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- [Premier's Media Gallery](#)
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- [Premier's Service Plan](#)
- [Premier's Annual Service Plan Report](#)
- [Premier's Technology Council](#)
- [Premier's Dialogues](#)
- [Official Correspondence](#)
- [Cabinet Ministers](#)
- [Government Caucus Members](#)
- [Legislative Calendar](#)
- [Open Cabinet Meetings](#)
- [Ministry Service Plans](#)

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# Open Cabinet

## Open Cabinet Transcripts



### TRANSCRIPT OF THE OPEN CABINET MEETING April 2, 2004

Province of British Columbia  
EXECUTIVE COUNCIL

Premier and President of the Executive Council  
 Minister of State for Intergovernmental Relations  
 Deputy Premier and Minister of Children and Family Development  
 Minister of Advanced Education  
 Minister of Agriculture, Food and Fisheries  
 Attorney General and Minister Responsible for Treaty Negotiations  
 Minister of State for Early Childhood Development  
 Minister of Community, Aboriginal and Women's Services  
 Minister of State for Women's and Seniors' Services  
 Minister of Education  
 Minister of Energy and Mines  
 Minister of Finance  
 Minister of Forests  
 Minister of State for Mining  
 Minister of Health Services  
 Minister of State for Mental Health and Addiction Services  
 Minister of Human Resources  
 Minister of Management Services  
 Minister of Provincial Revenue  
 Minister of Public Safety and Solicitor General  
 Minister of Skills Development and Labour  
 Minister of Small Business and Economic Development  
 Minister of Sustainable Resource Management  
 Minister of State for Resort Development  
 Minister of Transportation  
 Minister of Water, Land and Air Protection

Hon. Gordon Campbell  
 Hon. Sindi Hawkins  
 Hon. Christy Clark  
 Hon. Shirley Bond  
 Hon. John van Dongen  
 Hon. Geoff Plant  
 Hon. Linda Reid  
 Hon. Murray Coell  
 Hon. Ida Chong  
 Hon. Tom Christensen  
 Hon. Richard Neufeld  
 Hon. Gary Collins  
 Hon. Michael de Jong  
 Hon. Roger Harris  
 Hon. Colin Hansen  
 Hon. Susan Brice  
 Hon. Stan Hagen  
 Hon. Joyce Murray  
 Hon. Rick Thorpe  
 Hon. Rich Coleman  
 Hon. Graham Bruce  
 Hon. John Les  
 Hon. George Abbott  
 Hon. Sandy Santori  
 Hon. Kevin Falcon  
 Hon. Bill Barisoff

**FRIDAY, APRIL 2, 2004**

**The cabinet met at 9:09 a.m.**

#### Premier's Opening Remarks

**Hon. G. Campbell:** We have a fairly small agenda today, but we have an important item that I have to just outline for all of you at the outset. You will notice that John van Dongen is not here with us today. He will be meeting with the federal Minister of Agriculture, Bob Speller, later this morning.

**[9:10]**

We are facing a tremendously difficult situation with regard to the avian flu and our poultry industry. The industry itself is about an \$815 million industry, and I can tell you that the situation is changing by the hour. The CFIA is working now very closely with our ministry, with the federal ministry, with producers and processors, with the communities in the Fraser Valley. This is already having a significant impact on families in the Fraser Valley, on families that are involved in processing our chickens here. The influenza virus has already been detected on a total of seven poultry farms. CFIA is now reviewing other evidence, and there may be additional farms that will be added to that list.

It is a significant challenge for us. The control zone, as you know, now covers the entire Fraser Valley. We are trying to deal with this as quickly and as positively as we can, but I would be less than straightforward with you if I didn't tell you that things are getting, frankly, tougher right now. They're not getting better. They're getting tougher. This is spreading much more rapidly, I think, than we had initially anticipated it could, and in the last 24 hours alone there have been significant changes and significant developments.

To date there are almost 400,000 chickens that have been disposed of or slaughtered. They've been ordered to be slaughtered. About a third of those are infected. The rest are healthy, but they're being slaughtered as a preventative measure. It is important for the public to know that our primary concern throughout has been public safety - safety for the public generally and safety for the workers and people involved as well. But this is going to have a significant impact on, as I mentioned, an \$850 million industry.

