please note that original versions of the written submissions we received are available on the Province's Old Growth Strategic Review website. This report does not cite every comment or idea we received, but we have attempted to bring together the essence of what we learned in our recommendations and implementation suggestions.

As many of you reminded us, it is important to recognize that old forests are more than old or big trees. They are a product of ancient and unique ecosystems, and their characteristics vary greatly across the province. They can only be effectively managed in the context of broader public priorities, including the interests of current and future generations.

We would also like to thank the people who directly supported our work on this endeavour:

- Project management: Steve Kachanoski (BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development)
- Logistics and record keeping: Sacha Chin and Trevor Pancoust (Pace Group Communications)
- Report preparation and editing: Greg Descantes (Pace Group Communications)
- Report graphic design: Myron Advertising + Design
- Survey design and results Elevate Consulting



Al Gorley and Garry Merkel

Photo by Sacha Chin

FOREWORD

Almost three decades ago, over a hundred people from various walks of life, including government, worked for 18 months to find consensus on *An Old Growth Strategy for British Columbia* (B.C. Ministry of Forests, May 1992): In that report the development team said:

> *"Members of the public, public interest groups, professional resource managers and representatives of industry have expressed increasing concern about management of old growth forests in British Columbia. Not only does the forest industry depend heavily on old growth for its current wood supply, but many new demands are being placed on the remaining old growth to satisfy a broad range of forest values.* ***In parts of the province, meanwhile, opportunities to reserve representative samples of old growth are dwindling rapidly*** *(emphasis added). These pressures are leading to increased instances of conflict among supporters of competing land uses."*

Although many subsequent measures were taken under the auspices of land-use planning and the forest practices code (some of which carried forward to the current legislation), many critical aspects of the strategy laid out in that report were either discarded or only partly implemented. Had that strategy been fully implemented, we would likely not be facing the challenges around old growth to the extent we are today:

- High risk to loss of biodiversity in many ecosystems.
- Risk to potential economic benefits due to uncertainty and conflict.
- Widespread lack of confidence in the system of managing forests.

While some of the immediate old forest issues we face can be addressed within the existing policy framework, continuing to apply the approaches that brought us to this point will not provide a sustainable solution. Our underlying assumption is that the government feels it is in the public interest to conserve long-term ecosystem health by maintaining forest biodiversity, so this priority will therefore be the foundational goal of any new strategy. We also assume that a new strategy and supporting policies and programs will be developed through dialogue with Indigenous governments, communities, and stakeholders in a manner that reflects the ecological, historical, and socio-economic uniqueness of each region.

Many of the people we heard from during our engagement process expressed optimism for a positive change to managing old forests, however we also heard a considerable amount of skepticism. We frequently heard about examples where current and past governments were perceived as having not followed through on initiatives or recommendations, including: full implementation of the previous Old Growth Strategy (1992); monitoring and updating land-use plans; reviewing, monitoring and updating biodiversity guidance; and implementing the recommendations of the Forest Practices Board (2012) on old growth management, and the Auditor General's (2013) report on biodiversity, to name just a few.

Therefore, we have suggested that if the government accepts our recommendations, it develop a formal implementation plan to accompany its public response. We advise that this be developed in collaboration with Indigenous governments, and in consultation with many others. We hope this approach provides an avenue to simultaneously build good policy and practices, a stable timber industry as well as public trust.

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DEFINITIONS

Aspatial – Used to describe targets set for the amount of old forest to be retained within a management area as a whole, but not at a specifically define location.

Biodiversity Conservation – To maintain ecosystem, species and genetic diversity, and the processes that shape them, in the face of human development.

Climax condition or climax vegetation communities – A forest community of plants, animals, and fungi which, through the process of ecological succession in an area over time, have reached a state where they are subject to very little overall change.

Forest Stewardship Plan – A plan which guides forest operations for a timber tenure required under the *Forest and Range Practices Act* which is prepared by a forest licensee and approved by government.

Land Use Plans – Plans sanctioned by the provincial government, including those arising from the Commission of Resources and the Environment (CORE), Land and Resource Management Plans (LRMPs), and those developed through government-to-government processes such as for the Great Bear Rainforest and Haida Gwaii.

Legal / Non-legal OGMA – Individual Old Growth Management Areas that are either legally established or are not legally established but still identified in the planning process.

Natural range of variability – Describes the disturbance processes and ecosystem variability that these disturbances create, typically defined by the period before European settlement.

Old growth – A generic term to describe forests with old trees. In British Columbia, for management purposes, this is usually described according to the age of the trees (usually 250+ years on the coast and 140+ years in the interior).

Primary forest – Forests of native tree species, where there are no clearly visible indications of human activities and the ecological processes are not significantly disturbed.

Second growth forest – Forests regenerated on native forests that were cleared by natural or human causes.

Seral stage - An intermediate stage found in ecological succession in an ecosystem advancing towards its climax community. In many cases more than one seral stage evolves until climax conditions are attained.

Site Index – An indicator of site productivity described by the height that a stand of trees reach in a given time, e.g., SI_{50} means the height at 50 years.

Site series – A finer stratification of a biogeoclimatic sub-zone based on soil moisture and nutrients.

Spatial vs Aspatial – OGMAs that are identified spatially on maps (spatial) or are tracked in overall statistics but not specifically identified on a map (aspatial).

ACRONYMS

AAC – Allowable Annual Cut: The number of cubic meters that are allowed for harvest each year in a given area.

BEC – Biogeoclimatic Ecological Classification: A system of classification that categorizes the landscape into zones, each with its own with unique biological, geological and climatic properties.

CORE – Commission on Resources and Environment: A government-appointed commission that was in place from 1992-1996 and lead a variety of land initiatives including various regional land use plans.

ENGO – Environmental Non-Government Organization

FRPA – Forest and Range Practises Act: Legislation (2002) that regulates forest practises in British Columbia.

FSP – Forest Stewardship Plan

LRMP – Land and Resource Management Plan: A local land use plan that engages a number of local stakeholders in the preparation and ongoing monitoring and updates to that plan.

NGO – Non-Government Organization

NRV – Natural Range of Variability

OGMA – Old Growth Management Area: An area that is set aside and specially managed for old forest values.

LU – Landscape Unit: The base area for operational forest planning.

LUP – Land Use Plan

SI – Site Index

THLB – Timber Harvesting Land Base: The area that is operationally feasible to be accessed for timber harvesting.

TSA – Timber Supply Area: An administrative area that is used to set the AAC.

TSR – Timber Supply Review: The process for establishing the AAC in a TSA.

VQO – Visual Quality Objective: A mechanism for protecting the visual quality of a forested landscape.

TERMS OF REFERENCE AND PROCESS

On July 17, 2019, the Government of British Columbia announced that we, Al Gorley and Garry Merkel, would be appointed as an independent panel to undertake a province-wide Old Growth Strategic Review and provide a report to the Minister of Forests, Lands, Natural Resource Operations and Rural Development by April 30, 2020. The purpose is to inform the development of broad public policy regarding old growth forests. The government committed to releasing the report to the public within six months of us submitting it.

In British Columbia, the term "old growth" is officially defined by the age of trees in a forest using specific thresholds (often over 250 years on the coast and 140 years in the Interior). However, we did not limit ourselves to that timber-based definition because it would not have adequately captured the many values, interests and circumstances surrounding conservation and management of old forests.

We were asked to examine the subject from a variety of perspectives, including employment, economic, social, cultural, environmental and climate change, and to consider the interplay between them. To ensure we were aware of these perspectives, we undertook a four-month process of engagement which was substantially completed on January 31, 2020. We did not characterize our outreach as "consultation" because that will be the job of government after it receives our recommendations. Our aim was to learn as much as we could from a wide spectrum of people throughout the province so that we could hopefully make as fulsome a set of recommendations as possible. We also wanted to make sure every British Columbian had an opportunity to express their views.

Without limiting who we heard from, our commitment was to ensure we connected with:

- Indigenous governments and communities
- Local governments and communities
- The forest industry
- The tourism and recreation industries
- Environmental non-government organizations
- Professional associations
- Professionals, academics, and other experts
- Forest and resource stewardship organizations
- Stakeholder groups
- Members of the public

Engagement Techniques	
In-person, teleconference, and videoconference	We participated in over 200 meetings in 45 communities with close to 800 people. To ensure we received input from a wide variety of perspectives, we reached out directly to some groups and individuals, and through our Province of BC website invited everyone interested to request a meeting. Due to the time available, we were unable to accommodate all meeting requests. We kept informal notes of these meetings to help us write this report, but they will not be published. A list of in-person meeting locations can be found in our *What We Heard* report.
Written submissions	We invited individuals and organizations to make formal written submissions. We received more than 300 submissions along with more than 400 published articles, scientific papers, and reports. With a few exceptions where confidentiality was requested, we have asked that these submissions be accessible on the government's website. A synopsis of the written submissions is available in our *What We Heard* report.
Survey responses and emails	We encouraged people to complete our on-line survey, which was open for just over three months, or to send us an email. We received 18,523 survey responses, and approximately 9,000 emails to our electronic mailbox. The results of the survey are summarized and available with this report. The original submissions are also available on the government's website.
Technical and scientific briefings	We received an initial technical briefing from a group of over 30 government staff to ensure we were informed about the status of current forest management processes and initiatives relevant to our task. Several follow-up briefings were also held to address specific information requirements. We also commissioned a report from the Department of Forest Resources Management at the University of British Columbia to tell us how other jurisdictions manage old forests and what we can learn from them. That document is available in the What We Heard report.

The variety and number of contributors exceeded our expectations. We heard from and met with elementary school children, high-school and college students, leading researchers, small and large business from all areas of the timber and non-timber forest sector, practising and retired professionals, elders, parents and grandparents, forest and service sector workers, environmental advocates, self-described average citizens, government employees, and political leaders to name a few. Many people talked about the broader system for managing old forests, whereas others offered up specific local examples to explain their point of view.

Executive Summary



Grizzly Den Trail — High-elevation forest east of Prince George
Photo by Al Gorley

Old forests, especially those with very large trees, are the product of ancient ecosystems, icons of British Columbia's landscape, and a key aspect of the province's unique identity. In addition to their intrinsic value, the timber they provide is important to the provincial economy, and a primary source of income in many communities. These same forests anchor ecosystems that are critical to the wellbeing of many species of plants and animals, including people, now and in the future. The conditions that exist in many of these forests and ecosystems are also simply non-renewable in any reasonable time frame.

Facing diminishing available timber supplies, ecosystems at risk of biodiversity loss in several areas, and significant public concern, the Government of British Columbia announced that an independent panel (Al Gorley and Garry Merkel) would carry out a province-wide Old Growth Strategic Review to inform the development of new management policies and strategies.

In order to understand the range of perspectives (employment, economic, social, cultural, environmental, climate change and more) and consider the interplay between them, we undertook a four-month engagement process to hear from as wide a spectrum of people and organizations as possible throughout BC. This was achieved through a combination of meetings, written submissions, and an online survey. The review looked beyond the timber-based definition of "old growth" so we could adequately capture the many values, interests and circumstances surrounding the conservation and management of old forests. This is one of three reports, and contains a situation overview, our recommendations, and implementation advice. There are two companion documents: *A New Future for Old Forests: Summary Report and Old Growth Strategic Review: What We Heard.* All three reports and the written submissions we received are posted on the Province's Old Growth Strategic Review website.

Our strategic review of the management of old forests led us to conclude that despite the good intentions and efforts of many people, including government personnel associated with forest management development and implementation, the overall system of forest management has not supported the effective implementation or achievement of the stated and legislated public objectives for old forests. This has not come about because of any one group or decision, but through a pattern of many choices made over several decades, within an outdated paradigm.

While our report cannot possibly reflect the full breadth and depth of the information provided to us, our key observations are:

1. Ecosystems with large, old trees are important to British Columbians for many different reasons.
2. Retaining and managing forests of old trees is a key strategy for maintaining biological diversity and cannot be done in isolation.
3. The extent and condition of ecosystems with old trees, relative to natural condition, is highly variable across the province.
4. The economy is heavily dependent on trees harvested from primary forests of old trees.
5. The current system for retaining old forest and managing their attributes has issues arising from incomplete implementation of previous strategies, social trade-offs and a changing landscape.
6. There are opportunities to create greater certainty for forest-dependent communities by formally zoning timber harvesting areas; generating more sustainable and longer-term non-timber economic benefits from old forests; and developing innovative silviculture systems.
7. Climate change will become an increasingly bigger factor in choices about forest management.
8. Information around the types, condition and current status of old forests and information provided to the public about old forests is highly variable across the province.
9. There is widespread support for the provincial government and Indigenous governments to collaboratively create updated strategies and policies for the management of old forests.

There is a near-unanimous agreement that managing the health of old ecosystems, especially those with old trees provides many benefits. We believe the fundamentals to success for the Province's forest management system are ecosystem health, effective forest management and public support. Our review identified weaknesses in each of these areas. To adequately manage and protect BC's old forest biodiversity, attributes, values and benefits for future generations, these weaknesses will have to be addressed. Our recommendations are shaped by that understanding, and the recognition that society is undergoing a paradigm shift in its relationship and interaction with the environment, and the way we manage our old forests needs to adapt accordingly.

Recommendations

On conditions required for change:

1. Engage the full involvement of Indigenous leaders and organizations to review this report and any subsequent policy or strategy development and implementation.
2. Declare conservation of ecosystem health and biodiversity of British Columbia's forests as an overarching priority and enact legislation that legally establishes this priority for all sectors.
3. Adopt a three-zone forest management framework to guide forest planning and decision-making.
4. Adopt a more inclusive and stable governance model that gives local communities and stakeholders a greater role in forest management decisions that affect them.
5. Provide the public with timely and objective information about forest conditions and trends.

For immediate response:

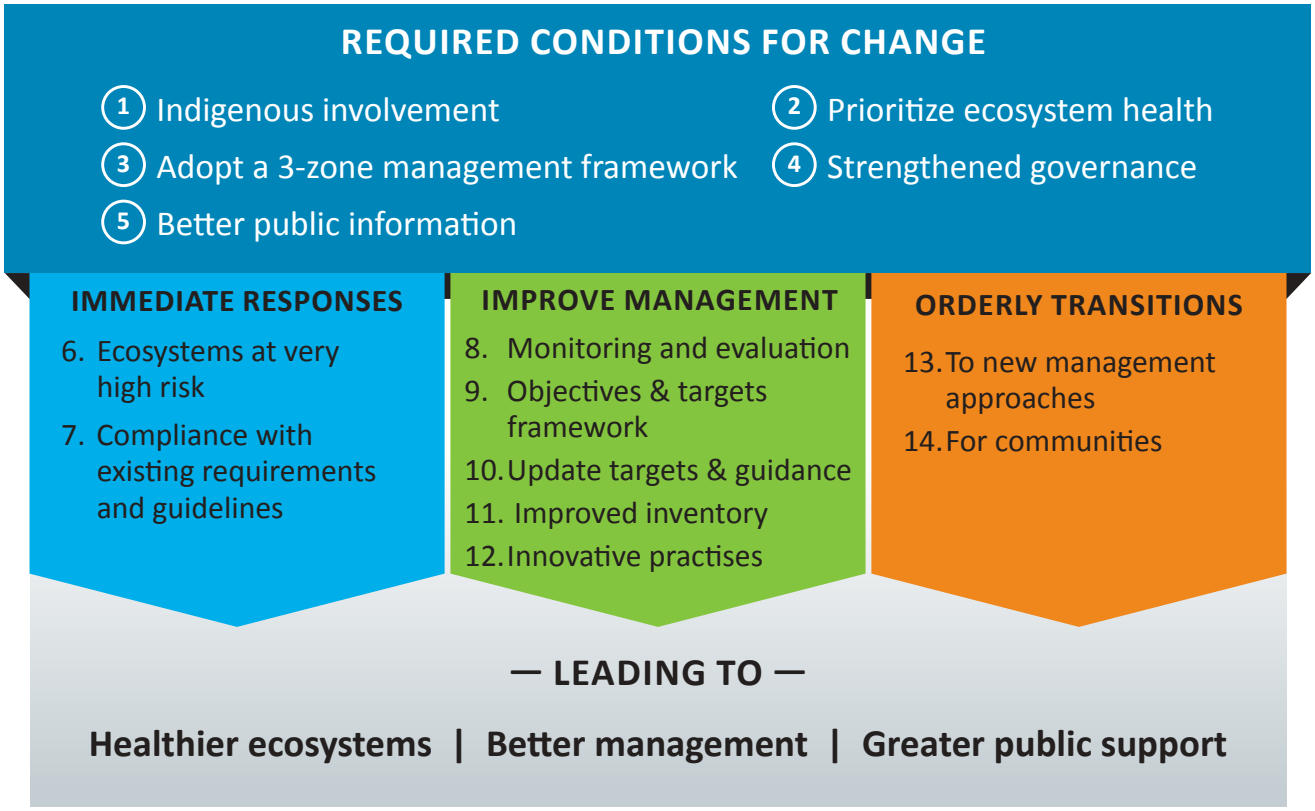
6. Until a new strategy is implemented, defer development in old forests where ecosystems are at very high and near-term risk of irreversible biodiversity loss.
7. Bring management of old forests into compliance with existing provincial targets and guidelines for maintaining biological diversity.

For improving management:

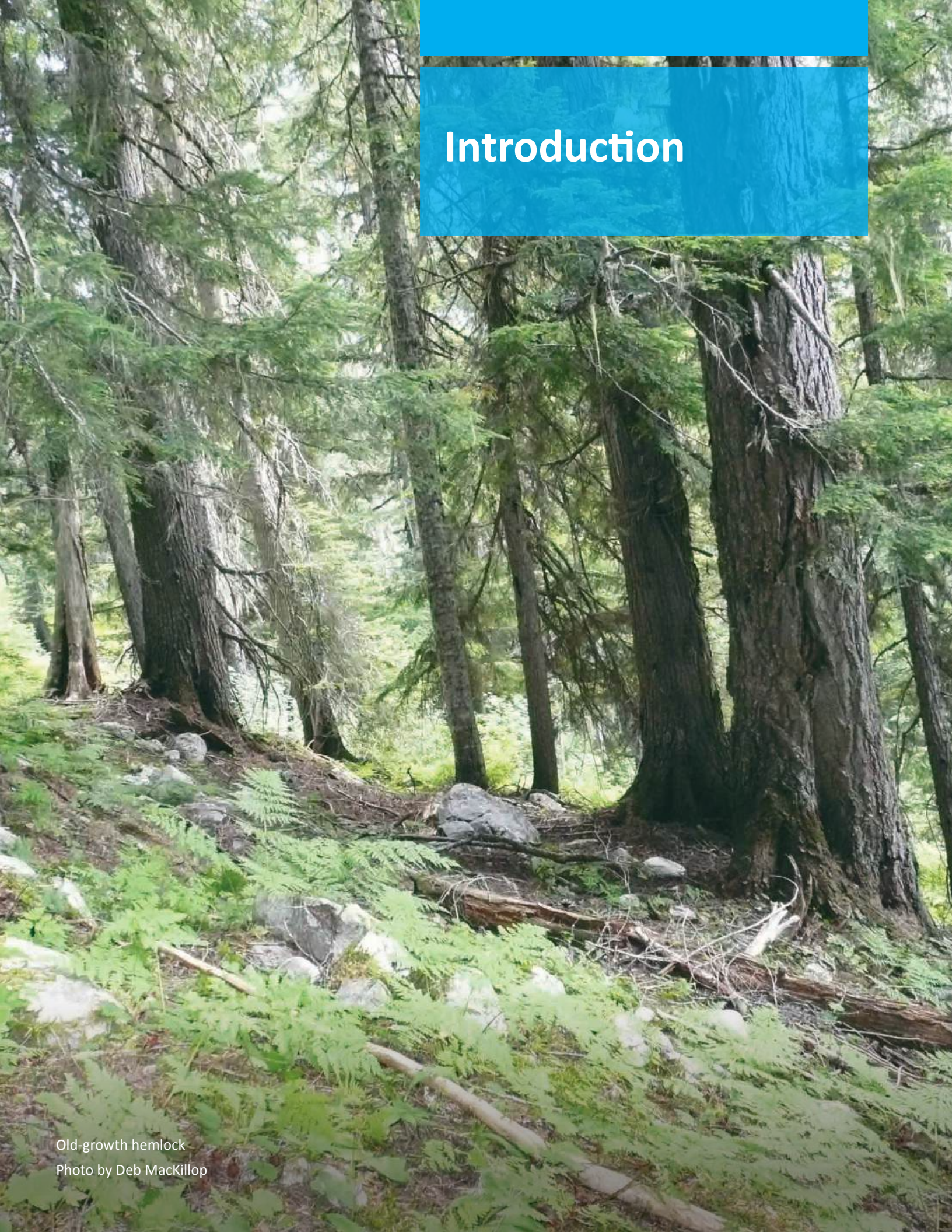
8. Establish and fund a more robust monitoring and evaluation system for updating management of old forests.
9. Establish a standardized system and guidance that integrates provincial goals and priorities to local objectives and targets.
10. Update the targets for retention and management of old and ancient forest.
11. Improve the mapping and classification of old forests to recognize multiple values.
12. Create a silviculture innovation program aimed at developing harvesting alternatives to clearcutting that maintain old forest values.

For orderly transitions:

13. Once developed, implement the new policies and strategies for for the management of old forests through mandatory provincial and local transition plans that define, schedule and monitor the process.
14. Support forest sector workers and communities as they adapt to changes resulting from a new forest management system.



Introduction



Old-growth hemlock
Photo by Deb MacKillop

INTRODUCTION

Old forests, especially those with very large trees, are the product of ancient ecosystems, an icon of British Columbia's landscape, and a key aspect of the province's unique identity. In addition to their intrinsic value, the timber they provide is an economic mainstay, and was once the province's main economic driver. The same forests anchor ecosystems that are critical to the wellbeing of many species of plants and animals, including people, now and in the future.

In recent years, the government has been under pressure to protect old forests from degradation by industrial development. At the same time, there is pressure to maintain viable resource industries at a scale that can compete in global markets. This has led to increasing tension and uncertainty about what will happen to both the forest and the industry. There have been large-scale public demonstrations demanding an end to logging "old growth" and others demanding the government protect jobs by protecting "the working forest" in the face of diminishing timber supplies. The challenge for government is further complicated by the tremendous diversity of the province. Not only are forest types different, but the history of development and economic dependence of communities on forestry varies vastly from one part of the province to another.

The purpose of this report is to inform the development of provincial policies and strategies regarding old forests. In British Columbia the term "old growth" is officially defined by the age of trees in a forest using specific thresholds (often over 250 years on the coast and 140 years in the interior). However, we have not limited ourselves to that definition because it would not have adequately captured the many values, interests and circumstances surrounding the conservation and management of old forests.

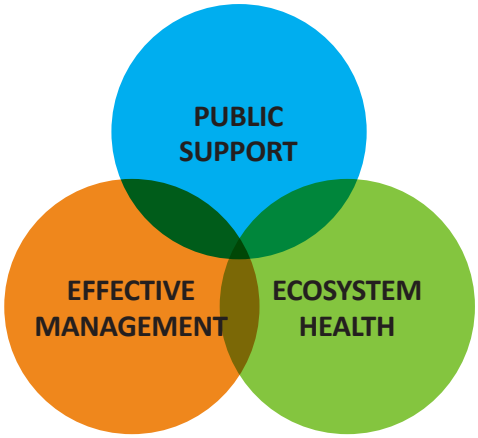
It is important to acknowledge that old forests do not exist in a vacuum. Effective management of old forests can only be properly addressed in the context of their role within the larger ecosystem, and as one component of the larger management system. While our review focussed on how we manage old forests, a significant number of people we heard from during our engagement process told us they have lost confidence in our broader forest management system. Many communities expressed strong concerns about the negative effects of current practices on their forests, ecosystems, water supplies, community safety and other forest-related businesses with little benefit in return. Others told us they are very frustrated because they think that too much harvestable timber is being set aside or made cost-prohibitive, leading to the loss of jobs and essential revenue to the community. Recognizing all these concerns, we feel that orientation of the broader forest management policy, as well as some specific interdependent components, also need to be addressed and we have identified them accordingly.

We received many submissions that identified threats to old forests and their values, and a sense of urgency was often expressed. We also received a number of submissions telling us that old forests are well managed and should be left to the professionals. While some of this is likely the result of different perspectives, interests and beliefs, it also depends a lot on location and scale. One notable observation is that very few groups or individuals fully trusted the information they see on forest management and the state of old forests, regardless of the source.

The panel believes that the fundamentals of success for the Province's forest management system are ecosystem health, effective forest management and public support. Not effectively addressing any one of these elements creates an almost certain risk of failure.

“If we take care of the land — the land will take care of us!”

A comment made to the Panel many times throughout the engagement process



Ecosystem Health: Ecosystems provide a multitude of services essential to the health of all living things, including humans. Ecosystems are very complex and have many individual components which all have some interdependence at a local or landscape level. We will never fully understand ecosystems or how much they can be put under stress before they collapse. Science gives us some direction, but we need to continually improve our understanding and translate that understanding into practise while leaving room for error in the face of uncertainty.

Effective Management: An effective management system has clear and transparent publicly driven goals and objectives; programs and methods designed to achieve them; resources, authority, and management controls necessary to implement them; and monitoring of efficiency and effectiveness to adapt and improve over time.

Public Support: We believe that deep and meaningful public engagement and a highly informed public are important factors in gaining public support and associated forest management stability. The confidence and trust of the general public is the biggest determinant in how much freedom government and industry have to manage our forests. If the public feels that the system is not looking after their interests, the predictable response is increased mistrust and opposition to many activities carried out by that system, demands for increased participation and control over decision-making, along with large swings in support for political parties. These reactions are intensified when communities feel that values and conditions important to their survival are threatened — a theme that we heard from a wide range of individuals and groups.

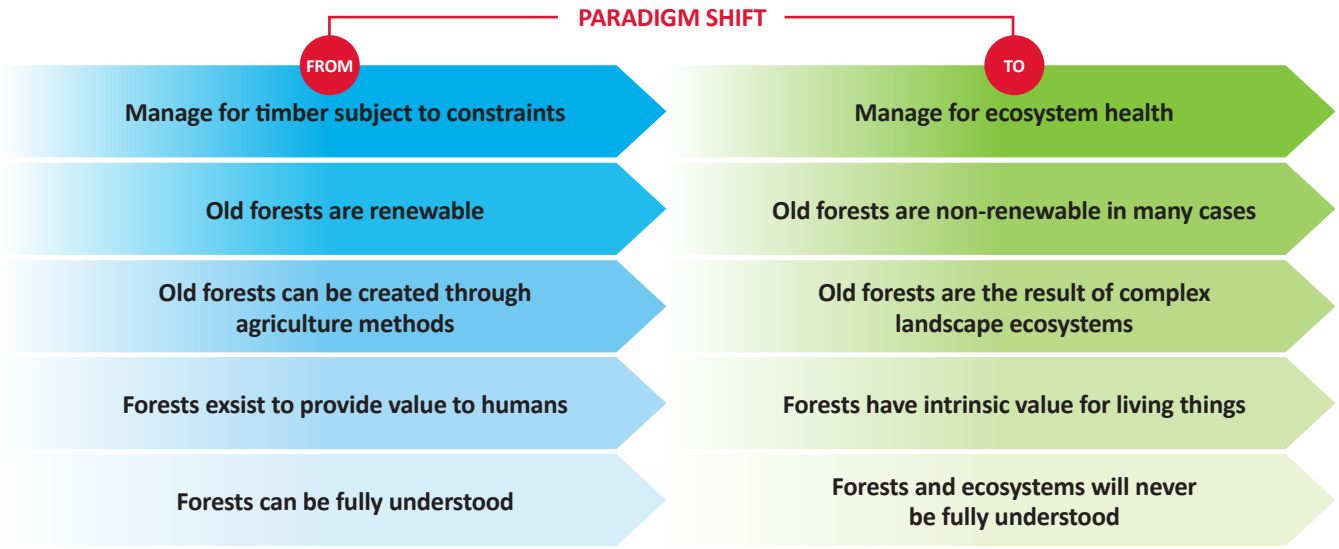


Interior spruce - Boer Mountain near Burns Lake.
Photo by Sacha Chin

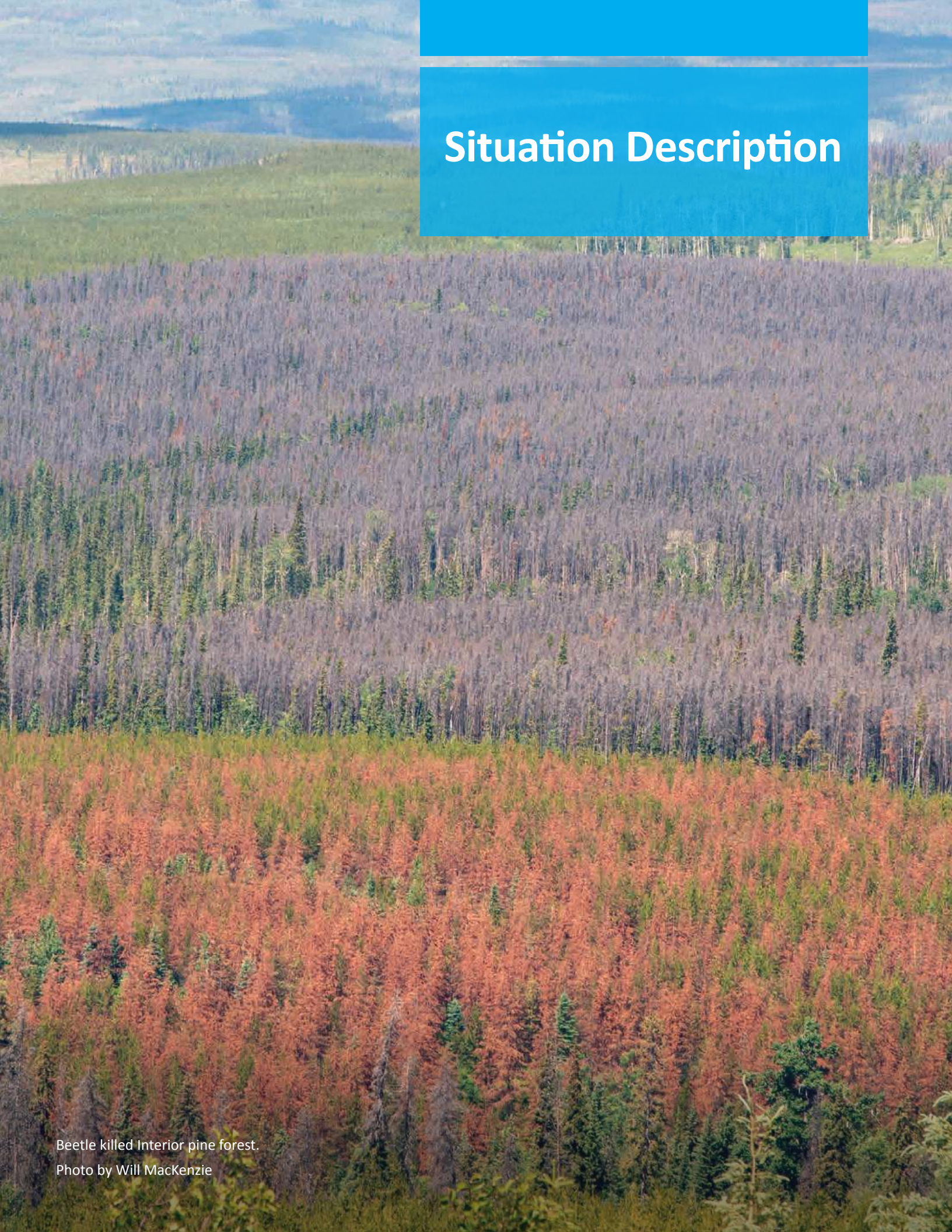
These fundamental requirements for success underly our conclusions and recommendations.

Many of the recommendations in this report are also shaped by our recognition that society is undergoing a paradigm shift, and public policy related to forest management will need to adapt accordingly:

1. BC's Indigenous communities will be key players as one of the most important participants in our future forest management system.
2. Moving to an effective management system for old forests will require a shift in its underlying assumptions. Many other countries are experiencing a similar shift, some proactively and some reactively, largely because of public pressure. Some aspects of this new paradigm are illustrated in the adjacent diagram.
3. There is no one-size-fits-all solution. A new system can establish updated standards, but the application of those standards will need to vary throughout the province depending on ecosystem type, existing and potential ecosystem impacts, local socio-economic conditions and other factors.
4. The full suite of proven scientific methods, e.g., reliable vetted information, targeted research, adaptive management, monitoring and effective technology transfer (research to practise), are essential foundational elements. Properly incorporated, these elements provide a known, reliable, and replicable foundations upon which to build.



Situation Description



Beetle killed Interior pine forest.
Photo by Will MacKenzie

SITUATION DESCRIPTION

This section describes several of the major factors affecting management of old forests in British Columbia, as we have come to understand them. What we have written here cannot possibly reflect the full breadth and depth of the information provided to us, but we have attempted to capture the highlights. Additional detail can be found in our companion *What We Heard* document, and in the many written submissions and technical papers posted on the project website. We encourage individuals desiring a more complete understanding of the situation to access that material.

One of several interrelated government initiatives.

In undertaking this review, we quickly became aware of several other government initiatives that are in various stages of completion (See figure below). Many of these touch on some of the same general issues as our review, i.e., How do we create more effective systems to manage forest lands throughout the province, and how do we manage the social, economic and environmental transition to these new systems of land management? We attempted to gain a general familiarity with these and other related ongoing initiatives so as to avoid creating unnecessary confusion or inadvertently getting at cross purposes.



"Old growth" means many things.

The definitions used for forest inventories and planning are based on the age of the dominant trees in a forest ecosystem (often over 250 years on the coast and 140 years in the Interior). However, those definitions were of little relevance to most people outside the forestry sector, and often seen as too narrow by those within it.

In many ways, old growth is in the eye of the beholder. If we mean old forest, then we need to recognize that nearly all of British Columbia's forests (and a host of species and ecosystems services) have evolved within ecosystems that have been developing since glaciation, around 10,000 years ago, and although the trees die and regrow, most areas have continuously been occupied by forest. In other parts of the world, these would be called "ancient forests" regardless of the age of the trees. If we are talking simply about old trees, then a sub-alpine forest comprised of 200-year-old, 20-meter-tall hemlock or balsam is every bit as much old-growth as the giant spruce, cedar, and fir on coastal lowlands. The photos below illustrate a few types of old forests in British Columbia.


1 Photo courtesy BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development


2 Photo courtesy BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development


3 Photo courtesy Deb MacKillop


4 Photo by Garry Merkel


5 Photo courtesy BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development


6 Photo by Al Gorley


7 Photo courtesy BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development

1. Southern Interior Ponderosa Pine
2. Interior Lodgepole Pine
3. Mountain Hemlock
4. Southern Interior Cottonwood
5. Northern White Spruce bog
6. Coastal mixed age and species
7. Interior Engelman Spruce, Sub-Alpine Fir

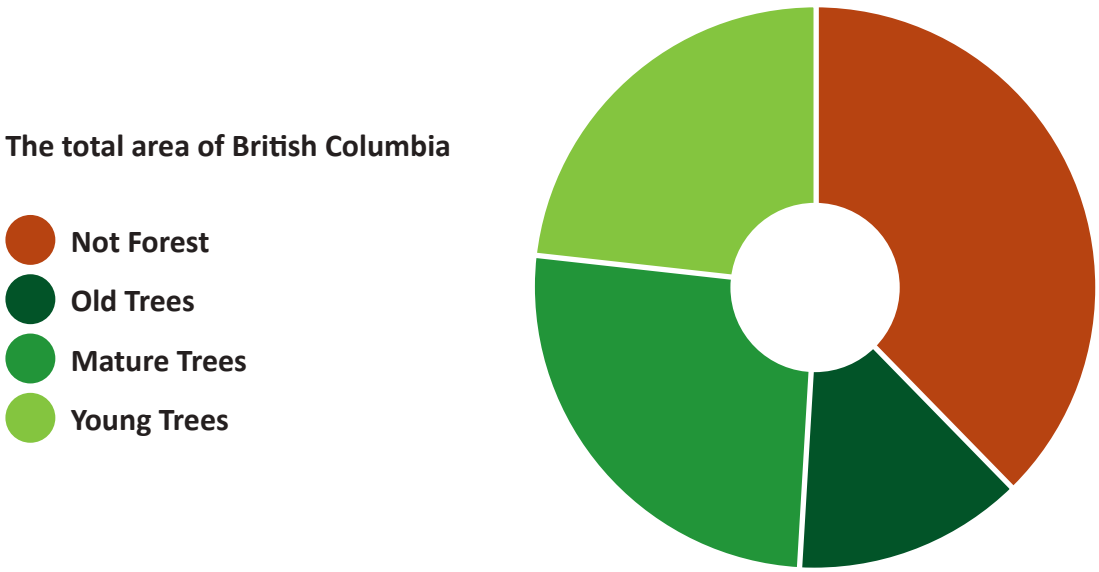
strategy for managing the risk to biological diversity from industrial development, particularly logging.

Although scientists and professionals have developed working definitions for old growth, often based on the relative age of the dominant tree species, or sometimes on physical characteristics and ecological function, no single approach has been universally applicable. For example, according to An Old Growth Strategy for British Columbia (B.C. Ministry of Forests, May 1992): "*Old growth forests are natural stands of old and young trees and their associated plants, animals, and ecological relationships which have remained essentially undisturbed by human activities".* The authors of that strategy recognized their definition required considerable refinement to reflect the diversity of the province's forests, a notion repeated by others in subsequent years. The issue may be best described by an article in the Journal of Forestry (2004), which said: *"An ecological understanding of old growth requires a multi-scale perspective, ranging from individual trees to regions. A consensus on a single general ecological definition of old growth will never be reached, but that should not preclude the development of specific definitions need by managers."*

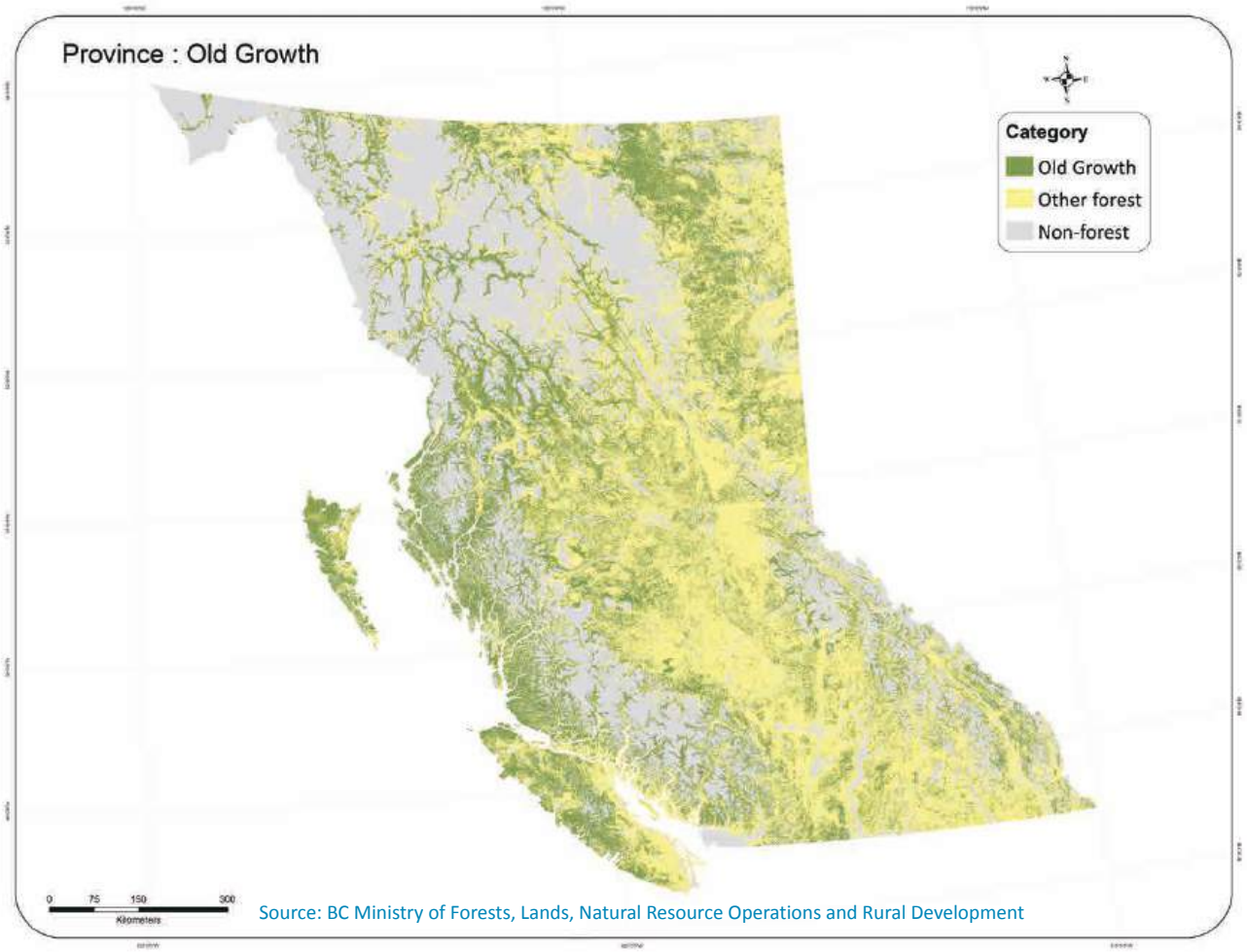
We heard from significant numbers of people who think of old growth as: exceptionally large trees worthy of travelling some distance to see; old or large trees near their home or school; accessible areas where they can enjoy a forest that doesn't have obvious evidence of human disturbance; forests that feel old; areas of mostly older dead and dying trees; and forests with big trees that can be made into high-value products. Others didn't differentiate by age or other characteristics specifically but were more interested in the ecosystem services mature forests provide, especially in relation to climate change, hydrology, and wildlife habitat. Many also made some reference to the value of old growth to conserving biological diversity. A common description was that it is original forest in its natural state, not altered by human activity. In our view, none of them are wrong. Through our recommendations we encourage more clarity in classifying and communicating about old forests, by being more specific about the management objectives and desirable attributes for a particular area of forest.

The amount of forest with old trees.

The total area of British Columbia is nearly 95 million hectares, of which 60% is forest. Based on the government's forest inventory definitions, about 23%, or 13.2 million hectares is "old growth".



Forests with “mature” trees, but not classified as old growth constitute another 46% or 26 million hectares.Except at a very broad scale, the overall provincial statistics are of only limited value because there are vast differences in the amount and character of forest ecosystems with old trees across regions and on individual landscapes (naturally and because of human disturbance). And since the province is so biologically, ecologically and climatically diverse, with many different ecological zones, this means the distribution and representation of various types of forest is very uneven. The map below provides an overview of where old trees exist in the province.



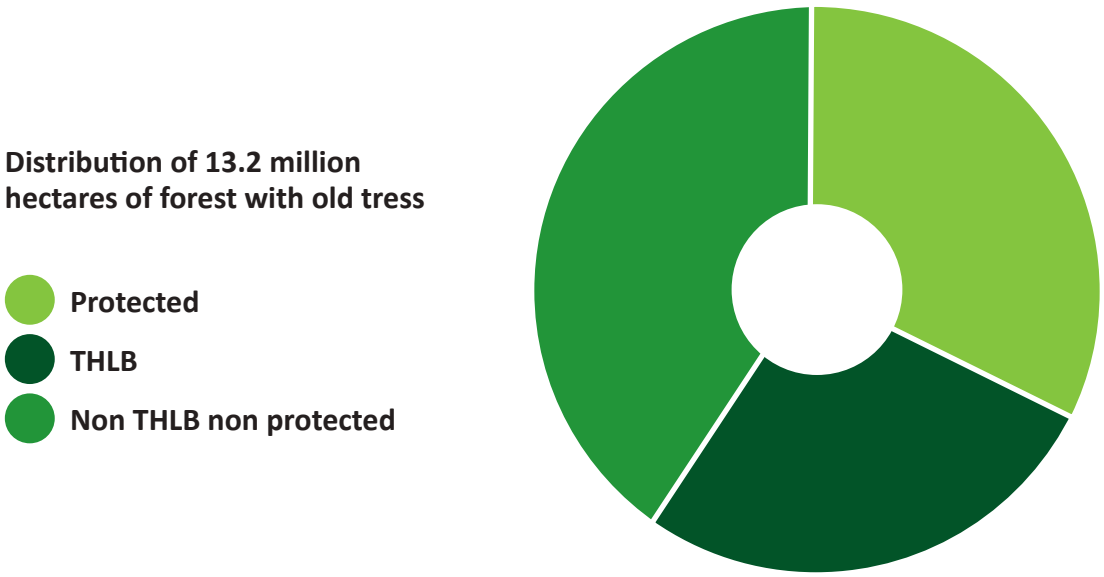
We have not attempted to include specific information about the amount, distribution, and quality of old forest at the regional or local level in this report, but our recommendations will encourage the government to proactively make more information publicly available at relevant scales.

About 4.5 million hectares, or 5% of the province is private land. Of that, approximately 818,000 hectares are in the Managed Forest Land Program. Although only a small portion of the total land area, this is important regionally, and is concentrated in the Kootenay area and southeastern Vancouver Island. Our review focused on public lands; but we heard various concerns that practices on private lands do influence adjacent public forest conservation and management objectives and are not integrated with the overall forest management system.

An important consideration, especially for managing risk to biological diversity, is how much of an area has old trees now relative to what would occur naturally — a proportion that varies by ecosystem and historical natural disturbance. Not all old forest is the same, and old does not necessarily mean big trees.