To date all of the strains of avian flu that have been detected have been the H-7 strain, which carries a very low risk for humans. None - and I underline that - have had the more serious H-5 strains which they're seeing in Asia. However, the impacts on the industry are severe. There is no meat from healthy chickens that is allowed to be transported out of the control zone. That creates substantial backlogs in frozen meat inventories. Over 2,000 employees work in the processing industry right now. To date 300 of those workers have been laid off because of those backlogs.

Minister van Dongen, as I mentioned, will be meeting with Minister Speller today. It is clear that we are going to have to find means and methods of financial assistance to those families that are directly involved and to the industry. There is a battery of agencies that are at work right now: our Minister of Agriculture, Food and Fisheries, obviously; the Canadian Food Inspection Agency, who is the prime lead with regard to this; Health Canada; our Ministry of Health Services; our provincial health officer, Dr. Perry Kendall; health authorities and other health officers; the B.C. Centre for Disease Control; and local governments.

Ongoing coordination is going to be critical. I have been talking with the Solicitor General with regard to that, because we want to make sure we can act as promptly as we possibly can, and as we must, to make sure we keep this under control. I have called Prime Minister Martin this morning and told him that this is a critical matter and that we will be looking to develop a financial package that will support the industry and the workers of the industry here in British Columbia.

It will have a far greater reach, I think, than we sometimes expect or, you know, than we envisage. We go to the store, we get ourselves some chicken, and we think that's that. There are a whole bunch of people that work in this industry that are going to need to have some support as we try and mitigate this.

I guess the most important thing for everyone to know is that this is a very volatile situation right now. It's changing rapidly. It's literally changing by the hour. People are discovering new information and are working, frankly, around the clock. I talked with John late last night and again early this morning with regard to this. Our priority is certainly the health of the public. It's also the health of the industry and of the people that work there.

We will be monitoring the situation extremely closely. I'm sure that Minister van Dongen and Minister Speller will have more to say as the day goes on, but we know from the experience with SARS and with BSE that we have the best response capabilities in the country. We are applying all of those to this situation, and I'm sure there will be more to report as we go through the day.

I want you to know that this is a very serious matter. It's a serious matter for the province. It's a serious matter for the Fraser Valley, for the poultry producers, and it's certainly a serious matter for their families. We'll be working together. I will give you updates as we go through this, and John will, I'm sure, give the public updates as we go through the rest of the day. Any questions?

[9:15]

Okay. We have, as I mentioned, a relatively short agenda today. The first item on the agenda will be that Mike and Roger are going to take us through the pine beetle action plan. We are then going to hear from Joyce and Tom with regard to bridging the digital divide, and we're also going to have an update from Colin with regard to the northern health program. We'll start with Mike and Roger. Mike?

## **For Decision: Pine Beetle Action Report**

**Hon. M. de Jong:** Thanks, Premier.

I was thinking back to June of 2001. Probably one of the first initiatives you launched as Premier was when we attended in Prince George to deal with the pine beetle situation and the infestation, and a number of initiatives were launched at that time. That work has been ongoing. Most recently, just before Christmas we had the symposium in Quesnel designed to look at where we're at and to solicit submissions on further initiatives and strategies that we should employ, given where the infestation is.

Since his appointment by yourself, Minister of State Roger Harris has taken this on as a specific project. What we're going to try and do today and what he is going to do is walk the cabinet through what our present status is but, more importantly, through a number of specific initiatives that we think can make a difference, both in the short term and the longer term, from the perspective of dealing with what is a pretty sizable amount of infected timber - what will soon be dead timber. I'm going to turn it over to Roger so that he can walk us through this stuff.

**Hon. R. Harris:** Thank you, Premier.

For the next 20 minutes I'm just going to walk you through a little bit of an update of the epidemic and where it sits right now. I want to take a bit of a review of what we've done, look at some of the results of those efforts, then later on share with you the recommendations that did come out of the Premier's conference in Quesnel that Mike just referred to and then look at some of - or put in front of you, actually - our objectives and an action plan, looking for your approval to go forward with.

It is important to remember, I think, that this is the largest infestation in North America in modern times. It covers an area now that's almost six times the size of Vancouver Island. If you follow through in the binder on this, we'll give you a little bit of the scale and scope and size of this epidemic today. As you can see, in 1999 we had roughly about 165,000 hectares of land that was impacted by the beetle attack. Today we're looking at 4.2 million hectares of land. It is significant, and last winter's weather did not do anything to stem this. It continues to grow. As most of you may know, basically any tree that is attacked by pine beetle eventually dies.