As much as 80% of the area of old forests consists of relatively small trees growing on lower productivity sites, such as Black Spruce bogs in the North, high elevation sub-alpine forests, or Cedar-Hemlock forests on the outer coast. Those forests remain in relatively great abundance, and are important ecologically, but they are not what many people typically envision as "old growth", and although they may be disturbed by some industrial activities such as mining or oil and gas development, many are not likely to be extensively logged in the foreseeable future. Less abundant are ecosystems that are more productive from a timber perspective and have not already been heavily logged.

Of the 13.2 million hectares of old forest, 33% (4.4 million ha) is protected and 67% (8.8million ha) is not. Protected means the old forest is in parks, ecological reserves, ungulate winter range no-harvest areas, private conservation lands, regional water supply, wildlife management areas, OGMAs (legal and non-legal) and retention VQOs. Of the old forest that is not protected, 38% is within the THLB, while 62% is not as it is assumed to be currently inoperable.



One of the challenges we found early in the engagement process was how information about these statistics is communicated. We consistently heard concerns about the information available to the public. The issues were not so much about data, which has become much more widely available in recent years, but about how it is interpreted and communicated, and by whom. We have seen numerous examples of information put into the public realm that is fact-based but lacking in context or explanation of assumptions or scale.

Many people said they felt the government is largely absent in the discussion about old forest management. This perception is a problem, because the void leads some to believe that the government is bending to corporate interests, while others fear the government will acquiesce to the demands of environmental advocacy groups. If there was unanimity in the comments we received, it was around the need for the provincial government to take a stronger leadership role in facilitating an informed discussion about what is in the best long-term interest of the public, with a strong emphasis on Indigenous communities. In the past, the Province published State of the Forest reports through the Chief Forester's office. The last such report was in 2010. On its website, the government does provide reports on environmental indicators, but not on forest conditions or on old forests specifically. The Forest Practices Board investigates and reports publicly on specific forest practices, but not on forest conditions.

British Columbians expressed a strong desire to participate in informed decisions about how old forests are managed. This was especially the case for those who will be most directly affected by changes to forest management strategies. We believe the public is not only looking for factual information, but also for objective analysis and context that explains what the collective statistics, indicators and trends are telling us.

Forests with old trees have many values

Forests with old and ancient trees contain unique combinations of attributes that grow from ecosystems that have formed over centuries or millennia. These attributes can rarely, if ever, be replicated in younger or compromised ecosystems, even if they contain old trees. It is also important to understand that the age and characteristics of old forests vary greatly between ecosystem types and therefore their descriptions and values are relative. In other words, a forest on the coast may have several species and many ages of trees, whereas drier Interior forests may have only one or two species and be relatively evenly aged. Of course, forest values go far beyond just the trees, as forests also contain other plants, insects and animals, many of which require old forest to survive.

Some of the many values found in forests with old and ancient trees are:

- Unique conditions and processes that are important to conservation of biodiversity;
- Unique species, many of which are still undiscovered;
- Banks of genetic material for future use or adaptation strategies;
- High value timber with qualities not found in younger forests;
- Resistance to fire;
- Interception and storage of water;
- High carbon storage and sequestration capacity;
- Botanical forest products, including medicinal, edible, decorative, and ceremonial plants;
- Fish and wildlife habitats, including essential attributes for nesting or denning, thermal protection and hiding from predators;
- Spiritual and cultural uses, including carvings, canoes, and ceremonial poles;
- Aesthetics such as resident viewing and tourism;
- Commercial and non-commercial recreation; and
- Knowing they are there for their own sake — intrinsic value.

Many of these values can be realized concurrently on the same landscape, or even in the same forest stand, but accessing them can also put them in conflict. The degree of risk depends on how much of the old forest is disturbed and what attributes remain and in what state.

Many people identified specific highly diverse and complex ecosystems that support very large, old trees, and have persisted in a relatively stable climax condition for centuries. These “ancient forests” are globally unique, rare, and contain species as yet undiscovered, and many of these ecosystems and old forests are simply non-renewable within any reasonable time frame . They promote protecting these areas from human disturbance to conserve a wide range of benefits, and particularly for their intrinsic value.

Economic Benefits.

Note that while we have provided examples of statistical information for the forestry and tourism sectors, we caution against direct comparisons as the information sources and their assumptions may vary. We also acknowledge that not all economic benefits are captured here, such as trapping, mushroom collecting, decorative plants, and others that are important sources of income for some individuals.

1. Timber harvesting

For over 100 years, the timber industry has been a central part of the provincial economy, exporting large quantities of lumber, pulp and other wood products to world markets, providing jobs in communities throughout British Columbia, and generating government revenue through stumpage fees and taxes. The industry depends heavily on cutting trees in old primary forests, and although its relative contribution to the overall provincial economy has declined in recent years, many communities, including an increasing number of Indigenous communities rely heavily on the jobs and revenue it generates.

According to statistics compiled in 2016 report for the Council of Forest Industries, harvesting of timber in British Columbia generates over 100,000 direct and indirect jobs, contributes $12.9 billion to provincial GDP, and generates over $2.5 billion to provincial tax revenues. Many of the jobs are spread across 140 forestry-dependent communities and urban centres, including Vancouver and the lower mainland.

According to Statistics Canada, forest product exports have made up 30% to 36% of B.C.'s commodity export value since the recession in 2009, and in 2018 was 32%. While service exports have been growing, commodities still make up the bulk of exports, making the forest sector an important source of foreign currency.

In BC, most of the industry is configured to harvest and manufacture existing primary old forest. There is a substantial interdependency between sub-sectors of the industry: harvesting; primary, secondary and tiertiary manufacturing; transportation; and services. There are also regional interdependencies, with fibre moving between geographic locations at different stages of processing. For example, logs may be harvested in one area, sawn into lumber in another, with the byproduct chips being shipped to a pulp mill somewhere else. Some of the lumber may be shipped to a different region altogether for further manufacture.

According to provincial government data, the non-lumber sector made up 46% of wood product manufacturing sales and more than 47% of wood manufacturing employment in 2018. The non-lumber industries include shingles and shakes, wood preservation, veneer, plywood and engineered wood products, millwork, container and pallet manufacturing, and other activities. The majority of non-lumber goods are consumed domestically, whereas the majority of lumber is exported (82% in 2018).

Concerns around log export and fibre utilization were raised in a number of outreach sessions. Several groups expressed frustration about logs being exported rather than used locally, valuable waste being left in the woods and the amount of old forest residue that is being burned because it is cheaper to burn it than use it. Some licensees and contractors told us that being forced to take poor quality timber, especially in isolated locations, would make their business uneconomical and cause them to shut down. We also heard from a few businesspeople that they could support a viable business if they could get access to these materials but are restricted by either the license holder or government regulations. We did not address this directly in this report however do note that it is an important matter with respect to continued social license.

2. Tourism and recreation

According to a report in 2017 by Destination British Columbia, tourism employs 137,00 people and contributes $9 billion to provincial GDP. Export revenue is reported to be $5.4 billion and provincial tax revenue $1.2 billion. The BC tourism industry is largely anchored in the "Super, Natural British Columbia" brand which invites visitors to enjoy activities in our wild and remote landscapes. While we have not seen province-wide data that states what portion of the economic impact of tourism and recreation is attributable to old forests, and perhaps it isn't possible to know, we know old forests play a key role in tourism. Some individual tourism businesses have done studies on the economic value of old forests for tourism compared to timber in their specific area of operation. We are also aware of a recent (unpublished) study done in the area near Port Renfrew that found the net economic benefit is projected to be higher when the trees are left standing for tourism, than if they are logged.

Information provided by the Adventure Tourism Coalition states that adventure tourism directly or indirectly supports 32,000 families and generated $3.2 billion in visitor spending in 2018. A 2014 analysis of coastal tourism opportunities provides some insight to the dependence of the sector on forests; 78% of surveyed marine tourism operators indicated that their business is "somewhat or very dependent on the natural environment," and 37% cited viewscapes as the primary motivator for nearly all their clients.

There are many other examples of economic interdependence between tourism activities and old or mature forests, including:

- Hunting, fishing, and guiding
- Wildlife viewing
- Mountain biking
- Backcountry hiking, skiing, and snowmobiling
- Canoeing, camping, and horseback tours
- Touring

Perhaps the most obvious examples of tourism dependence on old forests are those activities centred around unusually large trees reasonably close to public access. The best known of these on the coast is probably Cathedral Grove in McMillan Provincial Park near Port Alberni, or in the Interior, the Ancient Forest Recreation Trail east of Prince George. Public and visitor interest in seeing and experiencing these and other big-tree forests is increasing and is being promoted.

3. Natural infrastructure.

Not an entirely new concept to many communities, this is an emerging area of economics and we feel it bears mention, particularly because of climate change. According to the World Resources Institute: *"Natural ecosystems like forests and wetlands provide essential services to water utilities, businesses, and communities — from water flow regulation and flood control to water purification and water temperature regulation. To ensure these ecosystem functions and associated benefits continue, communities can strategically secure networks of natural lands, working landscapes, and other open spaces as 'natural infrastructure.' While concrete-and-steel built infrastructure will continue to play a critical role in water storage and treatment, investing in natural infrastructure can reduce or avoid costs and enhance water services and security as part of an integrated system to cost-effectively deliver safe drinking water."* Some communities are already starting to incorporate the concept of natural infrastructure in community plans.

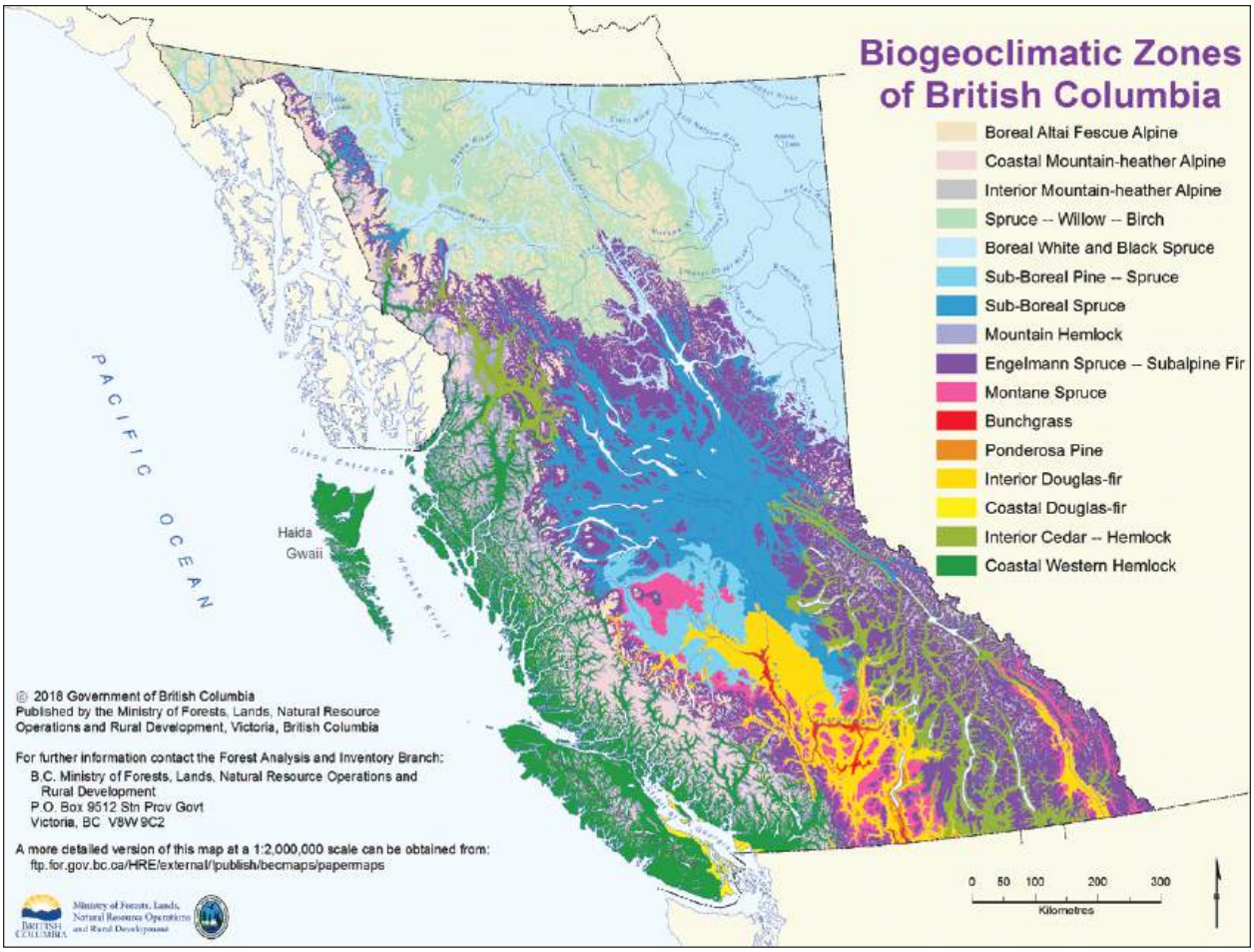
Biological Diversity

Old forest conservation in BC has focused mainly on maintaining biological diversity. A key assumption guiding our current forest management system is that, if biological diversity is maintained, other values will often be accommodated concurrently. This assumption is imperfect, however, since the preferred wildlife habitat, tourism site, or other old forest value being considered is often not physically located where the biodiversity representation is needed.

To describe our diverse ecosystems, British Columbia uses the Biogeoclimatic Ecosystem Classification (BEC) system to stratify the province into zones based on climax vegetation communities that reflect the combined ecological effects of climate and soil.

This is a hierarchical system, with each of the province's 16 major zones divided into climatically distinct sub-zones, some of which are further divided according to climatic variations within the sub-zone. The variety of growing sites that occur in each sub-zone or variant are described using site classification, based on soil moisture and nutrients (site series).

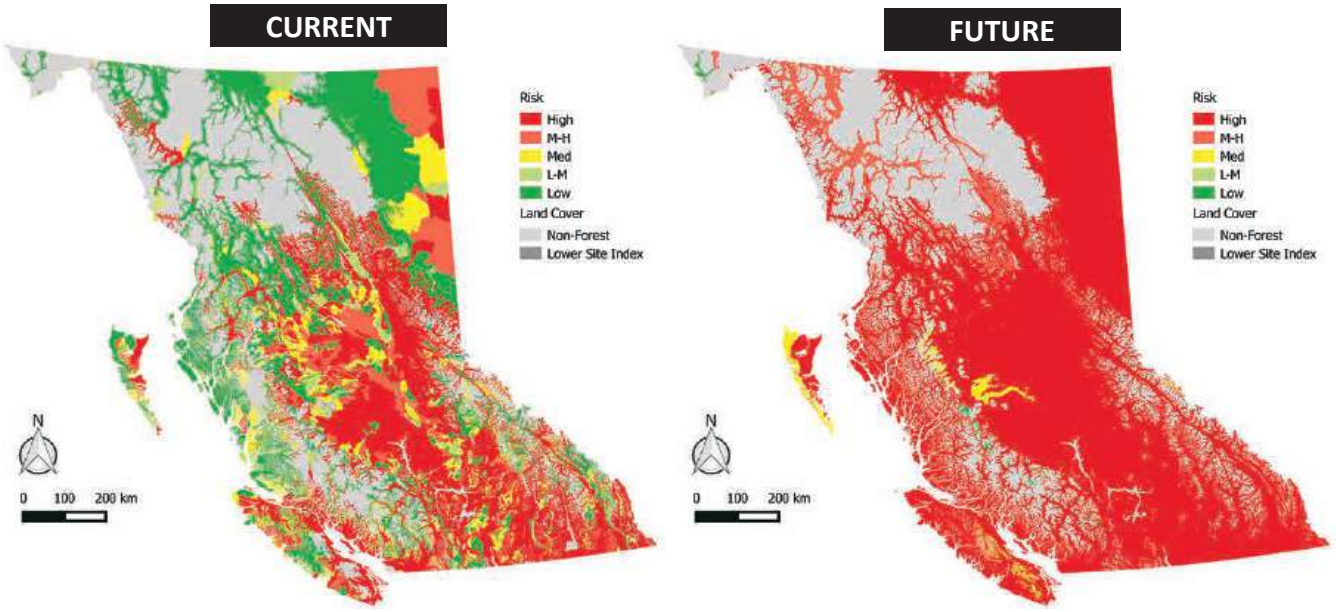
In addition to the variety of ecosystems (as defined by BEC), forests exist in various stages of succession (seral stages) as the trees advance from young to middle age, mature and eventually climax community stages. In some cases, a climax community has persisted without any widespread disturbance for many centuries, resulting in unique, ancient forests. Each site classification may host a different mix of plants, animals, and insects, at each seral stage. Science tells us that if we want to have the greatest chance of conserving our natural biological diversity, we need to keep enough old forest to have a viable, representative sample of every BEC zone at the site-series level.



Source: BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development

Knowing how much to maintain as forest with old trees is guided by the notion that mimicking nature is the approach that presents the least risk to biodiversity. The concept used to measure this is called “natural range of variability” (NRV). This is typically based on a description of ecosystems as they existed before major changes brought about by extensive industrial or agricultural activity. Conservation science provides us with a general risk rating, telling us that if we retain 70% or more of the natural abundance of forest with old trees the risk of species loss, compromised ecosystem services, and losing ecosystem resilience is low. If we retain below 30%, the risk is high. At between 30% and 70%, the risk varies by ecosystem.

Consistent with what we heard from several provincial government staff, a recent report submitted to the panel by a group of independent scientists illustrates that we are in situations of high risk to biodiversity in many areas in the province, particularly in high-productivity, low elevation ecosystems. More troubling is the future projection where almost all of the province will be in high biodiversity risk once our current management approach harvests most of the available old forest. The time to complete this transition depends on the available old forest and various industry and economic factors in each region.



Source: Price, K., R.F. Holt and D. Daust. 2020. BC’s Old Growth Forest: A Last Stand for Biodiversity

Their research also provided the following list of BEC zones that contain less than 10% of their original old forests - CDFmm (all CDF), CWHxm1,2, dm,CHxw, mk3,4, mw1,2,3,4,IDFxc, xh1,2,4, xk, xm, xs, xx2, dc, dk1,2,3,4,5, dm1,2, mw1,2, PPxh1,2,3 (all PP), SBPSmk, SBSwk1,2,3a, and possibly: ESSFxv2, dc1, mh, mv1,2,3,4, wc3,4, wh3, wk1 and wm1,2,3,4. They note that there is some uncertainty because of potential misclassification of age in some of these units, and also recommend that these areas be deferred from further development until we have brought them back enough to meet current legislated targets.

Several practitioners also raised the issue of our current management system combining old forests and using their aggregated data when making assessments for managing biodiversity risk and planning for old forest retention. One example was parks and protected areas, where an initial net down estimate is removed at the landscape level and then netted out again at the detailed operations level, resulting in double counting. A related concern is that many parks and protected areas contain low-productivity old forests, which are deducted from total old growth aggregate targets without identifying which ecosystem they represent. These types of aggregation calculations overlook distribution and spatial considerations that are crucial in managing for effective ecosystem health.

Managing for forests with old trees

On public lands, which comprise about 95% of the province, Land Use Plans (LUPs) provide the basic framework for management of forest lands, of which old forest is only one component. While LUPs vary by area and when they were completed, most use some sort of system of land-use priorities to guide management. This includes parks and protected areas which, while often not specifically designed for the purpose of managing forests, do include significant areas of forest with old trees.

Three distinct areas (Clayoquot Sound, Haida Gwaii and the Great Bear Rainforest) are managed under ecosystem-based management regimes, and although we heard about implementation challenges in those areas, the required level of conservation in ecosystems with forests of old trees is much higher than in other areas of the province. Therefore, we have focused our discussion on management outside of those areas.

Most public forested areas outside parks and protected areas are available for logging through various types of licences issued by the Province. Most licences make the holder responsible for planning where to log within the license area, subject to constraints set out under the *Forest and Range Practices Act* (FRPA). Other activities such as oil and gas development, mining, or tourism development are subject to different legislation and requirements.

Under current regulations governing forest licensees, the objective set by government for wildlife and biodiversity at the landscape level is, to the extent practicable, design areas on which timber harvesting is to be carried out that resemble, both spatially and temporally, the patterns of natural disturbance that occur within the landscape "without unduly reducing the supply of timber from British Columbia's forests". The objective set by government for wildlife and biodiversity at the stand level is to retain wildlife trees, "without unduly reducing the supply of timber from British Columbia's forests". We note potential changes to FRPA are being considered by the Province, which should remove this overall constraint.

Forest licensees are required to submit a Forest Stewardship Plan (FSP) describing how they will meet these and other objectives. Once an FSP is approved by government, timber harvesting can be authorized provided it is consistent with the plan. We heard consistent concerns about a lack of monitoring to see whether these guidelines are being met, and if they are effective. We also heard that where monitoring has occurred, the commitments approved in the FSPs are too vague to enforce.

The Biodiversity Guidebook was completed in 1995 as part of implementing the *Forest Practices Code Act*. The guidebook was developed using the best available science at the time, with an expectation that it would be refined as new knowledge was obtained. The original team of senior ecologists drafted the Guidebook using what they felt were the minimum requirements considered to have a good probability of maintaining biodiversity within a landscape unit. Many of the scientists we talked with during our engagement process told us that the original guidance provided by the Guidebook is still sound. However, the Landscape Unit Planning Guide (1999), introduced the concept of biodiversity emphasis options (different levels of risk). This resulted in a deduction from old forest retention targets to account for old forest presumed to already be protected in parks and it limited targets for representation to the BEC variant, rather than the finer site series level. We heard that, from the outset, implementation has fallen so far short of the original guidance that it could not be expected to meet the goals established at that time.

Since 1995, the policy direction has been to limit the impact of biodiversity conservation on timber supply to approximately 4% across the province, and to locate old forest retention areas preferentially in areas with a low priority for harvest. While this seems logical from a timber supply perspective, it weakens the original intent, by biasing representation to lower productivity ecosystems, often at higher elevations.

This trade-off between risk to biological diversity and protecting timber supply is an example of government policy attempting to balancing competing interests. Although old growth targets are a compromise, there was a clear expectation and commitment by government that the risks would be reviewed and future adjustments would occur, if required. We are not aware of a review and adjustment happening, but we believe the circumstances are sufficiently changed, that it needs to be done now.

Old forest retention in BC is administered in one of three ways:

1. Legal, spatially-defined Old Growth Management Areas (OGMAs).
2. Non-legal, spatially-defined OGMAs.
3. Aspatial old forest management.

During our engagement process, we heard a great deal of concern about how these approaches are being implemented. In some ways, the details about the size and condition of OGMAs, how they are located, and rules for incursions and amendments have diverted attention from their original purpose, as a tool in the broader biological diversity conservation strategy. Several forest managers expressed the opinion that the term OGMA is misleading because they are actually used to retain intact areas rather than for proactive management.

Although these retention mechanisms may be working in some areas, examples of the complaints we heard are illustrated in the figure below.

OGMA Concerns

- Poor or unjustifiable location (e.g., doesn't contain old trees, fire hazard)
- Too small
- Not flexible enough to accommodate forest dynamics
- Flexibility abused for roads or development
- Should all be spatial and legally delineated
- Should all be aspatial
- Should all be spatial but not legally delineated
- Unclear objectives
- Inconsistent or unclear rules regarding implementation, or retaining/replacing OGMAs destroyed by wildfire or bark beetles
- poor mapping or inadequate detail in the forest inventory to identify key areas.
- inadequate change reporting

One notable concern was from recent research on edge effect in OGMAs that were established to maintain intact old forests. It showed that old forest dependent species had disappeared, and many old forest functions were often compromised, on average, up to 100 meters from the edge of the adjacent opening (logging, roads, etc.) depending on the OGMA shape, topography and the nature of adjacent openings or other features. When this edge effect was applied to sample local areas, soon to be published research submitted to the panel found that there were almost no intact old forests that retained their original function in those areas.

We also found that, despite having been already reduced to protect timber supply, old growth targets are not being met in some areas. It's difficult know how widespread the problem is because only a few areas have been monitored to determine if targets are being met. In some of these areas, forest licensees said they are challenged to find enough unconstrained timber to harvest their allowable cut. Something clearly isn't working when neither objective is being met.

What was committed/planned/assumed/ recommended…	What we have now…
Adaptive management through continuous monitoring and regular updates	No substantial monitoring or updates since implementation in 1995
Periodic reviews of the entire old growth and biodiversity management system	None to date
Maintain old forest (both the mature and overmature age classes) at acceptable targets	OGMAs focus primarily on overmature in most of the province (mature is not included)
Tracking implementation and achievement of mature and overmature targets	No consistent system to track compliance with targets except in areas of the province where government staff have led special projects
Biodiversity targets for retention of old forests was set at various levels above the minimum threshold of 30%	Some areas were lowered by subsequent political decisions — some lower than the minimum threshold
Old growth would contain old forests, and preferably some of the best.	Many OGMAs do not contain old forests and some contain forests less than 40 years old

Despite commitments made to formally evaluate their effectiveness as a policy tool on an ongoing basis, no review of the OGMA system has taken place since it was implemented more than 20 years ago. Furthermore, there has been no formal, consistent monitoring program to determine whether there is compliance with the current targets, or if they are achieving the intended results. That makes it impossible for the public to know if it is getting good value. The government has small pockets of work underway that may help to alleviate some of these problems. For example, over the last decade, effort has been put into developing methods to assess cumulative effects, including for old growth and biodiversity values. Also, following a special investigation by the Forest Practices Board in 2012 the government formed a working group to address the Board's recommendations. Our impression is that, while these initiatives could lead to some improvements, they have not been a high priority for government and are not presently well enough resourced to have any meaningful impact on management of old forests, at least in the near future.

While the foremost goal of science and practices to conserve and manage forests with old trees is maintaining biodiversity, there are many other objectives that can also be achieved. Managing for most values is quite site-specific. The amount of forest with old trees and the conditions we require depend on the objective. For example, if we're protecting the character of a spiritual or historical site, it may only be necessary to delineate a small area, but it has to be at a very particular location. If the objective is protecting mule deer winter range, we may be able to distribute areas in several suitable places on the landscape. If our objective is preserving visual quality, our actions will be based on attributes as they appear from certain viewpoints or travel corridors.

It is often possible to manage the same area for a multitude of old forest values, provided the objectives are clear and compromises are not so great that critical values (e.g., biological diversity or water quality) are put at high risk in order to accommodate values where we have more discretion (e.g., timber or tourism). This suggests the need for the Province to have clear priorities and objectives for managing old forest values at all scales.

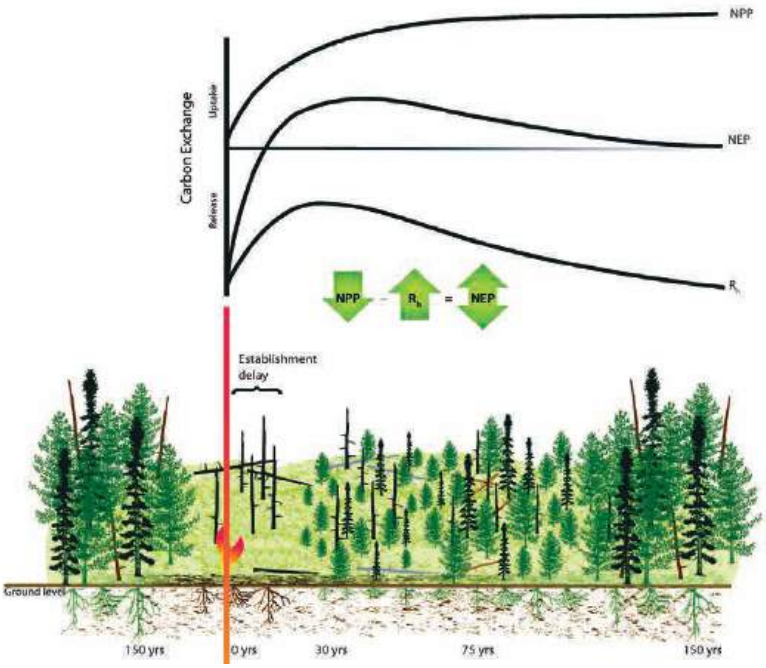
Carbon balance and climate

Many people we heard from linked forests with old trees to climate change, often with conflicting perceptions about its value for absorbing and storing carbon.

The impact of the forest on net atmospheric carbon is complicated. We heard evidence for and against old forests as carbon sinks (taking up more carbon than they release). The answer can vary considerably depending on the circumstances and the timeframe. Forests accumulate carbon in new plant material when they are green and growing. The carbon is returned to the atmosphere when plant material decomposes and combusts (whether it burns in the forest or as wood products).

Carbon can be stored in trees, soil, and long-lived wood products for decades, or even centuries. This storage is considered an important factor in the effort to curb climate change. Of course, we need to keep in mind that not all old forest is the same: in coastal Douglas Fir or cedar-hemlock forests, trees are very long lived and have a relatively low risk of natural disturbances, while many interior forests have shorter lived tree species, and more frequent large natural disturbances (e.g., fire). In other areas, such as the Interior NDT4 Douglas Fir forests can be maintained in a relatively stable old-forest condition through frequent low-intensity fires that burn the understory and keep the forest spaced.

The ability of a forest to absorb and store carbon is age dependent.



NPP net amount of carbon that enters the ecosystem.
Rh respiration from decay
NEP net ecosystem production – total amount of organic carbon

Source: Kurz et al, Carbon in Canada's boreal forest — A synthesis, Environmental Reviews Vol. 21, 2013 (Courtesy NRC Research Press)

- Immediately after disturbance it is a carbon source because post-disturbance organic materials are decaying more quickly, and very young trees are not accumulating high biomass volumes.
- Young forests that begin to accumulate high biomass volumes are strong carbon sinks because they are quickly accumulating biomass.
- The amount of carbon sequestered declines with old age but the amount of carbon stored is very high.
- The timing of maximum amount that is stored and the maximum sink differs.

Timber harvesting causes short-term emissions from the activity itself (e.g., from equipment to harvest, transport and manufacture), and when forest debris (e.g., slash) is burned. We can expect harvested stands to be net carbon sources for several years, until the capacity of new trees to capture carbon overtakes the emissions from the forest floor, soil, and decay of woody debris. The relative carbon impact of harvesting the primary forest depends upon a number of factors, including:

1. Condition of the primary forest at the time of harvest (storing, sequestering, or emitting carbon);
2. The method of harvesting, level of wood utilization, and method of slash disposal;
3. Longevity of the products the wood is used for (e.g., pellets or paper compared to lumber or timbers);
4. How quickly and completely new trees occupy the site and grow;
5. How long the new trees are allowed to grow before being harvested again (rotation age); and
6. The substitution value of using wood over an alternative (e.g., concrete, steel, or plastic).

A report prepared in 2019 entitled Forestry and Carbon in BC suggests that a managed secondary forest could-in principle-recapture the lost forest carbon if allowed to regrow long enough to fully recover its carbon stock, which could be achieved more quickly and easily in most interior forests than in coastal or interior wetbelt forests. It also emphasized that underlying carbon budget calculations are complex and depend on assumptions about a future with much uncertainty.

Another team of BC researchers recently wrote, *"Every old-growth forest is made up of a unique history of management choices and disturbances. Furthermore, their carbon storage value is dependent on future climatic changes specific to the region in question. There seems to be sufficient evidence indicating that many old-growth forests already protected in BC are likely carbon sinks."* And *"more research is needed into which old growth forests are carbon sinks and which are sources, and under what conditions."*



Mountain Pine Beetle-killed timber.
Photo by Traci Van Spengen



Photo by Al Gorley

Many of the old trees in the forest on the left are dead or dying and it would likely be better from a carbon management perspective to recover the salvageable wood and establish a crop of young trees. The old trees in the forest on the right, on the other hand, are relatively healthy, and are still absorbing and storing significant quantities of carbon.

In addition to the function of forests with old trees in the carbon cycle, old trees also play a role in mitigating the impacts of climate change on ecosystems, human communities and infrastructure. For example:

- Regulation of air temperatures (cooler in summer, warmer in winter) and local climate that can be critical to the health of other plant communities, wildlife, and humans.
- Regulation of water temperature, evaporation, cleanliness, flow volume and timing.
- Resistance to fire due to cooler, moister internal forest conditions.

These mitigation functions require having enough mature and old trees in a forest to carry out the hydrological functions and provide canopy. How much primary forest needs to be retained in an older-tree state to influence micro-climates will depend on the local circumstances and objectives.

History of forest conversion

Until the early 1900s, BC's old forests were so extensive that few people would likely have anticipated the circumstances we are in today. The early years of industrial timber harvesting were limited by access — there were few roads, so cutting took place in areas where timber could be manufactured close-by or economically moved by water. Most of the forest was left alone. The scope and scale of harvesting increased considerably though the middle of the 20th century, reaching nearly every region of the province. This led to public concern that the timber supply was exhaustible, and the encouragement of "tree farming".

The result was a policy of "sustained yield", the idea being, that over a period of about 80-120 years, subject to economics, the natural (primary) forest would be logged and converted to managed (farmed) forest, mostly by clearcutting. The subsequent crops of timber would be harvested at their economic culmination age (depending on species, usually 60 – 100 years), thus creating an even, perpetual supply of timber. It is important to note that this is not a typical agrarian model. The intent has always been to conduct forestry with indigenous species on the sites where they would naturally occur.

Under this model of conversion to managed forest, we would expect to transition over a period of time from harvestable primary forest to areas that have another crop ready after harvesting. However, many regions will have a decline in harvest for several decades because of a disproportional amount of young forest. In some regions of the province, mainly on the South Coast, conversion has been underway long enough, and trees grow fast enough that some of the timber being harvested now is from previously converted areas, or "second growth". In some of these, the transition from harvesting old primary forest to second growth will likely be complete within 20 to 30 years. However, in other areas it will be several decades before previously harvested areas are ready to cut again. This means that the situation is highly variable across the province. (We note that some of the areas where harvesting only began at a large scale in the late 1960s or early 1970s have accelerated conversion due to salvaging Mountain Pine Beetle-killed timber and some of these areas have neither an abundance of remaining old forest nor second growth approaching harvestable age).

Areas with the best timber and typically closest to access were often the first to be converted, and few remain in their natural state. These are not only the best timber growing sites, they are also high in biological diversity, often critical to water and fish, and many other values. A recent study tells us: *"Sites with the potential to grow very large trees (Site Index >25) cover less than 3% of the province. Old forests on these sites have dwindled considerably due to intense harvest so that only 2.7% of this 3% is currently old."* We found near unanimous agreement for conserving more of these areas.

Many things have changed since the inception of sustained yield, but it remains the underlying premise for most of our forest management system, except perhaps in the areas under ecosystem-based management regimes. Beginning sometime in the 1980s and following global trends, the public became more aware of the importance of forests for a wide range of ecological values. This led to the creation of more parks and other conservation areas through the Protected Areas Strategy and various forms of land use plans, thus reducing the areas available for conversion to managed forest. It also gave rise to new constraints on forest practices to protect a variety of "non-timber" values, such as water, wildlife, visual quality, and biological diversity — including old forest, within the areas still open to harvesting.

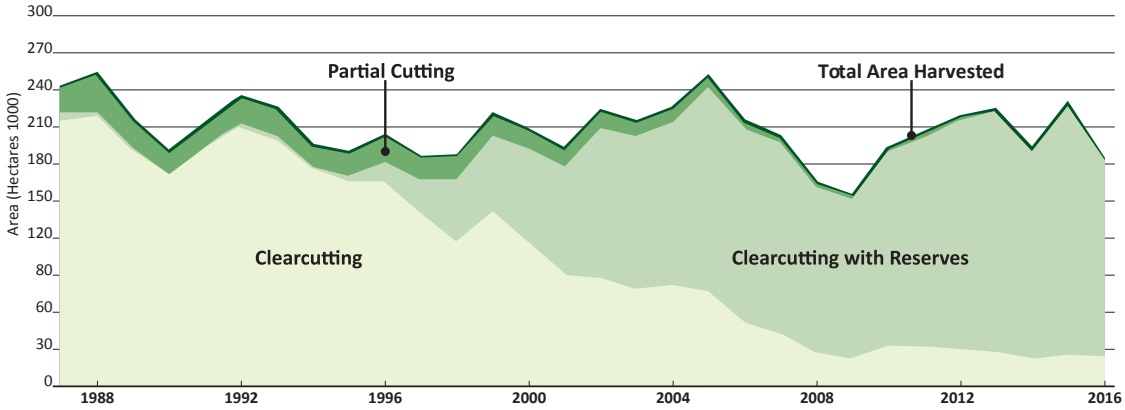
Harvesting methods

Traditionally, most forest harvesting in BC was done by clearcutting, which is the most efficient and least expensive method. Generally speaking, clearcutting removes all trees from an area of one hectare or more, and greater than two tree heights in width, in a single harvesting operation. A new even-aged stand is obtained by planting, natural or advanced regeneration, or by direct seeding. It is most appropriate in forest ecosystems where tree species require an abundance of sunlight or naturally grow in large, even-age stands. Social concerns about large clearcuts have led to a decrease in their average size from 45 hectares on public lands in 1989 to 30 hectares in 2006. We were told that, in some areas, the average size is now 2-3 hectares, but we are also aware of extensive clearcuts carried out in salvage areas during the last several years, and of cutting adjacent to recently harvested areas before they reach the full green-up (continuous clearcut).

Clearcutting with reserves began in the early 1990s and is a variation of the conventional clearcutting silvicultural system in which trees are retained, either uniformly or in small groups. The trees retained may be combinations of small and large trees. They may be chosen to provide wildlife habitat, nesting and den trees, future sources of snags or coarse woody debris, or some level of visual quality.

In 1995, a system of variable retention was adopted for some coastal harvesting as an alternative to conventional clearcutting. This system has two approaches: distributed, where retained individual trees are distributed relatively evenly across the area; or aggregate, where groups of trees are retained to maintain structural diversity over the cutblock. The generally accepted parameters for variable retention are that the retained trees distributed throughout the cutblock, must remain for at least one rotation and be configured to leave more than half the total cutblock area within one tree height from the base of a tree or group of trees including the edge of the cutblock. Note that many scientists and industry advocates of variable retention argue that clearcut with reserves generally does not meet the parameters for variable retention.

Partial cutting is a general term for silvicultural systems (which includes variable retention) in which some trees are left standing after logging. Compared to other systems, the distribution of remaining trees will typically be fairly even across the cut area. Depending on the management objectives, the selection of trees to be retained may be based on their value to a future timber crop, mimicking natural processes to maintain biodiversity, wildlife habitat, aesthetics, or some other purpose.



Source: Trends in Silviculture in B.C. (1987-2016). Ministry of Forests, Lands, Natural Resource Operations and Rural Development, 2018

Until the mid-1990s, most harvesting on public lands in British Columbia involved conventional clearcutting. Government reports show that from 1970 to 1998, clearcutting systems were applied on 87% of the area harvested on public lands. By 2015-2016, harvesting on public lands was by clearcutting with reserves (85%), clearcutting (11%), retention cutting (3%) and other cutting methods (1%). One of the challenges for the public is often to differentiate between conventional clearcutting and clearcutting with reserves, especially in some of the salvage areas in the Interior, where very large contiguous areas have been logged and reserves constitute only small forest remnants.

More use of systems that emulate natural ecological processes may allow us to continue harvesting timber from forests with old trees without converting them to unnaturally uniform managed stands. However, that approach is influenced by a complex combination of numerous factors, such as: government leadership and support, timber value, operating costs, stumpage rates, desired profitability, terrain, technology, blowdown risk, stand condition, forest health, worker safety, expertise, and other land use objectives for the area.

Scientists and professionals use a broad system of natural disturbance types (NDT) to differentiate these processes:

NDT1: Ecosystems with rare stand-initiating events
NDT2: Ecosystems with infrequent stand-initiating events
NDT3: Ecosystems with frequent stand-initiating events
NDT4: Ecosystems with frequent stand-maintaining fires
NDT5: Alpine tundra and subalpine parkland

We heard from several forest managers who said they would like to change their harvest systems to better reflect natural processes but are constrained by these factors, or by the Province's forest practices and timber pricing policies. We also heard about various partial cutting silviculture systems having been applied in the past, but many have been discontinued, except in the case of a few select companies. The results of these experiments need to be better understood.

Generally speaking, under the present system, an area is either reserved from harvesting or available to be converted to managed forest. We heard from many people who are frustrated that the managed forest lacks many of the previously existing natural attributes and they oppose further conversion. We also heard from many forest managers about the costs of uncertainty due to incremental reductions in area available for harvesting. Concerns about this have led many forest-dependent communities to repeatedly call for the designation of a "working forest" to provide greater certainty for on-going access to timber.

The 1992 Old Growth Strategy proposed a conservation framework with:

- A system of reserves to conserve old growth values;
- Commodity emphasis areas supporting sustainable economic activity;
- Special management areas where forest practices maintain old growth attributes.

The current management system has gone part way to this three-zone conservation framework by assigning biodiversity emphasis areas for the setting of old growth targets, but there is no definitive, legally established zoning as was originally envisioned. We believe there is an opportunity to bring greater certainty to the management system, achieve a more optimal mix of public benefits, and encourage innovation, by formalizing this three-zone concept.

The role of the provincial government

We heard a lot of dissatisfaction with government from people on all sides of the issues. While some of that is inevitable in an exercise like ours, this was largely non-partisan, focused on policy and priorities, and had a lot of commonality. We observed widespread concern that the government lacks an "on the ground" presence and needs to have a more active role in ensuring the public's interests are met. The views were not always specific to management of old forests but were offered in that context.

We frequently heard:

1. We need a clear and legally supported long-term vision and set of priorities for our forests.
2. The vision and priorities need to be supported by a principles-based management framework that will meet the needs of the province and provide the flexibility to accommodate the diversity of ecosystems and communities. The principle of proximity, (those who are most directly affected by a decision should have a proportional say) should be embedded in the framework.
3. Government policies for forestry tenures, stumpage, and forest practices discourage the innovation necessary to meet the optimum mix of public values.
4. The management framework needs to be supported by efficient and adequate policies and resources (capacity) to enable implementation.
5. The province has to take a much more active role at all levels to ensure the public's interests are being met. This includes oversight, monitoring, enforcement, and objectively and regularly informing the public about forest conditions and trends.
6. Where the government has direct control (e.g., BC Timber Sales) it should show leadership in developing and demonstrating best practices for sustainably managing forest values.
7. The government's rules for regulating the industry should not oscillate between "command and control" and "hands off" based on the ideology of the government of the day.
8. The government should facilitate a planned and orderly transition from harvesting primary forests to second growth, on timelines suited to specific areas.

Indigenous involvement

Support for Indigenous involvement was heard from every sector and the majority of people who submitted input to the panel. This is obviously top of mind for a variety of legal, social, and environmental reasons: legal with the Crown's duty of consultation and accommodation plus the recent passing of the province's Declaration of the Rights of Indigenous Peoples Act; social with the Province's commitment to a New Relationship; and environmental where many are looking to Indigenous communities for guidance on how to establish land management that achieves a higher standard of land care.

The panel heard a mix of Indigenous perspectives, ranging from calls for increased involvement of Indigenous communities in the timber industry and continued access to old forests for harvesting, through to increased protection for the range of other values from the forest. One common theme was the necessity for increased involvement of local Indigenous communities in the planning and oversight of forest use in their local areas.

Many of the Indigenous groups that were interviewed are actively involved in planning in their own forest management areas and many have developed very innovative, practical, and effective approaches to the management of old forests. These approaches were developed and are continually monitored with close involvement of the local Indigenous community, particularly the Elders in those communities. However, at a provincial level, the capacity of Indigenous communities to do this is very uneven and in some areas underdeveloped. We believe supporting the development of capacity and extending learning amongst Indigenous communities presents an opportunity to support effective forest management and advance reconciliation.

Public and community involvement

Just as we heard almost universal support for government collaboration with Indigenous communities, we also heard from local governments and stakeholders who said that they want more meaningful roles in forest planning and decision-making. We believe their current level of involvement contributes to a significant amount of uncertainty and discontent.

In previous sections, we touched on concerns about a lack of trusted information and process for the public to engage in a meaningful dialogue about forest management, including for forests with old trees. We did encounter a small number of areas in the province where community and stakeholder groups are engaged with government and industry on an ongoing basis, however this was the exception. Yet almost every local government, community organization, and often individuals, expressed a need for a place to learn, exchange ideas and perspectives, and develop useful input to forest management.

In several areas, we heard about the positive experiences with land use planning committees, and the benefits of bringing together experts and civil society with a variety of interests in a collaborative forum where provincial and local priorities could be addressed. Despite an expressed intent, when plans were completed (most during the 1990s), to maintain monitoring committees and have a periodic plan updates, government support declined, and most were disbanded. In some cases, government-facilitated groups were replaced by public advisory groups struck under the auspices of various market certification programs. Convened by forest licensees, these groups helped fill the gap, but many of them ceased operating when companies changed certification systems.

Lessons from other jurisdictions

The panel explored experience from other areas in the world to see if there were any lessons that could be learned around the management of old forests from those areas. Some of the main points were:

- Every jurisdiction's reasons for moving towards the management of old forests were different but most of the areas that adopted a system of significant old forest protection did so as a response to overwhelming public pressure that included either civil disobedience or legal actions;
- Many of the jurisdictions that responded to public pressure went through public policy swings that alternated between favoring the timber industry and favoring protection groups before landing on protection;

- Well-organized ENGOs were deeply involved in almost every jurisdiction's shifts to greater protection;
- The term "old growth" is relatively recent term used primarily in North America: Other jurisdictions use a variety of terms such as old forest, primeval forest, primary forest, virgin forest, ancient forest, wildwood, etc.;
- The trend towards greater protection for old forests had less to do with the age of the timber industry and the associated forest management system in each country and more to do with increased public understanding of issues related to biodiversity, ecosystems and climate change, the use of civil disobedience and legal tactics, and increased public involvement in forest management (generally within with the last few decades);
- Some jurisdictions went to protection measures applied only to old forests while others went to a more comprehensive zoning system to identify measures for lands are protected, managed for ecosystem health or intensively managed for timber production;
- Some countries that have gone through multiple rotations under intensive management are dealing with significant biodiversity loss and associated forest health issues; and
- Many jurisdictions have committed to detailed forest monitoring although in practise many defaulted on those requirements.