Looking at this expansion and based on what we're seeing, over the next three years we will be experiencing or seeing somewhere in the neighbourhood of 500 million cubic metres of wood that will be destroyed. At today's present harvest rates, if nothing changes, we're going to lose upwards of 200 million cubic metres that will disappear, basically, off the land base for us to use.

With that, we start to look at what we actually know about this. What we do know now is that up to 200 million cubic metres of wood may be lost in the next ten to 15 years. That's significant. We know that whether we harvest that volume or not, the region's AAC, which is the annual allowable cut, over the next ten to 15 years will see significant reduction. It will move from what is the pre-uplift level of about 23 million cubic metres today down to about 17 million.

Because it varies across the regions, that won't look the same in every part. It works out to about a 19 percent reduction of the AAC across the region, but in areas specifically like Quesnel that have been severely hit, we could be seeing an AAC reduction of as much as 29 percent.

Now if we're going to realize any value for the communities in this region, we're going to have to find additional uses for this fibre. That's a critical component of what we're looking at in terms of an action plan. This fibre will be lost and lost permanently unless we take some actions today to try and find ways to open it up.

I want to just cover off some of the things that we've done since 2001, and Mike referred to some of them. Just to give you a sense of some of the planning that's gone into dealing with the pine beetle, as a government we're the first ones that have actually taken a very proactive and aggressive stance in trying to attack the pine beetle problem. It started, actually, with the Premier appointing the MLA pine beetle task force. Following on the heels of that, of course, we had the mountain pine beetle report, which was a strategic plan that was presented to us by industry.

**[9:20]**

When we dovetailed those together, one of the recommendations that came out of it was the appointment of the beetle boss, which has actually worked very well for us. It put in place for the first time, really, a dedicated senior official whose lone responsibility was managing the pine beetle epidemic across the north central part of the province.

Also out of that, we established emergency management zones. What they did for us is put in place a streamlined and shortened approval process that allowed us to start to focus our attack on the pine beetle in areas where we could make the most significant difference. That's been referred to in many places as the green attack strategy. The bark beetle regulation was a big part of allowing us to direct those harvesting efforts and to be able to work with industry.

At the same time, we increased the AAC across the region. We brought it up by 7.8 million cubic metres, and that's what took us from the 23.2 million pre-uplift level to the 31 million cubic metre AAC that we have in the north today.

We also moved into... The tactic we used to approach it was, in fact, a green attack strategy, which had us targeting harvesting in a lot of the small-patch infested areas. That actually has been very successful. Although the scale of this infestation has grown significantly, the reality is that if we hadn't taken this strategic approach to harvesting, the numbers that I showed you earlier would have been significantly worse. It has been very successful in controlling the perimeter growth of it, and that is an important piece of the harvesting.

We have provided information to the public on an ongoing basis. There was the MLA task force, the Premier's symposium in Quesnel. We have certainly engaged the federal government, communities, municipalities and the industry. We've tried to make sure that on an ongoing basis we're keeping people informed of both the scale of the problem, the strategies and the planning we're putting in place. This is a critical piece of continuing to bring awareness. This is a significant natural disaster that we face. It has some tremendous impacts on communities down the road.

We also recognize that over time, certainly over the next decade, we're going to see a significant increase in the amount of pine beetle wood into the marketplace. With that, we're going to need to work to assist in the marketing of it. We saw, of course, the Premier sign the letter of intent with the Chinese Academy of Forestry to look at new uses

for the pine beetle wood. That's a significant piece of some of the actions we've taken.

Another thing we've done is engaged first nations very proactively. We have a number of first nations agreements across the north central part of the province, because it's not just important to make them part of an action plan around the pine beetle; it's actually essential. These are areas that in many cases are their core territories. They need to be part of the solution, and we've been very proactive. As I said, we have a number of agreements across the impacted area.

I want to bring your attention to this slide, because I think it is very important and a key to what we've done. I'll just go through it. A lot of the things I talked about in terms of green attack and the appointment of a bark beetle boss have been to redirect harvest and to do that in consultation and working with industry. What we've been able to do since 2001.... What this slide shows you is that in 2001, 16 percent of the total interior harvest was in beetle wood. Last year 54 percent of that harvest was in beetle wood. That actually is an incredibly good story, because it shows that the actions we've been taking have, in fact, focused the energies in the area they were most needed. That was to recover as much value as we could out of pine beetle wood at this time.

The second part of the slide is a little bit different. It actually starts to tell us where we need to start to focus a lot more of our energies going forward. The top line refers to the annual allowable cut. You'll see that in 2001 it tracks upwards. That's specifically a result of our increasing the AAC across the region. But even though we've done that, the basic harvest level has stayed relatively stable. We actually haven't seen an increase. One of the reasons there is possibly that the harvesting, quite frankly, is constrained by the inability of the traditional market to absorb that extra fibre. That's a key piece of this.

[9:25]

More importantly, what we need to understand in this slide is that if we don't increase the harvest, we're going to lose 200 million cubic metres of wood potentially. That's livelihoods; that's jobs; that's communities. Those are people through the entire north central part of this province who will be impacted permanently.

The other reason it's an important slide is that the faster and harder we can attack the pine beetle, the more impact we can have in mitigating the downturn ten to 15 years out when we start to see the falldown effect. If we do an effective job of attacking it hard today, the falldown effect we may see 15 years out may, in fact, be less of a falldown, or the time frame by which that falldown is in place could be reduced significantly. So it really is critically important that, as we move forward, we develop strategies and actually deal with the fact that we have been basically unsuccessful in raising the harvest level.

That brings us to the beetle symposium in Quesnel that the Premier hosted last November. Out of the beetle symposium we came up with about five themes that we heard consistently. One of the themes that those of us who were there heard a lot of people talk about was that there were folks out there with ideas of what they could do with this wood, but they didn't have a way to tap into the traditional way we put wood out the door. In that regard, there was a lot of call for us to find ways to award new tenure opportunities for beetle wood.

They reiterated the fact that this is a new product - that the provincial government may have a role or could have a role in helping them market it as we go forward. They talked about the need to improve transportation links. This is about making sure we're moving wood in the most effective and most efficient manner to the facility that makes sense. In that way, we're talking about connector roads. Another term that's been given once in a while is loop roads. It's really the ability to move fibre between TSAs and forest districts.

One thing I know a lot of the afternoon of that day was spent on was actually talking about how we integrate beetle wood strategy into current land use plans. That is actually a pretty important aspect of any harvesting technique. Although the beetle infestation, in itself, is a pretty significant environmental issue, there are other environmental values we need to continue to protect on the land base. The LRMP process, which is participated in by local people and local organizations, businesses and interests.... They do need to be informed. We certainly heard in Quesnel that those folks were all very eager to be part of a beetle plan going forward, but we need to make sure we continue to integrate our strategies with those land use plans and, where they need to be changed, that we look at them and do it in consultation.

The last point that I think was a theme that came through all day long in Quesnel was the need to help communities start to plan for the economic and social impacts of lower harvest levels that we're going to start to see ten to 15 years out. That certainly was a theme that came out constantly, and I think it is important that we look at that.

When we sat back and looked at the recommendations that came out of the Quesnel meeting and then also evaluated that against some of the results we've had in terms of attacking the pine beetle infestation in the north central, we put together a list of objectives which I'm really putting before you today for your approval - and following that, some action plans and how we're going to achieve those.

What we've laid out as our objectives in this plan is, first of all, to foster new and emerging forest-based activities, to limit further damage to the forest and the environment, to recover value from damaged timber. You know, we've made in our objectives a very clear decision that we think that is a high priority of any plan. If we don't do it, this is an opportunity that will be lost forever. We need to support and encourage economic development and diversity in the affected communities.

Moving into the action plan, this is how we plan on proceeding on these issues. We are going to continue to redirect harvesting from green timber to beetle-damaged wood. We're going to accomplish that by extending the cutting permits to licence holders.

Today licence holders' cutting permits expire after four years. We've been very successful in working with them and assisting them in directing the harvesting into the areas that will have the greatest impact. A lot of those permits will begin to expire. The value to each of those industries and licensees is significant. By extending the cutting permits, we protect that investment that those companies have made in those cutting permits. It also allows us to continue to work with them so we can continue to direct the harvest to where we want.

**[9:30]**

That is a significant feature of this plan and allows us to continue to keep a very collaborative working relationship with the industry.

It also allows us to continue to work with them so that we can continue to direct the harvest where we want. That is a significant feature of this plan, and it allows us to continue to keep a very collaborative working relationship with the industry.