Compared to much of the world, our situation in BC is somewhat unique in that:

1. Large-scale commercial cutting of primary forests in BC began less than 100 years ago in southern and coastal regions, and 50 years ago or less in much of the central and northern interior;
2. The vast majority of cutting has been done with the expectation of managing the area for a perpetual crop of timber, rather than forest removal;
3. We have maintained a policy of reforesting with native species that are ecologically suited to the area logged.

This means that although much of the forest is altered from its natural condition, most of the original components still exist somewhere on the landscape. We can't go back and replace the primary forest, but we do have the opportunity to maintain viable examples of the remaining ecological attributes, and possibly restore others.

Summary of key points

1. Ecosystems with large, old trees are important to British Columbians for many different reasons.

- The term "old growth" has become a generic label for forests or trees that hold a variety of different values beyond the definitions used in timber management. OG means different things to many people and has a diverse array of sometimes conflicting values, all of which warrant consideration.
- Old forest values and objectives need to be clearly articulated, with less emphasis on the generic "Old Growth" label.

2. Retaining and managing forests of old trees is a key strategy for maintaining biological diversity and cannot be done in isolation.

- The ability of ecosystems to support species, including humans, and adapt to change is dependent upon their resilience, which comes largely from the natural diversity they harbour.
- Old forests are part of complex multi-scaled, interdependent ecosystems, and are also impacted by complex interdependent forest management policies.

- The total amount of old forest in the province is not as important as the distribution and ecosystem representativeness.
- There are many impacts to old forest arising from various activities in almost every resource sector.

3. The extent and condition of ecosystems with old trees, relative to natural condition, is highly variable across the province.

- The risk to biodiversity is extremely high in some ecosystems and there is a wide-spread call to protect them.
- The forests' ecological conditions, history of natural and human disturbances, and social, cultural, and economic importance are too variable to suggest a single sweeping approach, although there is strong support for a common management framework.
- In many areas, we are not meeting the intent of the biodiversity conservation strategy adopted 25 years ago.
- The approaches to managing old forest have to be adaptable to the ecosystem and natural disturbance regimes.

4. The economy is heavily dependent on trees harvested from primary forests of old trees.

- The degree of economic reliance differs amongst regions and individual communities. For example, some have undergone a transition to greater reliance on tourism, or other sectors, while many others have not.
- In some areas, a transition to second-growth forests is well underway, while in most of the province that transition will require decades of forest growth.
- There is widespread support for assisting workers and communities negatively affected by reduced access to timber supplies, for whatever reason.

5. The current system for retaining old forest and managing their attributes has issues.

- The original intent of the science-based guidance has not been fully implemented.
- The approaches to managing, tracking, and reporting on old forest retention and management requirements are inconsistent and, in some cases, absent.
- Old Growth Management Areas (OGMAs) are applied inconsistently and sometimes ineffectively.
- The use of clearcutting silviculture systems limits the ability to manage for old forest attributes and conserve biological diversity, especially in ecosystems that don't naturally experience large stand-replacing disturbances.

6. Opportunities have been identified to provide greater economic certainty about the blend of benefits from old forests:

- Formalizing designation of forest areas outside reserves to be either managed primarily for commercial production (conversion) or managed for key ecosystem attributes with compatible forestry practices.
- Analysis and pursuit of an optimal blend of public benefits from a wide range of uses (timber, tourism, natural infrastructure, botanical forest products, recreation, etc.).
- Transition to silviculture systems that more closely emulate natural process on remaining unconverted forest.

7. Climate change will become an increasingly bigger factor in choices about forest management.

- The role of old forests in climate change is complex.
- Mitigating climate change through carbon sequestration and storage needs to be fully analyzed and integrated into forest management decision-making.

8. Information around the types, condition and current status of old forests is highly variable across the province.

- There is no regular, objective public reporting about forest condition and trends.
- Classification based on timber inventory criteria, which does not necessarily reflect other old forest values.
- The existing inventory is not well suited to stand-level identification of many old forest attributes.

9. There is widespread support for the provincial government and Indigenous governments to collaboratively create updated strategies and policies for the management of old forests that include:

- Transparent expressions of the public's long-term interests, priorities, and policies;
- Ongoing public involvement in planning and strategic decisions, supported by objective and comprehensive information regarding related issues, risks and opportunities;
- Economic analysis tools to inform public discussion and choices;
- Clear and measurable objectives at meaningful scales, supported by well-resourced enforcement and evaluation of long-term effectiveness;
- Oversight that ensures public interests are considered and incorporated in forest planning and practices, monitoring, compliance and enforcement;
- Ongoing research, innovation and information sharing to foster continual learning and expand the province's collective forest management expertise;
- Adequate monitoring and objective reporting of forest conditions and trends, including the cumulative effects on all values and transparent communication of risks and benefits; and
- The means and authority to address risks to critical values.



Old coastal forest.

Photo courtesy BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development

KEY FINDINGS

Based on the situation overview and key points above we find that, while there may be debate about how much old forest we have and where, there is a near-unanimous agreement that managing and protecting ecosystems for forests with old trees provides many benefits. However, there are serious concerns about the ability of our current management policies and implementation of old forest strategies to achieve that in the long-term. We observed what we believe to be fundamental weaknesses in the system relating to the core foundations for forest management success identified earlier in this report: ecosystem health; public support; and effective management.

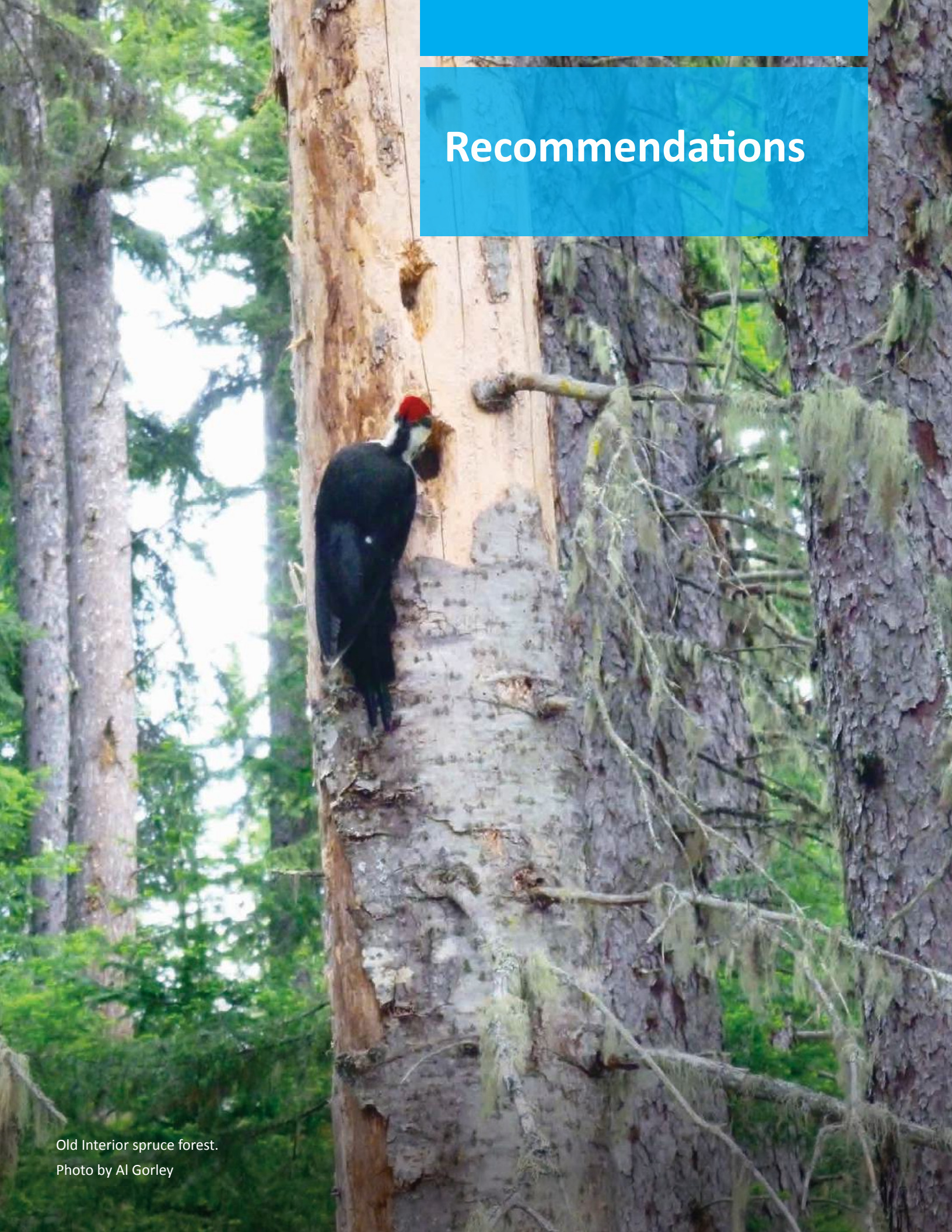
1. **Ecosystem Health:** The priorities that currently drive our forest management system are backwards. Rather than determine what must be done to maintain ecosystem health and resilience, and then what social and economic benefits we can derive within that guidance, we often do the opposite. We consistently refer to measures required to protect ecosystem values as "constraints" on timber. An example is the policy for implementation of biodiversity conservation, which has a fixed ceiling on timber supply impact, reinforced by the objectives in the *Forest and Range Practices Act*. Many members of the public and government staff expressed concerns about this bias in the current system.

2. **Effective Management:** Many aspects of the system are seriously lacking and are not anchored in sound management theory. In particular, our system does not measure the performance of policy implementation relative to clear and measurable objectives and then adapt accordingly. The panel is also not convinced that government has demonstrated a serious, and sustained commitment to applying science-based methods to implementing management policies for conserving and managing old forest.

   Significant recent examples of this are: in 2012, the Forest Practices Board conducted a special investigation resulting in six recommendations about tracking, monitoring, enforcing, and evaluating implementation of old growth management areas, and in 2013, the Auditor General conducted an audit to assess the effectiveness of key tools for managing biodiversity in BC. Although these investigations concluded there was a lack of adequate measuring and reporting within our current forest management system, little has changed as a result of those reports.

3. **Public Support:** Much of the public is not well informed or engaged regarding old forests and forest management. This appears to be contributing to a pervasive lack of supportive for the current system. We frequently heard from individuals, organizations and communities that they have no reliable source of information about the condition and trends in local forests, and little influence over decisions that directly affect them. Over the past several years, direct ongoing involvement of communities in forest management has declined. A lack of confidence in the system was also reflected in concerns about a lack of clear long-term priorities, inconsistent policies for land users, and a lack of government oversight.

Recommendations



Old Interior spruce forest.
Photo by Al Gorley

RECOMMENDATIONS

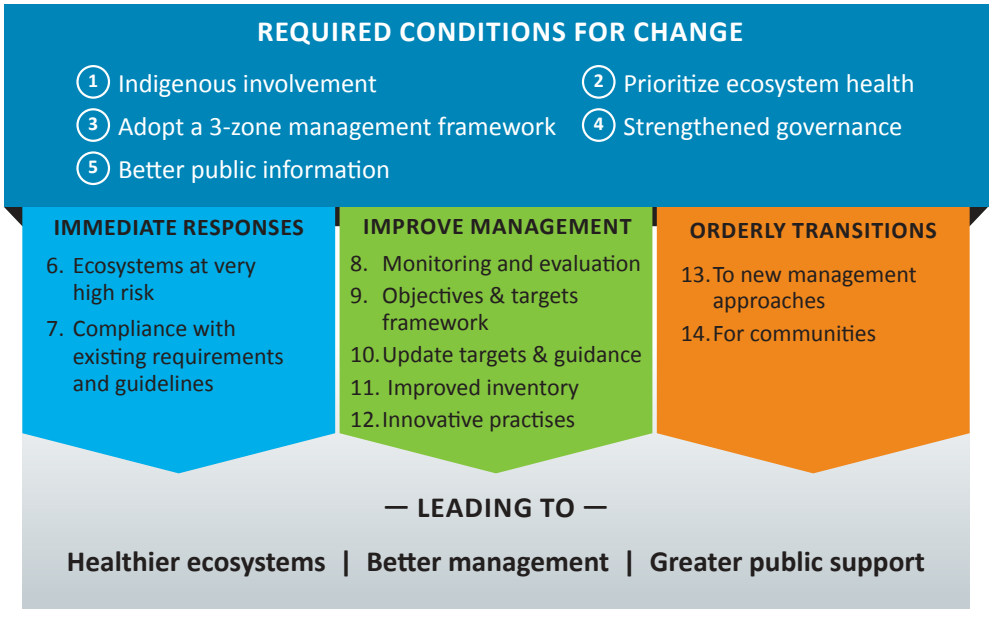
Our recommendations address the conditions we believe are needed for successful long-term management of old forests, the actions needed now to prevent irreversible loss of biodiversity, improvements to the management processes, and transition requirements to ensure change happens. The implementation advice supporting each recommendation is offered as a starting point for the government to consider, with the understanding that other approaches will likely emerge through dialogue with Indigenous leaders, input from stakeholders, and analysis by government staff.

Old forests do not exist in isolation. They are part of a complex ecosystem that has evolved over thousands of years. Similarly, our forest management system has also evolved over the long term, often in response to changing economic conditions and community needs. While we recognize that it is sometimes necessary to deal with a specific management component such as old forests, this must be done with the whole system in mind. To do otherwise would be a fundamental error. Therefore, our recommendations, although developed with a focus on old forests, by necessity extend to the broader forest management system in order to support healthy ecosystems, and by extension, healthy people, as well as old forests.

In our introduction, we identified a paradigm shift in the way we approach managing forests. We found widespread support for a new way of thinking during the engagement phase of our review. We believe that if our recommendations are implemented with this new paradigm in mind, they will be more likely to succeed, and will contribute to facilitating the desired paradigm shift over time.

As illustrated in the figure below, we have structured these recommendations to start with those that we believe are necessary to create the proper conditions for management of old forests in the future and important to ensuring the subsequent recommendations achieve their intended results for the long-term. The remaining recommendations focus on responding immediately to curbing biodiversity loss, improving the management system, and transition requirements. We believe that implementing these recommendations will lead to healthier ecosystems, better long-term land management and greater public support for forest management.

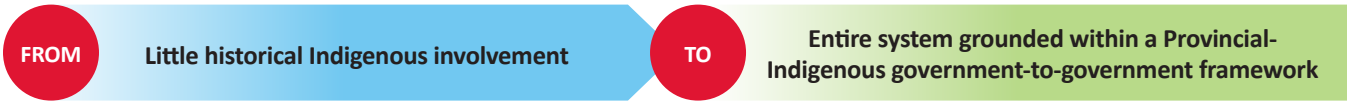
We recognize that these recommendations will be refined and adjusted through engagement with Indigenous communities and stakeholders, and with additional technical and scientific input.



Required conditions for change

1. Indigenous Involvement

Engage the full involvement of Indigenous leaders and organizations to review this report and any subsequent policy or strategy development and implementation.



Rationale:

The panel understands that Indigenous involvement is built into almost every provincial land-based activity, especially a policy review of this scale, however we feel it is worth reinforcing because it is essential to creating conditions for successful and sustainable implementation of both the shorter- and longer-term actions proposed.

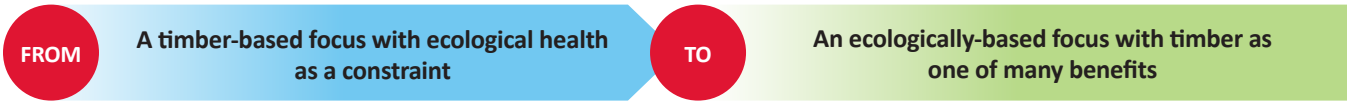
1. **Widespread support and expectation:** The panel heard support or acknowledgement of this priority from every sector and the majority of those who provided input to the panel.
2. **Legal imperative:** BC has legal consultation and accommodation obligations with respect to possible infringements on Indigenous rights, which is now even more strongly affirmed with the BC government's recent passing of the *Declaration on the Rights of Indigenous Peoples Act*.
3. **Social Imperative:** The Province has committed to a New Relationship where the Indigenous population has the opportunity to achieve the same economic, environmental and social societal goals as the rest of the population in the province.
4. **Environmental Imperative:** Recognizing Indigenous commitment to environmental stewardship, which has extended for millennia, many are looking to Indigenous communities for guidance on how to establish a land management regime that achieves a higher standard of land care.
5. **Address the Gap:** Indigenous peoples were not involved creating most of the higher-level plans and orders that dominate the management of old forests. This is a significant source of frustration among Indigenous communities and could also mean that most of these historic plans and orders do not conform to the Province's current legal consultation and accommodation requirements or DRIPA legislation.
6. **Sustenance Dependence:** Many Indigenous communities still depend on the natural resources of their traditional territories for a significant portion of their sustenance and livelihood.
7. **Practical Working Models:** Indigenous communities are becoming more active in most economic and management aspects of the forest sector and are leading many interesting and potentially valuable on-the-ground approaches to land stewardship and management of old forests.
8. **Develop Readiness:** Many Indigenous communities need support to develop their internal readiness to accept a leadership position in forest management and the Province also needs to build its internal readiness so that it can effectively participate in these new government-to-government relationships.

Implementation Advice:

1. As soon as practicable, engage provincial Indigenous governments in developing a policy response to these recommendations.
2. In collaboration with Indigenous leadership, develop provincial guidelines for implementation:
    a. Develop criteria for establishing government-to-government planning relationships between the Province and Indigenous groups, including appropriate involvement and associated criteria for third-party participation in these planning relationships;
    b. Establish planning units that conform to local Indigenous group's territories while still adhering to ecologically and administratively practical planning units; and
    c. Establish mechanisms for local Indigenous groups to meet provincial targets and standards for biodiversity protection, and ecosystem representation, etc.
3. Establish support programs for Indigenous groups to build their land/forest management expertise and capacity including:
    a. Direct support to establish G2G land management relationships in accordance with point 2.a above;
    b. Programs to support the development of internal management capacity; and
    c. Opportunities to share experiences among Indigenous groups.
4. Develop focused training for government staff to support the establishment of appropriate G2G relationships and develop provincial government capacity to meet its responsibilities under these relationships.

2. Prioritizing Ecosystem Health and Resilience

Declare the conservation and management of ecosystem health and biodiversity of British Columbia's forests as an overarching priority and enact legislation that legally establishes this priority for all sectors.



Rationale:

Conserving and managing old forests is a cornerstone of the Province's biodiversity conservation strategy. We believe that strategy has underperformed in several areas due to competing pressures.

1. Outdated Thinking: An overriding theme heard throughout our engagement phase was that we need to change the way that we think about our forests and that we need to preserve the integrity of our natural systems as much as possible, particularly the old forests component. Individuals with international experience and our own research on other jurisdictions indicate that this sentiment is consistent with global trends.

2. Focus on the right priorities: Managing forests in a way that does not unduly compromise timber supply puts our focus on the wrong thing. This treats ecosystem resilience and reducing biodiversity risk as constraints, which, over time, are constantly being eroded by compromises. Making choices about risk to biodiversity in return for another defined benefit might be a necessity but those choices need to be made with the overarching goal of maintaining ecosystem health in mind.

3. **Ecosystem Risk:** Several scientists project that under our current management strategy, much of the province, especially the areas covered with productive forest, will be in a high biodiversity risk situation in the near future. It is time to reorient and integrate the system towards an overarching priority that applies to all incursions in the forest, i.e., to maintain ecosystem health by managing biodiversity risk. Without this reorientation, we are losing old forests and possibly ecosystems that are non-renewable.

4. **Complete Implementation:** The original old forest management strategy contemplated a number of components that were never fully implemented or were addressed ad hoc, e.g., seral stage distribution, site series representation, landscape connectivity, and adaptive management, which has compromised the effectiveness of that strategy.

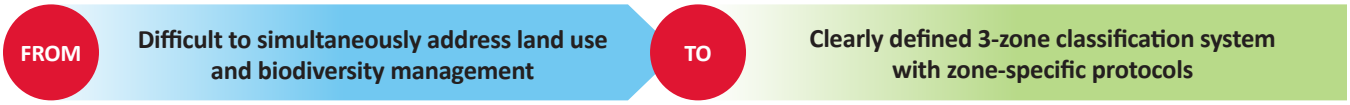
5. **Multiple Sectors:** There is only one land and every land-based sector has some potential to compromise that land, some to the point of undermining provincial ecosystem health goals, if they do not adhere to a common standard. Aligning all sectors towards an overarching goal improves our chances of achieving our ecosystem health goals, reduces conflict between sectors and fosters a common target for everyone involved.

Implementation Advice:

1. The province should declare that managing for ecosystem health and minimizing biodiversity risk are key priorities of its provincial land management framework.
2. This priority should be reinforced through overarching legislation that:
    a. Formalizes this priority and sets a broad framework to work towards that commitment (similar to the DRIPA construct);
    b. Includes principles that will guide the overall shift to this new framework, e.g.:
        i. Province-Indigenous government-to-government foundation;
        ii. Science-based;
        iii. Monitoring, evaluation and regular updates;
        iv. Planning and oversight involving a range of interests; and
        v. Accountability, particularly to the public; and
    c. Establishes a commitment to align all other land-related provincial legislation, management systems and processes to this overarching goal.

3. A Formalized Three-Zone Forest Management Framework

Adopt a three-zone forest management framework to guide forest planning and decision-making.



Rationale:

We believe that the Province can better focus its management efforts if it partitions the forest into three overarching and distinct management zones. The concept is already partially used to apply biodiversity emphasis zones for setting old forest targets but needs to be formalized and communicated. Other jurisdictions have moved in this direction to try and create greater certainty for both conservation and economic activities.

We suggest the following categories (the names can change but we feel their substance should remain relatively the same.)

1. **Protected:** These are forests that will be largely left alone, although there may be some management activities within them to maintain ecosystem health and manage risk from fire, disease or insects (depending on their designation and associated jurisdiction). One example of a Protected area that might allow some management activities are fire-maintained forests, where fire regularly removes the understory while maintaining the overstory. If fire is excluded from these areas and no other intervention is allowed, then they tend to become dense pockets of unhealthy forests that support the development of pest or pathogens or have increased susceptibility to catastrophic wildfire.

2. **Converted:** Converted forests are those that we have already or intend to change from their natural state to intensive management areas as industrial timberlands. Although these lands do not provide all the same services as old and ancient primary forests, they can still provide a number of important ecosystem services in addition to timber, such as water, recreation, carbon sequestration, wildlife, tourism, etc.), especially since many are close to communities. Conversion areas may have multiple objectives compatible with industrial timber production.

3. **Consistent:** These are forests and forest landscapes that are managed for ecosystem health and biodiversity risk by using planning and practises that result in forest landscapes that are reasonably consistent with the attributes of the original forests and forest landscapes. We recognize that we can never fully replicate what nature creates over time, but with careful management we can plan and use practises at a forest or forest landscape level that are reasonably consistent to what the original forest or forest ecosystem would have created.

The following are reasons that we feel that we need to move in this direction.

1. **Reduced confusion:** Despite the existence of land use plans, there is significant confusion or misperception about which forests should be managed for which goals, particularly outside parks and protected areas. Partitioning the forest, focussing on goals for each partition and having clear rules about if and when partitions can contribute to another partition's goals (e.g., protected areas contributing to ecosystem health) or when an area can move from one partition to another can significantly reduce this confusion.

2. **Reduced conflict:** Our current system also entrenches the idea that we need to either completely protect or allow use of an area. This all-or-nothing mentality oversimplifies management, does not allow us to focus on the right thing for the right area, fosters an "us versus them" behavior and ultimately narrows our focus as land stewards. To paraphrase an Indigenous Elder's perspective, "The reason that we create parks is because we don't trust ourselves to look after land." Many people expressed frustration about second growth forests that are managed like plantations because they think these forests should be more like their iconic undisturbed counterparts. Having them zoned as "Converted" provides clear direction on the goals for these areas and transparency for the public.

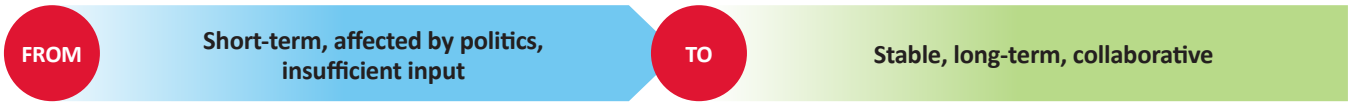
3. **More focused management:** We have forests that are already in the Converted category but we still try to manage them as part of an ecosystem to reduce biodiversity risk, we have forests that are protected for ecosystem biodiversity reasons but are promoting landscape ecosystem health problems because of our no-touch policy, and we have mixed biodiversity targets across the province which in many cases may not be able to achieve their intended ecosystem resilience goals because of their location and ongoing levels of disturbance.

Implementation Advice:

1. Use a collaborative process under the umbrella of a Provincial-Indigenous government-to-government framework to support ongoing designation of these areas.
2. Develop criteria for:
    a. Slotting parcels of land into each of the three management zones (e.g., Areas that are already under intensive management and in close proximity to population centers are high candidates for Converted Forests);
    b. How Protected Forests or Converted Forests might contribute to Consistent Forest objectives; and
    c. Moving areas from one zone to another.
3. Prioritize the designation process in management units (e.g., TSAs and TFLs) that have already logged a high percentage of their operable land and are facing the greatest risk to ecological and economic values. Areas with existing plans and legal orders like Clayoquot Sound, Haida Gwaii, and the Great Bear Rain Forest may be deferred from this process for now.
4. Where possible, coordinate the designation of forest areas with active land use planning, but do not wait for the renewal of land use planning to designate zones in high priority management units.
5. Where applicable, consider the implications to public safety and infrastructure (e.g., wildfire, floods).
6. In addition to the any other information required, support the collaborative decision-making process and stakeholder input by:
    a. Conducting objective, government-led multi-value assessments in remaining areas of primary old and ancient forest;
    b. Identifying special features (e.g., large, and unique trees or stands, unique ecosystems) that are close to communities and presently or foreseeably provide important recreational, cultural, spiritual, or educational opportunities; and
    c. Developing and analyzing various risk-benefit scenarios and options, including the probabilities.
7. Establish the zones formally through legislation.
8. Establish mandatory transition plans to implement changes on a scheduled basis, specific to the management unit(s) involved.

4. A More Inclusive and Stabilizing Approach to Governance

Adopt a more inclusive and stable governance model that gives local communities and stakeholders a greater role in forest management decisions that affect them.



Rationale:

British Columbia needs a forest management governance system that is more inclusive and grounded in the long-term vision of local communities in order to create strategies that are more consistent with long-term ecosystem timeframes. This is needed for the following reasons:

1. **Stability:** We are managing ecosystems that often take thousands of years to form with policies that can change based on election cycles. We have seen how frequent changes in priorities due to the ideologies of different governing parties can cause uncertainty and loss of continuity. Frequent changes in management direction and emphasis do not align well with most forest management activities. While changes will be inevitable, they should be based more on science-based adaptive management than short-term pressures. We believe the combination of collaborative management with Indigenous communities and formal ongoing participation of local communities, within a provincial science-based framework, can provide a stabilizing effect on policy by ensuring the local and provincial impacts of change are thoroughly considered and understood before decisions are made.

2. **Accumulation of Wisdom:** There is often high turn-over amongst forest managers, especially in government, and frequently the professionals working in a forest do not reside in local communities. This results in varying levels of knowledge about local forests and community interests and can put communities and forest managers at cross purposes.

   Managing forests to achieve a spectrum of community and provincial interests requires an understanding that benefits from local knowledge, continuity, and accumulated wisdom. Involving more people in the process of informing and making decisions increases the opportunity to retain and pass on knowledge.

3. **Proper Link to Public Policy:** Forest management has less to do with forests and more to do with translating pubic expectations around forests into policy that drives how we manage those forests. A governance system that more effectively integrates public knowledge and priorities also integrates a much closer link to support developing effective and timely policy.

4. **Public Trust:** The panel heard consistently from across the province that local communities do not have confidence that the government or large corporations will manage their forests properly, and that they want to better understand what's happening in their forests and be more involved in managing them. This was particularly true among Indigenous communities, many of whom are already assuming that role in their respective territories.

Implementation Advice:

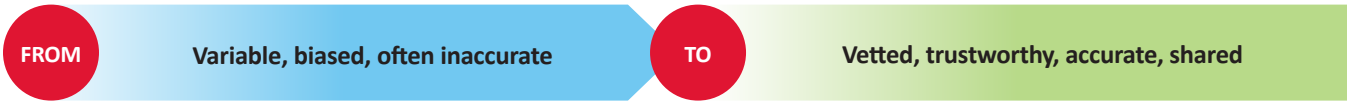
1. The governance system should exist under the umbrella of Provincial–Indigenous government-to-government relationships.
2. Redefine planning areas considering:
   a. Existing administrative boundaries, e.g., TSAs, LUs;
   b. Indigenous territories (likely multiple Indigenous groups in one planning area);
   c. Biogeoclimatic Ecosystem Classification (BEC) / ecosystem boundaries;
   d. Administrative practicality; and
   e. Other factors.
3. Establish local forest boards/planning tables that may be formalized through the overarching legislation described earlier (Recommendation 2).
4. Local forest boards for each planning area could include a range of groups, potentially including:
   a. Scientific experts;
   b. Land planners;
   c. General public;
   d. Resource professionals (foresters, biologists, ecologists, hydrologists); and
   e. All land-based sectors (e.g., mining, oil & gas, tourism, highways, etc.).
5. Responsibilities of local forest boards may include:
   a. Tailoring provincial goals and priorities to their planning area;

b. Monitoring adherence to and reporting on their region's status and progress towards provincial goals and priorities;
c. Overseeing transition to an updated management system;
d. Participating in and possibly overseeing implementation of regional land use planning processes;
e. Establishing and monitoring (possibly involved with approving changes) in regional partitions, e.g., Protected, Converted, Consistent; and
f. Supporting public reporting.

6. Provide local forest board with appropriate support to meet their responsibilities including:
   a. Mapping;
   b. Scenario development;
   c. Training & education of participants;
   d. Scientific methods; and
   e. Others?
7. Adopt formal Terms of Reference for each local forest board that conform the overarching legislation and provincial guidelines.
8. Although this recommendation has much broader application, it could be used as a mechanism to help implement other aspects of this report.

5. Public Information

Provide the public with timely and objective information about forest conditions and trends.



Rationale:

As we indicated earlier in this report, we frequently found local governments, organizations, and individuals that wanted to be better informed about the condition of old forests but were not sure where to go for accurate and objective information.

1. **Build Trust & Reduce Bias:** As stated before, very few people we heard from said they trust information regarding the condition of BC's forests. Many feel the information provided to the public around BC's forests is biased, regardless of its source.

2. **Reduce Polarization:** There are very strongly held views regarding how best to manage BC's forests and those views are largely based on where people are getting their information. Although opposing viewpoints may never be fully reconciled, we can reduce the level of conflict and improve the quality of dialogue with greater access to unbiased science-based information.

3. **Foster Engagement & Wisdom:** Having an informed public can foster increased public engagement and hopefully bring more wisdom and stability to the forest management process.

Implementation Advice:

1. Provide the public with proactive reporting on forest condition through an objective, professional voice, free from political influence. Options for this may include:

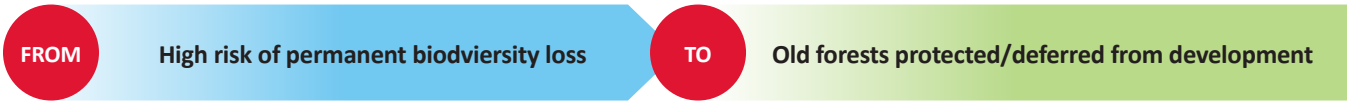
a. Formally expanding the role of the Forest Practices Board;
b. Creating a statutory provision for independent reporting by a senior public servant with an ombudsperson-type role;
c. Reporting through an independent scientific panel; or
d. Establishing a new office.

2. Significantly enhance public reporting on forest conditions by producing regularly scheduled updates, including:
   a. Local scale reports, perhaps building on the Multiple Resource Values Assessment (MRVA) approach;
   b. Regional scale or value-themed reports (e.g., biodiversity), possibly by expanding the work already underway through the Cumulative Effects Assessment initiative; and
   c. Periodic Provincial Forest Condition reports (e.g., every five years).
3. Where available, utilize existing internal data gathering and analysis processes to inform reporting that is specifically aimed at the public.
4. Ensure reports provide context and relevant commentary to make them meaningful to the public. (Answer the contextual "so what?" question).
5. Have this new public reporting function provide an annual report on its activities and how it achieved its goals during that year.

Immediate Responses

6. Immediate Response to Ecosystems at Very High Risk

Until a new strategy is implemented, defer development in old forests where ecosystems are at very high and near-term risk of irreversible biodiversity loss.



Rationale:

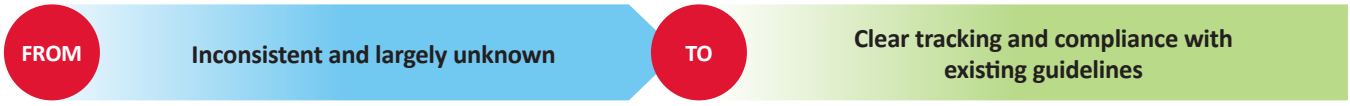
There are some areas of the province where failure to act now could lead to the permanent loss of rare or unique ecosystem components contained in old and ancient forests. Many of these areas are the primary subject of a public call for protection of old forests. They tend to be iconic stands in relatively close proximity to public access or population centers and have a number of other economic, ecosystem services and intrinsic values that are important to a wide range of the general public. A system of new, more sustainable, and effective approaches to managing biodiversity and other old-forest values will take some time to fully develop and implement. In the meantime, any of these stands that are intended for harvesting or other significant disturbance should be deferred from development.

Implementation Advice:

1. Act on this recommendation as quickly as possible.
2. Use the information already compiled by FLNRORD staff, supplemented by other information available in the scientific community, to identify the ecosystems at highest risk to permanent biodiversity loss.
3. Consider the following old forest areas (and possibly others) for short-term deferrals:
    a. Any BEC variant with less than 10% old forest remaining today;
    b. Old forest in any BEC – Landscape Unit combination that has less than 10% old forest today;
    c. Ancient forests (e.g., forests >500 years on the coast and wet ICH) and forests > 300 years in ecosystems with higher disturbance intervals);
    d. Areas with a high potential to contribute towards larger ecosystem resilience; and
    e. Areas with a Site Index of >20m.
4. Determine which of those areas are subject to harvesting or other significant disturbances within the next two years. We would expect the FLNRORD staff to have this information or be able to collect it from licensees.
5. Establish a prioritized and spatialized list of potential deferral areas and verify them on the ground and with recognized experts.
6. Use various mechanisms as needed for deferrals, for example:
    a. Instruct BCTS to cease development and defer selling timber in the areas;
    b. Request authorized tenure holders to voluntarily defer development;
    c. Decline to authorize new permits or licences in deferral areas; and
    d. If necessary, establish regulatory provisions and incentives to enable deferrals.
7. Carry out an economic impact analysis of deferrals.
8. Establish a fair and equitable process to mitigate economic impacts to holders of small area-based timber tenures (e.g., replacement area or compensation).
9. Provide a public progress report on how these priority areas have been addressed at the end of the first year after this report.
10. After two years, confirm which temporary deferral areas will be subject to protection or further management measures.
    a. For each identified area, determine whether biodiversity conservation requires full exclusion from development or special management.
    b. Establish legal protection for areas confirmed to be critical for biodiversity conservation.

7. Compliance with Existing Requirements

Bring management of old forests into compliance with existing provincial targets and guidelines for maintaining biological diversity.



Rationale:

The existing targets for retention of old forest reflect policy decisions that balanced risk to biodiversity with economic considerations more than two decades ago. While we feel these should be revisited

and updated to reflect current circumstances (see recommendation 10), we have been shown by government staff and scientists that some regions are below the approved targets, and at higher biodiversity risk than current policy allows. We also learned that some of the existing provisions are not enforceable because legal commitments are vague and an approved FSP takes precedence over discretionary decision-making.

1. **Reputation:** The province's reputation as a forest land steward is at risk if it has failed to comply with or enforce its own legal orders and targets, even if this is largely because it didn't implement an adequate system to track those targets. This is not about effectiveness or changing management approaches – it is simply about knowing what is happening and taking corrective actions.

2. **Unknown Compliance:** Although there are existing guidelines and legal orders and targets for protection of old forest, we don't have an adequate system of tracking compliance with, and enforcing those requirements.

3. **Urgency:** Many of the existing targets already reflect a negotiated compromise, where a high risk to biodiversity was accepted in favour of economic benefits. These targets are already below scientifically accepted minimums and failure to achieve them increases the risk of moving into critical biodiversity risk situations and possible irreversible losses.

4. **Setting a Base:** An accurate assessment of where we are at with respect to our targets and how we are managing OGMAs now is essential to future decision-making.

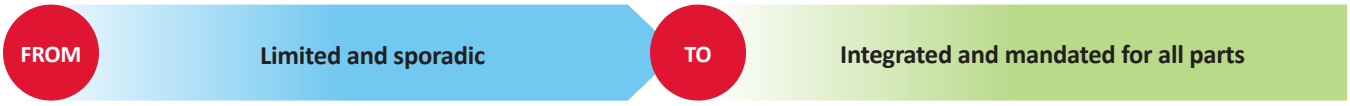
Implementation Advice:

1. Determine a schedule for completing this work starting with priority areas, e.g., Kootenay, Vancouver Island and Central Interior regions, moving towards less urgent areas over time, e.g., Muskwa-Kechika, Haida Gwaii, Clayoquot and the Great Bear Rain Forest.
2. Using the current work occurring under the auspices of the Cumulative Effects Assessment initiative (e.g., October 2018 Biodiversity Analysis for Arrow and Kootenay) as an example or template, complete an evaluation for all priority regions of the province by the end of 2020 and the entire province by the end of 2021 to answer the questions:
    a. Are legal targets being met with the OGMA layer?
    b. Is there enough old forest to meet aspatial old seral targets?
3. Where the analysis shows non-compliance, take the necessary steps to bring the area into compliance as soon as practicable, including:
    a. Deferring development in any BEC variant/Landscape Unit/Site series old forests that are below targets (including existing development permits);
    b. Amending OGMAs where necessary to ensure that they contain old forest, have enough area to meet both mature and old targets, and are adequate (functional shape, size and level of incursions);
    c. Clarifying, strengthening, and standardizing the OGMA amendment requirements and procedures;
    d. Ensuring the provincial government has the necessary tools (tracking and regulatory) and capacity to enforce the requirements.

Improve Management

8. Monitoring and Evaluation

Establish and fund a more robust monitoring and evaluation system for updating management of old forests.



Rationale:

There is little value in setting objectives and targets if they are not monitored. Without monitoring we cannot know if they are being complied with or if they are effective. We heard from nearly every region of the province that there has been no formal monitoring plan for old growth management, even though the guidelines have been in place for more than two decades.

Sound, science-based management requires monitoring and evaluation of results. It also establishes the basis for adapting to what is learned, and to changing circumstances, which is especially important in view of the current pace of environmental change. Public confidence requires reporting and acting on those results.

This is a significant and relatively straightforward opportunity to improve management and demonstrate excellence.

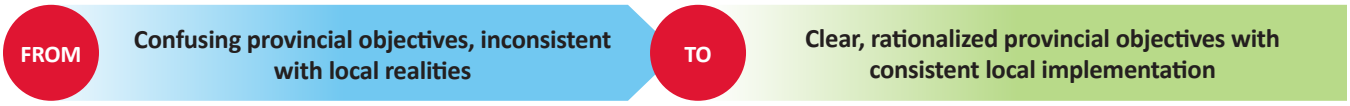
Implementation Advice:

1. Adopt a formal management discipline, such as adaptive management or continuous improvement, as the underpinning to monitoring, evaluation and update, but do not stall implementation of this objective choosing and adopting a discipline (note that scientists are generally more familiar with the adaptive management methodology).
2. Ensure that this system includes the core elements required for success, i.e.:
    a. dedicated research function;
    b. dedicated monitoring function;
    c. link to operations;
    d. regular updates; and
    e. objectivity.
3. Publicly report on activities undertaken in response to previous recommendation to update the monitoring and evaluation of old forests such as the FPB (2012) report and the assessments underway through the Cumulative Effects Framework, as soon as practicable.
4. Establish a dedicated organization, possibly building on the existing FREP program by expanding its mandate and resources to:
    a. Monitor implementation of and adherence to old forest orders, targets, and guidelines on an ongoing (scheduled periodic) basis across the province;
    b. Evaluate the effectiveness of old forest (and seral stage) management at all scales; and
    c. Update the management system for old forests based on the latest research and effectiveness audits on a periodic basis, e.g., minor updates every two years, major updates every six years.

5. Integrate government and external scientists, operations specialists, management experts and other specialists into this system to support information gathering and analysis, evaluation and providing options for updating the system.
6. Continue to develop and utilize standardize protocols for monitoring and evaluation of both compliance and effectiveness at achieving objectives (which may be multiple, including socio-economic).
7. Establish and maintain strong linkages between monitoring and evaluation results, research and inventory priorities, innovative practices trials (discussed elsewhere), periodic updates to practise guidelines and public reporting. This can be achieved through:
    a. Information protocols;
    b. Clear decision processes, authorities, and timelines; and
    c. Others means.
8. Use the information collected from this system to enhance public reporting of results and management responses (also see recommendation on forest condition reporting).
9. Ensure that regional planning tables drive regional reporting.

9. Setting and Managing Objectives and Targets

Establish a standardized system and guidance that integrates provincial goals and priorities to local objectives and targets.



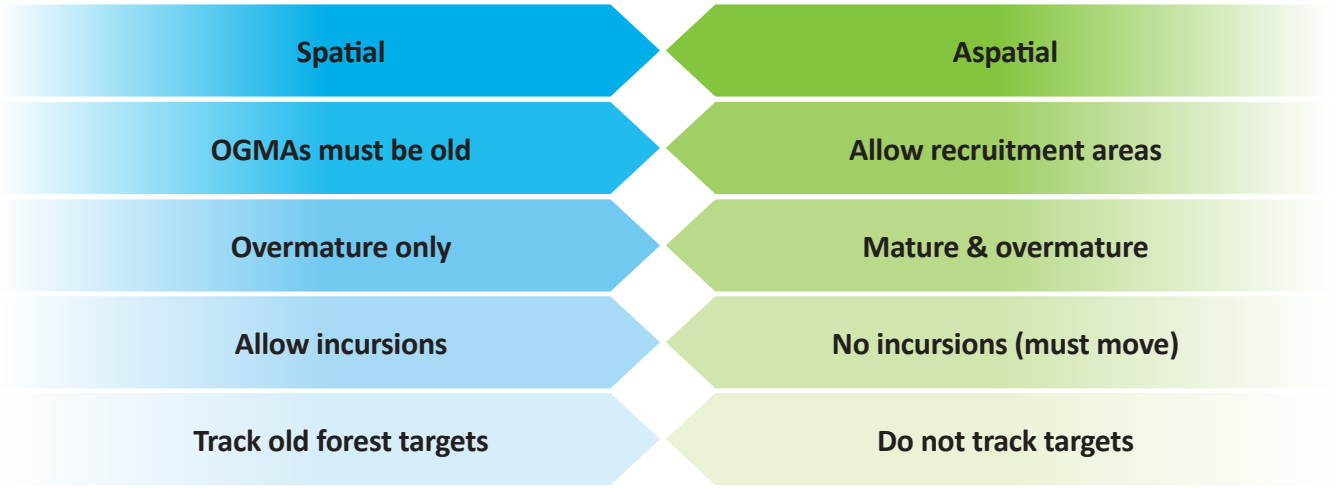
Rationale:

1. Local flexibility within a clearly defined framework: The current management system for old forests is applied inconsistently and often ineffectively across the province and is not achieving its original intent. Many areas have different methodologies, often arising from a higher-level plan, e.g., CORE, LRMP, or when they were applied. The figure below illustrates some aspects of the variation across the province. Local areas want flexibility and feel that the current system often sets inflexible rules that do not work in their local situation. However, almost all local areas did recognize (and support) that their local management strategies had to conform to some larger objectives and in a manner that allows the Province to track how each area was conforming and contributing to these larger objectives.

2. Changed circumstances: The original guidance for the management of old forests set out in the Biodiversity Guidebook and the Landscape Planning Unit Guide two decades ago were not fully and consistently implemented. Since that time, some ecosystems have been heavily disturbed, circumstances have changed due to climate change, and risk to biodiversity has increased. The introduction of FRPA in 2002 reduced the ability of government managers to directly control and coordinate activities on the landscape, and many current managers and professionals were not involved in the creation of the current guidance and likely don't fully understand its intent.

3. **Incorporate what has been learned:** Many managers expressed frustration because they feel the OGMA approach is not working and that many OGMAs are ineffective and sometimes managed inconsistently with natural forest processes (e.g., Interior Douglas Fir NDT 4, where lack of management is resulting in a considerable increase in the risk for insects, disease and catastrophic wildfire). These managers need support to have an informed voice in the system, which will in turn make the overall system more effective. We have also seen modified approaches taken in some regions, such as the Great Bear Rain Forest and Haida Gwaii, which can inform update provincial approaches.