We're going to conduct expedited AAC reviews in Quesnel, Vanderhoof and Burns Lake, and when they are completed, we are going to move on very quickly to the other regions around Prince George. This is important, in that we need to quantify the scale and the scope of the impact on the AAC so that we can give people more concrete information on what this is going to look like ten and 15 years out. That's what they're concerned about. We are going to have those reviews completed by the end of the summer so that we can start to work on them.

We are going to continue to investigate ways to move beetle wood so that it actually does provide the greatest economic benefit. That's expanding even further the idea of connector roads, connecting the TSAs and forest districts so that we can make sure the wood is, in fact, moving efficiently and to the closest point where the economic opportunity aligns itself.

We will engage even more proactively in a consultation process with the LRMP tables of the affected regions. That is critical. If our goal here is to increase the harvest levels - and I think it has to be, as it's in everyone's best interests - we need to make sure those tables are aligned, that our goals are aligned and that our objectives are aligned. I certainly got a sense of that in Quesnel. The alignment is there, but we certainly need to work with them. I've talked about this earlier. This is a very critical piece of it.

We also know that as these forests continue to die, the fuel buildup in the land base is going to increase. Most of you may not know, but we've already been experiencing some fires this year - about a half dozen, I think. They are already exhibiting characteristics similar to the fires we saw last year, which is not good news. We know the forecast going forward is for another dry summer, and that doesn't necessarily spell good news.

We think this is an excellent opportunity to start to amalgamate the Filmon report into a pine beetle strategy and an action plan, certainly as it applies to interface zones. That will include things like prescribed burns. It will be, where possible, tree removal, and where not, we will be looking at falling and burning the beetle-infested woods. The goal here is to reduce fuels in the forest base. That's what we will be doing to really adopt some of the commonsense aspects of the Filmon report in terms of... This is a forest health issue, and if we're going to protect the whole forest, we need to attack this issue on a very broad front. This is an opportunity to do that.

A big piece of this plan will be the development of new tenures. We are going to be seeking expressions of interest - and the first of those will close on May 31 of this year - for completely new uses for damaged wood. Whether it is OSB plants, pellets, power generation or methanol, we want to take the lid off the box. We want people to come to us with their ideas around what they can do with beetle wood.

The only way we're going to increase the harvest is to move away from the traditional uses of fibre and start to look at more non-traditional uses - more that are entirely, uniquely new. We're actually interested in hearing from people that have a need for as little as 5,000 or 6,000 cubic metres a year - the small operators - up to those guys who could be interested in OSB plants and looking at half a million or more. This isn't about constraining ideas. It is about opening up the basket, and this is a key piece of it. We have, in fact, just about completed a criterion on what this will look like. Advertising for it will be out in the newspapers, if this plan is approved, within two weeks of this cabinet meeting.

We're going to continue to promote new uses for the Denim Pine in overseas markets like China, Korea and Japan. We are currently working with the Japanese government and some of their institutions to make sure there are no barriers to pine beetle wood getting into that market. As most of you know, Denim Pine gets its name because it has a blue stain in it, and some markets look at that as a negative. We know it's an absolutely excellent product for construction, but we actually need to educate the world about it. It becomes a key component.

So we are working today, and as a result of the agreement the Premier signed in China, we will gain access over the next six months to the Chinese market for Denim Pine. That's the fastest-growing economy in the world. It is, in fact, a market that is primely located for this. I know that in the Dream Home China project, I am looking forward to actually being able to see Denim Pine, six months from now, profiled front and centre in that project.

**[9:35]**

To deal with and to address some of the concerns of the communities, we're going to be appointing an economic diversification director. Jim Sproul is here with us today, and he will be taking on that role. Certainly, the first priority of his responsibilities will be to ensure that all fibre and non-fibre economic opportunities that come forward, regardless of the size of them, are followed up on and that we start to move quickly, not slowly. This is about getting fibre into the marketplace, not finding ways to constrain it.

He is going to work further down the road to work with communities - and that's all communities in the north - to help streamline the access to government, to work with them to make sure that every region and community has an opportunity to participate. I expect that he will be interacting strongly in helping them develop strategic plans so that they can start to look at what their communities may look like ten to 15 years out and so that they can start to plan for the differences. I expect he would interact very closely with the northern development initiative and certainly with the institutions like UNBC and the community college network.

This is really about bringing all of the provincial resources to bear so that there is a single key access at a very senior level. Jim will be to the communities, really, what Bob Clark has been to the industry around managing the pine beetle. This allows us to focus very strongly and heavily on two fronts.