4. **Consistent Implementation:** A new government policy that prioritizes conservation and management of forest biodiversity will require the existing guidelines to be adjusted, and implementation of some of the original intent to be reinforced. Having an operational framework that regularly provides the latest guidance to front-line workers and effectively engages those workers in developing this new guidance, helps to ensure that the management of old forests is implemented consistently across the province on an ongoing basis. The following illustrates a sampling of the range of OGMA approaches.



Implementation Advice:

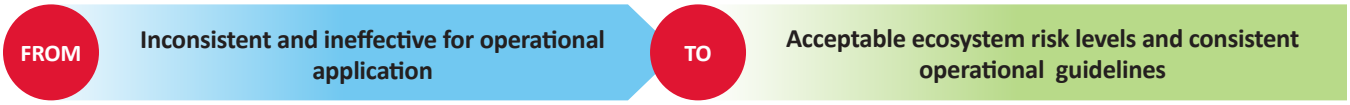
1. Clearly define and communicate the government's overarching objective(s) and priorities for the management of old forests in guidance or standards that provide:
    a. clear direction on the intent; and
    b. provide flexibility for local adaptation.
2. Establish a scientific and technical panel to provide oversight and advice to developing updated guidance, including government and external experts, and incorporating operational knowledge and experience.
3. Establish a scheduled review and update process for guidance.
4. Review the Biodiversity Guidebook (1995) and the Landscape Unit Planning Guide (1999) and determine whether it would be better to update or replace them. In doing so, decide where and how to place:
    a. Biological diversity: Should be addressed for the whole landscape, including seral stage distribution and grasslands; and
    b. Old forest: Focus on categories of old, ancient, and rare forests and the various values and objectives assigned to them.
5. Provide for consistent processes and administrative requirements across the province, while accommodating the diversity of ecosystems, disturbance history (natural and anthropogenic), and community values, e.g.:

a. Reporting requirements, i.e., content, geographic unit, timing;
b. How to buffer for unplanned events, e.g., wildfire, disease pests, slides, etc.;
c. Assign clear objectives to every OGMA);
d. Consistent, rigorous, objective and transparent processes for assessing options, including risk to ecological values and economic costs and benefits; and
e. Adopt a standardized, responsive process for amending (moving) spatial designations.

6. Incorporate an extension and education component tailored to practitioners, managers, and decision-makers.

10. Update Biodiversity Targets and Guidance

Update the targets for retention and management of old and ancient forest.



Rationale:

Implementation of the aforementioned recommendations will ensure we are meeting current targets, establishing a more inclusive and informed governance process and providing updated guidance to managers. Establishing the recommended overarching commitment to ecosystem health will also require us to update our retention targets and improve our guidance for retention and management of old forests.

1. **Ecosystem Health:** Scientific research provided to the panel projects that almost all of the province's most productive forest ecosystems are, or very shortly will be, in a high biodiversity risk scenario and the rest of the ecosystems will move into a similar situation under the current old forest policies and practices. This will result in lower ecosystem resilience, loss of species and compromised ecosystem services in many areas.

2. **Use Best Science:** Developing new guidance is of little value if it is not incorporated into both our targets and practices. Current targets have been in place for up to 25 years and no longer reflect today's reality. It is time to reset them to incorporate the latest research and practises and recognize the impacts to old forests that have occurred in the intervening time.

3. **Shifting Paradigm:** The survey conducted as part of our review and the panel's outreach process suggests there is widespread support for conserving and maintaining biodiversity and other old forest values. Many argue that increased retention of old forest is necessary to achieve this, and to provide a buffer against uncertainty. We heard concurrently the sentiment that families and communities that depend on harvesting and manufacturing timber from old forests need to be considered in any change.

4. **Conserve Future Options/Choices:** Very old and ancient primary forests have evolved over a long time, including some that have not experienced significant stand-replacing events. As a result, these forests are repositories of biota and process we may not even know or understand. This makes them an extremely important buffer against species extinction, climate change, and lost future opportunities. Many of these irreplaceable forests are in the THLB and are subject to harvesting. Harvesting them would mean their inherent value and future options will also be lost.

Implementation Advice:

1. Re-evaluate the assignment of biodiversity risk in light of overarching commitments to ecosystem health and managing biodiversity risk.
    a. Develop a schedule that prioritizes areas where we have the greatest risk to biological diversity under the current targets and management regime.
    b. Utilize information and advice from evaluation work and updated guidance to inform implementation.
    c. Formally incorporate the importance of very old or ancient forests and ecosystems by adding new classifications and specific management targets and guidelines.
    d. Be specific about whether the objectives of each area identified are required to be left undisturbed or managed to maintain attributes.
    e. Address connectivity and multiple-scale objectives.
2. Where there is a deficit of old forest necessary to meet the updated targets, incorporate a formal recruitment strategy.
    a. Conduct analysis of the expected socio-economic benefits and costs, both short and long term.
    b. Involve local communities in making decisions and choosing options.
3. Verify that OGMAs have the intended attributes through LIDAR, ground-truthing, or other means.
4. Adopt a standard set of provincial guidelines for OGMAs in each OGMA category as illustrated in the figure below.

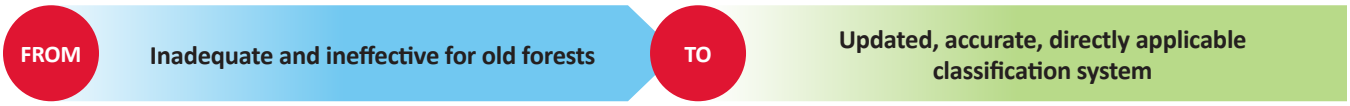
OGMA GUIDELINE CONSIDERATIONS

1. What is an old forest (OGMA), i.e., must be old, must be big, etc.
2. Guidelines for the size and shape for old forest areas to achieve the objectives of that area.
3. Types of management activities that are allowed in those areas, e.g., stand treatments to maintain NDT properties.
4. Incursions — when allowed, what type of incursion.
5. Requirements for unavoidable incursions (e.g., need replacement areas).
6. How to move an OGMA.

5. Eliminate generalizing, including ensuring that Protected and Conversion zones (see recommendation 3) are allocated to the proper BEC/LU/SI category.

11. Inventory and Old Forest Classification

Improve the mapping and classification of old forests to recognize multiple values.



Rationale:

1. Refine Guidance: The current system uses age class as a proxy for old forest — over 140 years in the interior and over 250 years on the coast. Only using age class does not recognize the inherent complexity in old forests and the range of values that they contain. We cannot separate whether an area was categorized as an OGMA because of its biodiversity, spiritual, recreation or other values and

it is very difficult if not impossible to set parameters on how to manage the area to protect its values. Even full protection can fail if the value being protected requires some level of intervention, e.g., maintaining structure in old fire-maintained ecosystems.

2. **Recognize Variation:** The mature and over-mature age classes were created from a timber perspective and are valuable from that perspective, however, these age classes need to be further refined when managing for genetic or biological diversity. A 250-year-old Douglas Fir stand that has regrown after a disturbance is completely different than a 250-year-old Douglas Fir stand in a 3,000-year-old undisturbed ecosystem in terms of genetic, scientific, ecological, ecosystem function and intrinsic values.

3. **Protect Values:** Our current classification does not allow us to identify important values that we may all want to protect. It is impossible to differentiate between an area that has old big trees that has value for recreation and some minor habitat from another area that contains ancient genetic material that may help save landscapes or contain cures for diseases that help save mankind, or have critical habitat necessary for the survival of an important species.

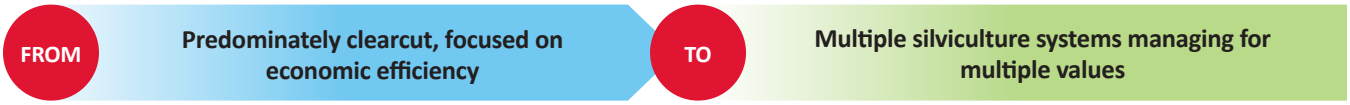
4. **Improve Management:** The quality and even existence of forest and BEC mapping in the province is highly variable ranging from very good (not excellent) to poor or non-existent. While this mapping has improved over time, most OGMAs and strategies for the management of old forests were implemented 25 years ago when much of this information was of a much poorer standard. Numerous errors have been found where old forests that were incorrectly labeled or mapped or in some cases don't even have old trees. Some regions have undergone adjustments, but many areas still have poor information or haven't updated their old forest strategies to the new information.

Implementation Advice:

1. Refine the Province's Natural Disturbance Types (NDTs) to a finer classification system. For example, one submission said that there could be as many as 8 refinements to fire regime NDTs.
2. Work with a team of inventory and habitat mapping specialists and scientific experts in the management of old forests and classification to develop a new classification system for old forests.
    a. It might be something like habitat mapping, i.e., considers a number of factors to assign a classification.
    b. Refine the OGMA name to reflect the objective, e.g., biodiversity, iconic, ancient, recreation, spiritual, etc.
3. Add new age classes to the current inventory system.
    a. Recommend 250-500 years, 500-1,000 years and 1,000 years plus (confirm these new age class definitions with old forest experts).
4. Refine mapping of all old forest in the province:
    a. 100+ years for the interior, 140+ years for the coast;
    b. Do at a relatively detailed level;
    c. Ideally this would adopt the use of LIDAR for these areas; and
    d. Continually verifying that OGMAs have the intended attributes through LIDAR, ground-truthing, or other means.
5. Establish a program with industry to acquire their inventory information for public use.

12. Innovative Silviculture Systems

Create a silviculture innovation program aimed at developing harvesting alternatives to clearcutting that maintain old forest values.



Rationale:

1. **Improve Acceptance:** The clearcut (including clearcut with reserves) silviculture system is the mainstay of the BC forest industry because, as numerous industry representatives told the panel, it is the most cost-effective. However, this system is also the most contentious because it often significantly compromises many other values on the land (e.g., biodiversity, tourism, Indigenous sustenance use) and many ecosystem services. Most of the communities, local governments, local organizations and citizens we interviewed from across the province told us they were frustrated that their landscapes were being cleared, their local values were being compromised (particularly water supply) and they were getting little or no local return or compensation for these impacts. Areas that used gentler silviculture systems to mimic NDT patterns or enhance ecosystem services (e.g., water retention, visual, and habitat), were generally deemed more acceptable.

2. **Ecosystem Heath:** Managing for ecosystem health and low biodiversity risk requires maintaining a percentage of the ecosystem in as close to its original state as possible, but very few of BC's NDTs yield stands look or function like clearcut systems. Even the fire-dominated northern NDT 3 areas (frequent stand replacing events) yield landscapes that are a mixture of species, standing dead and live trees and varying structure. Managing for attributes that mimic the NDT type can support ecosystem health at a stand and a landscape level plus preserve the integrity of many ecosystem services.

3. **Increase Access:** Using silviculture systems that are more gentle and manage for multiple values are generally more acceptable to the wider public because they tend to be gentler on the land, have a higher chance of protecting important community ecosystem services and result in forests that are more appealing because they look more like the pre-harvest forests. As the public gains trust with these systems, they should generally become more amendable to timber harvesting thus increasing access to the forest land base.

4. **Reduce Conflict:** In much of British Columbia, the forest industry has played out as clearcut or no-cut, often with little attempt to manage for multiple values. This tends to foster an all or nothing approach, i.e., allow or don't allow industrial activity, which leads to tensions and compromises that may not be necessary if more balanced options were available. The variable retention system used on parts of the Coast starts to move away from this hard distinction, as do selective systems in the Interior Douglas Fir zone. While conventional clearcut harvesting (with appropriate measures to protect water, soil, and critical habitat) may still be appropriate in a few areas (e.g., second growth plantations), other approaches are needed to achieve additional public objectives across the land base.

5. **Operational Efficiency:** There are pockets that use, and there have been sporadic attempts at creating, silviculture systems that manage for multiple values and are more acceptable to the public, but they generally didn't get the appropriate support, have a longer-term program framework and/or become adopted a wider scale. Having a dedicated program that designs, operationally tests,

measures, and reports on silviculture systems aimed at optimizing a suite of ecological and socio-economic objectives at an operational level increases options available to forest managers.

6. **Increase Overall Returns:** The current clearcut systems preserve relatively few valuable ecosystem services. There are examples of alternate systems such as Interior Douglas Fir on dry sites, where continuous shelterwood systems are needed because clearcut sites are generally too hot for seedling survival. Due to climate change, this same condition may also be true of Cedar-Hemlock sites in the near future. Alternate silviculture systems tend to preserve more of the inherent ecosystem services (e.g., Shelter for seedlings, filtered water, cooler streams for fish, carbon storage, habitat), make the area more conducive for other forest sector businesses, and reduce mitigation costs for other sectors, all of which in turn tend to increase overall net returns from those areas.

Implementation Advice:

1. Implement a program that supports a collaboration of industry, operations practitioners and scientists to develop and implement a set of silviculture systems that are cost-effective and maintain or enhance other values, e.g., maintain each NDTs old forests as close as possible to their inherent states, water retention, habitat, etc.
2. Develop partnerships with:
    a. Other governments (e.g., Forestry Canada and Indigenous);
    b. Existing research organizations (e.g., FP Innovations, universities, non-profits);
    c. Forest licensees (especially community forests and other area-based licensees);
    d. BC Timber Sales program;
    e. Local governments and water purveyors;
    f. Wildlife management programs;
    g. BC Climate Action Secretariat; and
    h. Other potential public and private sector collaborators.
3. Test a series of silviculture systems and variations to achieve the previous goals, i.e., manage old forests to effectively achieve a defined suite of values and objectives, recruit and encourage old forest attributes where required to meet long-term objectives; and demonstrate and encourage new practises.
4. Once tested, make these proven silviculture systems the default requirement for each NDT and/or ecosystem type and provide clear guidance on when these systems might be varied because of local operational constraints.
5. Ensure that there is support for operations to effectively utilize these systems, such as:
    a. Facilitate communication and collaboration across jurisdictions and disciplines;
    b. Facilitate knowledge transfer to practitioners;
    c. Involve local residents and stakeholders; and
    d. Ensure that the stumpage system provides appropriate offsets to cover extra costs.

Orderly Transition

13. Transition Planning at the Provincial and Local Levels

Once developed, implement the new policies and strategies for the management of old forests through mandatory provincial and local transition plans that define, schedule and monitor the process.

Rationale:

1. **Credibility**: Past attempts at changing the management system for old forests have not been as effective as they could have been because they lacked formal implementation plans, comprehensive implementation, appropriate resourcing and effective public accountability mechanisms. In light of this history, there is significant skepticism about this current Old Growth Management review process. This can be mitigated to some degree by planning for results with mandatory, publicly accountable transition plans.

2. **Avoid Unnecessary Harm**: In the absence of mandatory, publicly accountable transition plans, history has shown us that we tend to fall back to old habits, further compromise ecosystem health, continue to impact other forest values and create more negative socio-economic impacts.

3. **Proactive:** The primary forest is finite and diminishing, and each area's transition requirements vary depending on how much primary forest currently exists, economic conditions (expansion or contraction of the THLB) and land-use decisions. Areas that proactively plan for this transition generally have more options than areas that only react to the situation when they run out of available timber.

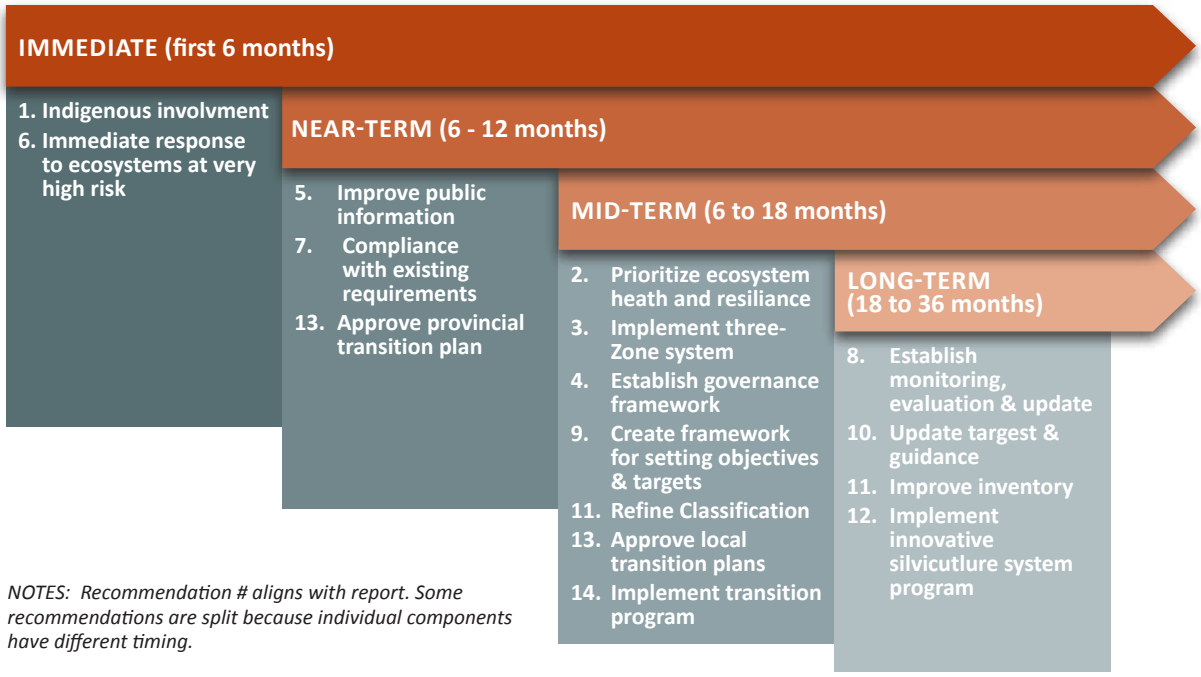
4. **Stability:** At a larger scale, these transitions are attempting to address destabilizing events, but it is possible to provide some level of stability by proactively planning ahead, being accountable for achieving targets in mutually supported mandatory plans and having the ability to adjust those plans as circumstances evolve. These parameters improve an area's ability to adjust their trajectory and work their way through inevitable economic cycles.

Implementation Advice:

1. Recognize that transitions will occur at:
    a. The provincial level from the resultant old forest policy and strategy that will arise from these recommendations; and at
    b. The local level from:
        i. Deferrals and long-term strategies to address immediate threats to ecosystems;
        ii. Moving to compliance with current biodiversity targets; and
        iii. adopting updated biodiversity targets, OGMA guidelines and practices.
2. Immediately engage Indigenous leadership at the appropriate level (provincial and/or local) in each of these transitions (this includes developing a quick response plan to recommendation #6).
3. Review the government's internal organization to ensure that the strategies and priorities for management of old forests will be successfully implemented:
    a. Inter-ministry accountabilities, authorities, and coordination;
    b. Clear cross-government priorities and direction to staff;

c. Adequate staffing and resources;
d. Support for the new planning systems; and
e. Effective multi-disciplinary processes.

4. Develop and formally approve an overall implementation plan that will accompany the provincial old forest policy and strategy that will result from this report's recommendations. Implementation recommendations include:
   a. Done under a Province-Indigenous government-to-government umbrella;
   b. Needs to engage various government, scientific, operational and planning experts; and
   c. Should include a clear schedule (the following provides an overview of the panel's view on prioritization and broad scheduling of the recommendations in this report).



NOTES: Recommendation # aligns with report. Some recommendations are split because individual components have different timing.

5. Provide for local transition plans in legislation (perhaps initially in FRPA and the Old & Gas Activities Act, but eventually in the new proposed overarching legislation).
   a. Make transition plans a mandatory consideration in AAC determinations by including a new clause in the *Forest Act* Section 8(8)(a).
   b. Provide direction and authority to statutory decision makers to consider the impact of authorizations on the objectives of a transition plan.
6. Develop government-led local transition plans on a scheduled, prioritized basis.
   a. Begin immediately in management units with the:
      i. Highest risk to biodiversity;
      ii. Most constrained timber supply (hard to find the AAC); or
      iii. High public values in the primary forest that are not compatible with conventional timber harvesting.
   b. Complete remaining plans in conjunction with scheduled TSRs.
7. Recognize the unique ecological, social, economic, and timber supply circumstances of each management unit and its dependent communities and develop a plan specific to its needs.
   a. Develop implementation plans collaboratively with the most directly affected communities.
   b. Recognize and address the potentially disproportional impact on small area-based tenures.
   c. Conduct a realistic assessment of economic diversification opportunities and options, including the time required to realize them, and the probability of success (could be value-added manufacture of wood products, botanical forest products, tourism, and commercial recreation, etc.). Ensure they are viable options — not just ideas.

d. Assess the opportunities/suitability of the forest to alternative silviculture systems outside the Converted zone.
e. Assess timber operations' dependence on old forests for economic viability and possible transition to second growth.

8. Review the stumpage system to evaluate: the true direct and indirect costs and effects of silviculture systems that are carried out; its effect on the Province's ability to meet biodiversity targets and other established old forest objectives; and its effect on potential silviculture innovation.
9. Explore the potential of a land acquisition fund to enable the purchase of land or covenants to retain or recruit old forest in ecosystems at high biodiversity risk, or otherwise of high public interest.
10. Report publicly on implementation of transition plans.

14. Transition Support for Communities

Support forest sector workers and communities as they adapt to changes resulting from a new forest management system.

Rationale:

1. Proactive versus Reactive: There are already a number of areas in the province that are facing significant economic restructuring because they are at or near the point of diminished timber supply. It is much better to be proactive and manage this transition when we still have options versus reacting to a crisis when it is upon us, e.g., a mill shutdown.

2. Local Dependence: The importance of the forest sector to the economy and social well-being of the province as a whole is diminishing but still important. This broader picture belies the fact that there are still a significant number of local areas that are highly dependent on this sector and any transition away from a timber-based economy will drive deep into the core and possibly even the economic survival of those areas. Those communities will need support to reform themselves now and develop other options while they still have choices.

3. Fairness: We live in a society where the generally accepted convention is to support communities that bear a disproportional share of the negative consequences from broader societal decisions. The support we provide them should be sufficiently substantive to meaningfully mitigate the effects of those consequencess.

4. Foster Confidence: There is a tremendous amount of local uncertainty and lack of confidence within the timber sector, and it is too late to pretend that things are fine or to try to avoid the inevitable shortages of timber. Areas that are facing economic changes are generally aware that negative changes are coming, and they need support in planning a scheduled change. This will help foster confidence and support for the larger system in those areas.

5. Improve Local Economies: There are still forest-based economic options that can be realized in many areas. On their own, these options may not offer the same level of local employment or economic spin-offs as the timber sector in the short-term, however they may be much more sustainable in the long-term. There are still probably significant opportunities for continued local timber sector benefits if new innovative systems can be used.

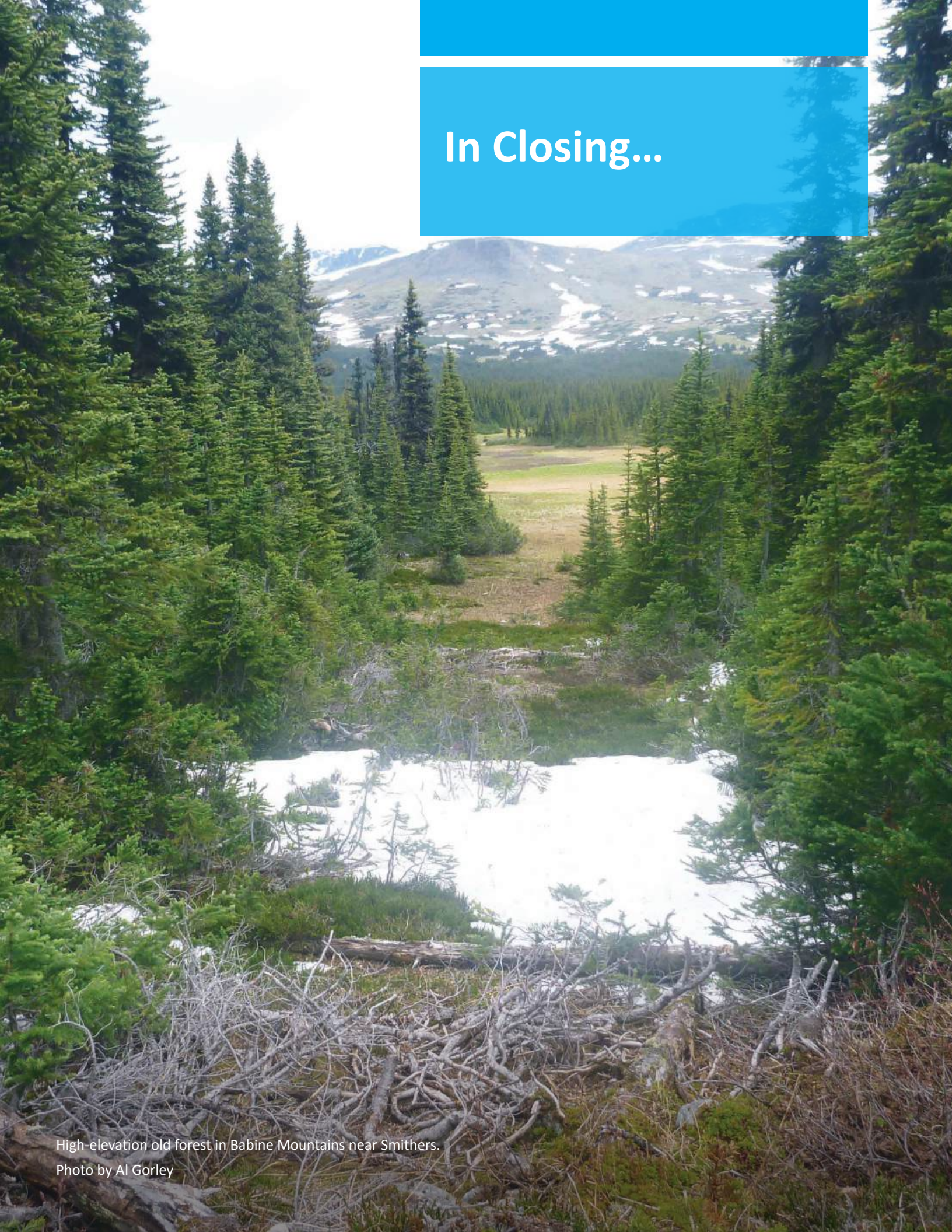
Implementation Advice:

1. Require a socio-economic transition plan for every area where the forest transition plan may result in a higher negative impact than a defined threshold to local, regional or provincial social and economic values.
2. Provide adequate funding for plan implementation, including:
    a. Capacity to investigate and facilitate local and regional economic opportunities;
    b. Bridge financing assistance for businesses;
    c. Workforce adjustment; and
    d. Conservation funding (e.g., carbon, biodiversity).
3. Develop and implement policies and programs aimed directly at promoting local manufacture, especially for value-added specialty and high-value products.
4. Develop and implement policies and programs aimed directly at generating sustainable economic benefits from forest-focused tourism, e.g., Improved access, facilities and interpretation for visiting big trees and unique ecosystems (e.g., Similar to Cathedral Grove, Ancient Forest Recreation site etc.) and other non-timber forest businesses.
5. Review existing administrative practices, including the stumpage system, to ensure they do not inhibit local economies.



Spruce –Lady fern-Oak fern ecosystem.
Photo courtesy Deb MacKillop.

In Closing...



High-elevation old forest in Babine Mountains near Smithers.
Photo by Al Gorley

IN CLOSING…

Our strategic review of the management of old forests led us to conclude that despite the good intentions and efforts of many people, including government personnel associated with forest management development and implementation, the overall system of forest management has not supported effective implementation or achievement of the stated public objectives for old forests. This has not come about because of any one group or decision, but by a pattern of many choices made over several decades, within an outdated paradigm.

Our current system of forest management emerged in the middle of the of the 20th century, when the provincial policy was focused on generating economic wealth and "building the province" by monetizing the vast natural supplies of timber and converting them to tree farms. Only later, especially through the 1990s, did conservation and management for ecological values across the landscape receive serious attention. Since that time, a great deal of effort has gone into creating protected areas, planning for multiple uses of forest lands, and designing systems to manage forest practices that respect a range of values including biological diversity. The underlying timber policy remained oriented toward a sustained yield of timber but was now somewhat constrained by these new policies and practices.

Our ever-expanding understanding of forest behavior and management, as well as the effects of climate change, have made it clear that we can no longer continue to harvest timber and manage forests using the approaches we have in the past while also conserving the forest values we cherish. We therefore have to be honest with ourselves and collectively and transparently make the difficult choices necessary to ensure future generations of British Columbians can enjoy and benefit from our magnificent forests, as we have done.



Recently planted woodlot near Port Hardy.
Photo by Trevor Pancoust



Old dry pine forest in the Interior.
Photo by Al Gorley

Forest Stewardship Within Pacheedaht Territory
Pacheedaht Chief & Council, Port Renfrew, BC
April 12th, 2021

Pacheedaht First Nation holds unceded Aboriginal title and rights in our Territory, which is located on the southwest coast of Vancouver Island. We have a spiritual connection with our Territory, and our culture is based on our relationship with our lands and resources. We have inherent governance rights and sacred responsibilities to manage the human use of resources in our Territory.

Pacheedaht is concerned about the increasing polarization over forestry activities in our Territory. Decisions about the use of our forestry resources in our Territory need to be made by Pacheedaht. Pacheedaht has always harvested and managed our forestry resources, including old-growth cedar, for cultural, ceremonial, domestic and economic purposes. Our constitutional right to make decisions about forestry resources in our Territory, as a governing authority in our Territory, must be respected.

We are in the process of undertaking an Integrated Resource Stewardship Plan that will be developed by our community, for our community and will be led by our hereditary and elected leaders. Our Stewardship Plan will include the identification of special sites, traditional use areas and places where conservation measures will be in place. Given our governance rights, this Stewardship Plan must guide forestry activities in our Territory. To provide our community with the time necessary to develop our Stewardship Plan, we have secured commitments from tenure holders and the government of British Columbia to suspend and defer third-party forestry activities within specific areas identified by Pacheedaht. This will result in the implementation of an immediate interim conservation measure. We are also engaged in treaty and other government-to-government negotiations with British Columbia and Canada to recognize our Aboriginal rights, including governance rights.

Our rightful ownership and management of forest resources within our Territory need to be acknowledged. All parties need to respect that it is up to Pacheedaht people to determine how our forestry resources will be used. We do not welcome or support unsolicited involvement or interference by others in our Territory, including third-party activism. Pacheedaht needs to be left in peace to engage in our community-led stewardship planning process so that we can determine our own way forward as a strong and independent Nation.

Klecko, Klecko!

Pacheedaht Hereditary Chief

Frank Queesto Jones

Pacheedaht Chief Councillor

Jeff Jones

RAINFOREST
FLYING SQUAD



A LETTER FROM ELDER BILL JONES

Hello all defenders of our sacred forests.

I am an elder in the community of Pacheedaht. We all have a role and a part in this and we need to appreciate and honour our differences. Difference is a good thing. Different strategies are a good thing. People of all ages and genders and races and cultures and classes need to walk together in order to help heal the wounds of colonialism and environmental destruction.

Get out to the woods.

Talk to each other, listen to each other. If you feel like somebody is not honourable take the time to communicate directly with them and meet them face-to-face to discuss your concerns.

We must trust that people involved in this movement are taking time out of their short lives and doing their very best to make positive change in this world. If people are willing to put themselves in this vulnerable position – of standing on a logging road or speaking out on the internet about the damage to our mother earth and the destruction of our sacred places – then we must trust that although we might not always say the right things or walk the right path we still deserve to be treated with respect.

The Fairy Creek watershed is a sacred place for many reasons. I have many stories about this area, from my own experiences as a child and young man and also stories that were told to me by my elders. It breaks my heart in half when I see these last remaining stands being ravaged so a few people can have jobs for a few more months.

For any of you who are non-indigenous or do not identify with your indigeneity, do your best to follow the protocols of the land and culture where you live but also know that lifelong learning happens for everybody, in every culture. You will make mistakes, as we all do, and you, like myself, will continue to learn until the day you die.

For those of you who are indigenous, remember that there are many voices within our communities and many different priorities and many different paths to take. Some of us have committed our entire lives to upholding or reviving our cultures and traditions and some of us [illegible] to that place early in life and some of us came to it late. We are men and women of all ages. Some of us live in cities, some of us live in the bush. Some of us live on reserves, and some of us live thousands of miles away from our homeland. We work in offices, we are loggers, we are miners, we are healthcare providers and teachers and students and activists. We, like everyone else, are wonderfully diverse.

These forests bring us the clean air that we need to breathe and the clean water that we need to drink and all the plants and animals that we need to sustain not only our bodies but also our spirits.

Be humble and remember why you have all crossed paths in the first place.

I'll say this again. Go for a walk in the woods.

Thank you all.



RAINFOREST
FLYING SQUAD

DONATE

For all inquiries:
rain4estflyingsquad@gmail.com

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City of Port Moody

Council Resolution

March 23, 2021

RC21/164 (moved, seconded, CARRIED)

WHEREAS ancient high productivity (big tree) old growth ecosystems are one of the most valuable tourism, First Nations culture, wild salmon enhancing, biodiversity banking, and climate resiliency assets;

AND WHEREAS only a miniscule fraction of the planet's original, high productive, ancient forests remain in BC, the vast majority of which is slated to be eliminated through logging; including the headwaters of Fairy Creek, the last unprotected intact old-growth watershed on southern Vancouver Island; THEREFORE BE IT RESOLVED:

THAT the City of Port Moody formally oppose the logging of at-risk old growth forests as recommended in the report dated March 12, 2021 from Mayor Rob Vagramov regarding Old Growth Logging;

AND THAT the City of Port Moody call on the Government of British Columbia to immediately and permanently protect the Fairy Creek watershed from further logging;

AND THAT the City of Port Moody call on the Government of British Columbia to immediately defer logging in all at risk old growth forests, including all remaining high-productivity old growth forests, as identified by the independent Old Growth Strategic Review Panel, until all 14 of the panel's recommendations have been implemented;

AND THAT the City of Port Moody call on the Government of British Columbia to allocate funding to support the economic transition of affected communities away from unsustainable old growth logging, in the full spirit of Indigenous reconciliation where applicable, for the development of long term sustainable local economies and Indigenous Protected and Conserved Areas where applicable;

City of Port Moody

Council Resolution

March 23, 2021

RC21/164 (moved, seconded, CARRIED)

AND THAT the following resolution be sent to the Lower Mainland Local Government Association and the Union of BC Municipalities with this report, dated March 12, 2021 from the Office of Mayor Rob Vagramov regarding Old Growth Logging:

WHEREAS ancient high productivity (big tree) old growth ecosystems are one of the most valuable tourism, First Nations culture, wild salmon enhancing, biodiversity banking, and climate resiliency assets;

AND WHEREAS only a miniscule fraction of the planet's original, high productive, ancient forests remain in BC, the vast majority of which is slated to be eliminated through logging; including the headwaters of Fairy Creek, the last unprotected intact old-growth watershed on southern Vancouver Island;

THEREFORE BE IT RESOLVED THAT the Government of British Columbia immediately defer logging in all at risk old-growth forests, as identified by the independent Old Growth Strategic Review panel until all 14 of the panel's recommendations have been implemented, and support the transition of affected local communities toward more sustainable jobs.

AND BE IT FURTHER RESOLVED THAT the Government of British Columbia allocate funding to support the economic transition of affected communities away from unsustainable old growth logging, in the full spirit of Indigenous reconciliation where applicable, for the development of long-term sustainable local economies and Indigenous Protected and Conserved Areas where applicable.

OFFICE OF THE MAYOR
CITY OF NANAIMO, BRITISH COLUMBIA

March 31, 2021

Sent via email: premier@gov.bc.ca

The Honourable John Horgan
Premier of British Columbia
PO Box 9041 STN PROV GOVT
Victoria, BC V8W 9E1

Dear Premier Horgan,

Re: City of Nanaimo Councillor Ben Geselbracht Motion
Call For Immediate Protection Of All At-Risk Old-Growth Forests In BC

At the Regular Council meeting of the City of Nanaimo held on March 29, 2021, Council passed the following motion:

It was moved and seconded that:

WHEREAS ancient high productivity (big tree) old growth ecosystems are globally one of the most valuable climate mitigation and resiliency assets in terms of carbon storage, sequestration, protection against wildfire, storage of water and bank of biodiversity;

AND WHEREAS, of the miniscule amount (2.7%) of the original high productivity (big tree) old-growth forests that are left (less than 1% of BC's total current forested area), 75% are still slated to be eliminated through logging; BE IT RESOLVED

THAT the City of Nanaimo call on the provincial government to immediately defer logging in all high productivity, rare, oldest, and most intact old-growth forests as recommended by the Old-Growth Strategic Review, until all 14 of the panel's recommendations have been implemented; including deferrals in such at-risk old-growth forests as, the head waters of Fairy Creek, the Upper Walbran Valley, Nahmint Valley, Eden Grove, Edinburgh Mountain, Upper Tsitika Valley, East Creek, Klaskish Valley, Nimpkish Lake and the Inland Old-Growth Temperate Rainforest.

AND THAT the City of Nanaimo formally oppose the logging of at-risk old-growth forests;

AND THAT the City of Nanaimo call on the Government of British Columbia to allocate funding to enact deferrals in an economically just manner, in the full spirit of reconciliation and to support the economic transition of affected First Nations and non-

First Nation communities from unsustainable old-growth logging for the development of long-term sustainable local economies.

AND THAT the following resolution be sent to the Union of BC Municipalities and as a late submission to AVICC.

Immediate Protection for all at-risk Old-growth Forests in BC

WHEREAS ancient high productivity (big tree) old growth ecosystems are globally one of the most valuable climate mitigation and resiliency assets in terms of carbon storage, sequestration, protection against wildfire, storage of water and bank of biodiversity;

AND WHEREAS, of the minuscule amount (2.7%) of the original high productivity (big tree) old-growth forests that are left (less than 1% of BC's total current forested area), 75% are still slated to be eliminated through logging; BE IT RESOLVED

THAT the UBCM and AVICC call on the provincial government to immediately defer logging in all high productivity, rare, oldest, and most intact old-growth forests as recommended by the Old-Growth Strategic Review, until all 14 of the panel's recommendations have been implemented; including deferrals in such at-risk old-growth forests as the head waters of Fairy Creek, the Upper Walbran Valley, Nahmint Valley, Eden Grove, Edinburgh Mountain, Upper Tsitika Valley, East Creek, Klaskish Valley, Nimpkish Lake and the Inland Old-Growth Temperate Rainforest.

AND THAT the UBCM and AVICC call on the Government of British Columbia to allocate funding to enact deferrals in an economically just manner, in the full spirit of reconciliation and to support the economic transition of affected First Nations and non-First Nation communities from unsustainable old-growth logging for the development of long-term sustainable local economies.

The motion carried.

Opposed: Mayor Leonard Krog, Councillors Armstrong, Thorpe, Turley

Sincerely,

Leonard Krog
MAYOR

City of Powell River

City Hall – MacGregor Building
6910 Duncan Street, Powell River, BC V8A 1V4
Telephone 604.485.6291 • Fax 604.485.2913
www.powellriver.ca • info@cdpr.bc.ca

File No. 0410-01

From the Office of the Mayor

March 16, 2021

The Honourable Katrine Conroy
Minister of Forests, Lands, Natural Resource Operations
& Rural Development Contacts
FLNR.Minister@gov.bc.ca

Dear Minister Conroy:

Re: Old Growth Strategic Review Recommendations

At the March 2, 2021 Committee of the Whole meeting, Powell River City Council put forward a resolution endorsing the recommendations in the Old Growth Strategic Review Report, with particular emphasis on recommendations 1 (Indigenous Involvement) and 6 (Immediate Response to Ecosystems at Very High Risk).

As was outlined in your November 26, 2020 mandate letter, we encourage the Province and your Ministry to follow through on the expectation to "Implement the recommendations of the Old Growth Strategic Review in collaboration with Indigenous leaders, labour, industry, and environmental groups to protect more old growth stands – in addition to the 353,000 hectares protected in September 2020".

Thank you for your consideration.

Yours truly,
CITY OF POWELL RIVER

David Formosa
Mayor

DF/jl
Ec: Council
Premier Horgan

BC CLIMATE ACTION COMMUNITY 2015

THE CITY OF VICTORIA

OFFICE OF THE MAYOR

April 9, 2021

The Honourable John Horgan
Premier of British Columbia
PO Box 9041 Stn Prov Govt
Victoria, BC V8W 9E1

Dear Premier Horgan,

On behalf of Victoria City Council, I am writing today to request favourable consideration of the motion below passed at the April 1, 2021 Council meeting:

> WHEREAS Ancient high productivity old-growth ecosystems are globally one of the most valuable climate mitigation and resiliency assets in terms of carbon storage, sequestration, protection against wildfire, storage of water and preservation of biological diversity;
>
> AND WHEREAS Less than 3% of the original high productivity (big tree) old-growth forests in British Columbia remain standing, and of this residual land base, 75% is slated to be eliminated through industrial logging operations;
>
> AND WHEREAS Alternatives exist to increase protection of biological diversity and employment, through the immediate transition to sustainable management of second-growth forests with expanded value-added processing and manufacturing;
>
> THEREFORE BE IT RESOLVED THAT the City of Victoria calls on the Government of British Columbia to immediately defer logging in all high-productivity old-growth forests on Vancouver Island, as recommended by the Old Growth Strategic Review, until all 14 of the panel's recommendations have been implemented, including the Fairy Creek watershed in the Capital Regional District and all other at-risk old-growth forests on Vancouver Island;
>
> AND BE IT FURTHER RESOLVED THAT the City of Victoria calls on the Government of British Columbia to allocate funding to enact deferrals in an economically just manner, in the full spirit of reconciliation and to support the economic transition of affected First Nations and non-First Nation communities from unsustainable old-growth logging toward the development of long-term sustainable local economies.

.../2

The City of Victoria recognizes the Songhees and Esquimalt Nations in whose traditional territories we live and work "Hay swx qa"

1 Centennial Square Victoria British Columbia Canada V8W 1P6
Telephone (250) 361-0200 Fax (250) 361-0348 Email mayor@victoria.ca
www.victoria.ca

Thank you for your time and consideration. Please do not hesitate to reach out should you have any questions regarding this letter.

Sincerely,

Lisa Helps
Victoria Mayor

Cc: MLA's representing constituencies on Vancouver Island
Capital Regional District Board
Capital Region Municipalities
Association of Vancouver Island and Coastal Communities

The City of Victoria recognizes the Songhees and Esquimalt Nations in whose traditional territories we live and work "Hay swx qa"

MEMORANDUM

Date: May 10th, 2021.

To: Capital Regional District Board of Directors.

From: Pacheedaht First Nation.

Re: NOTICE OF MOTION TO CAPITAL REGIONAL DISTRICT BOARD MEETING OF MAY 12, 2021 CONCERNING FOREST MANAGEMENT.

Pacheedaht strongly urges the CRD Board to take into account the following, show an appropriate level of respect to the sovereignty and wishes of our Nation, respect our desire for self-determination, and act appropriately by rejecting the proposed motion:

1. Please read, digest and understand the statement provided by Pacheedaht First Nation dated April 12th 2021. A copy is attached to this memorandum for your convenience. We believe that the statement makes our Nation's position abundantly clear. CRD has had ample time to inquire and seek clarification. If there is any residual confusion or lack of clarity about the meaning and intent of the statement, please inquire in writing.

   To summarise, reiterate and clarify the key points in the April 12th Pacheedaht statement:

   i. Pacheedaht First Nation is concerned that third-party interference on our Nation's interests and affairs including resource stewardship is polarizing and harming our community, and we have asked for it to cease.
   ii. Pacheedaht is conducting an inclusive Integrated Resource Stewardship Plan (IRSP) involving our entire community to guide the future management of our Traditional Territory.
   iii. Pacheedaht does not welcome unsolicited interference or involvement from others.

2. Please provide in the form of written evidence, confirmation of the extent to which the legal jurisdiction and capacity of BC Regional Districts (including the CRD) includes:

   i. Forest management.
   ii. First Nations matters including landscape planning, community planning, economic development.
   iii. Park designation and acquisition.

3. Please explain in writing how CRD is compelled to develop policy or otherwise take action that will affect CRD residents in response to lobbying received from distant, unrelated municipal governments, and please explain how such lobbying could compel

CRD to continue to ignore the clearly-articulated positions of First Nations, including Pacheedaht.

4. Pacheedaht First Nation strongly encourages CRD to continue to focus on policy, planning and service delivery, and to work with our Nation and the nearby communities on priority matters within CRD jurisdiction.

5. In the event that Pacheedaht First Nation determines at some point in the future that our Nation would benefit from increased involvement from CRD in the stewardship of our Traditional Territory, we will contact you.

Forest Stewardship Within Pacheedaht Territory
Pacheedaht Chief & Council, Port Renfrew, BC
April 12th, 2021

Pacheedaht First Nation holds unceded Aboriginal title and rights in our Territory, which is located on the southwest coast of Vancouver Island. We have a spiritual connection with our Territory, and our culture is based on our relationship with our lands and resources. We have inherent governance rights and sacred responsibilities to manage the human use of resources in our Territory.

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Our rightful ownership and management of forest resources within our Territory need to be acknowledged. All parties need to respect that it is up to Pacheedaht people to determine how our forestry resources will be used. We do not welcome or support unsolicited involvement or interference by others in our Territory, including third-party activism. Pacheedaht needs to be left in peace to engage in our community-led stewardship planning process so that we can determine our own way forward as a strong and independent Nation.

Klecko, Klecko!

Pacheedaht Hereditary Chief

Frank Queesto Jones

Pacheedaht Chief Councillor

Jeff Jones