Lastly, I'm going to appoint a minister's community advisory group. This is a group that is going to represent all of the stakeholders across the region. It will have first nations in it, municipalities, the federal government, the contractors, industry, academia. Environmental groups will be represented, and tourism. This will be a very broad group. The number today that we have looked at for this group is a 13-member advisory panel. Today what I'll be asking them to do is meet with us on a semi-annual basis and review the plans we've put in place to make sure that we're actually achieving the objectives we're trying to in terms of a pine beetle strategy.

As this epidemic evolves... I think that's an important part about this. It is not something that is stagnant. If we have three or four cold winters successively over the next three or four years, this will look a lot different. If we have no more cold winters for a while, it could look different again. This group's role will change as the epidemic changes.

I'm proposing that they will be providing us with some advice on how we can continue to change and modify our planning so that what we're doing here is achieving the results we want, which is, I believe, to mitigate impacts to communities, mitigate as best we can the impacts of the pine beetle and start to get as much use and value out of this fibre as we can over time. We should keep in mind that if we do nothing, that fibre will be lost and the opportunity it presents to us will disappear as well.

That's the plan I put before you today. I think it's important to remember that this is a significant epidemic. It continues to grow. It is going to have an impact on communities ten to 15 years from now right across the north central part of this province. I think what we're trying to do is to develop an action plan here today that creates the vehicle by which we can find additional uses for the fibre.

That, today, is really the best way to increase the harvestability. I think it also focuses our harvest effort strategically, so we can continue to direct the efforts into the area where they will have the greatest impact on trying to slow the expansion. It puts in place, I think, the resources for communities that'll help them meet their challenges and start to prepare themselves for what they may be facing in the next ten to 15 years.

With that, I'd be pleased to take your questions and comments.

**Hon. G. Campbell:** Questions from Rick, and Pat.

**Hon. R. Thorpe:** Thank you, Premier, and thanks, Roger.

With respect to your process of seeking expressions of interest by May 31 for new economic activities, whatever they may be, have you also thought of - and are you going to include in that process - the fast-track process that's within Small Business and Economic Development so that we can move through to implementation as quickly as possible, Roger?

[9:40]

**Hon. R. Harris:** That's actually one of the key responsibilities that Jim will be taking on. As we start to look at these proposals, he will move them into the vehicle that actually lets them get it approved as soon as possible. I would expect that Jim will work very closely with the fast-track process, as well as every other ministry. I want him to take an active role in helping to evaluate some of the proposals so that we can move those more quickly. The ones we can move along quickly, we do. This will be a position that ties into every aspect of government.

**Hon. R. Thorpe:** The fast track was designed, in fact, to get things done throughout government quickly, so it's good that Jim is going to be working with them. With respect to promoting new markets, as we know, it takes time. Who and when is that process...? Who's going to lead that process? Has it already started, or when is it going to aggressively be started?

**Hon. R. Harris:** We have an arm within the ministry that's doing that right now. The work that is being done in China is ongoing. Part of the process, in fact, is a... The process to get approval to move Denim Pine wood into the Chinese market is expected to be completed in six months. I expect that will happen, Rick, and with that, we start to open up some opportunities.

**Hon. R. Thorpe:** Thank you.

**Hon. G. Campbell:** Pat.

**Hon. P. Bell:** Thanks, Premier.

Thanks, Roger. That's really good news and good work all the way around there, coming from the perspective of someone who lives kind of in the centre of this mess.

I have a couple of questions for some clarification on some of them, maybe, particularly around this new form of tenure going out for an expression of interest. I guess some of my thoughts or concerns would be these. How long is this timber going to be available for? How will we sell it? What kind of volumes would be available? More particularly, what kind of evaluation criteria would we apply to it? How would we determine how these new forms of tenure are assigned? I do have one more question, but I'll start with those ones.

**Hon. R. Harris:** Okay, and good questions.

The purpose of the expression of interest is the beginning of a process. It's the beginning of a process that actually starts to teach us as a ministry what tenure should look like. The points you raise, Pat, are exactly what we expect to get out of these expressions of interest. We want to find out what sort of terms of licences people are looking for, what their needs are, what's the volume and what's the type and location, so we can start to tailor-make, really, our tenures to meet those objectives and then put them into a competitive bid market.

**Hon. P. Bell:** Okay. Kind of a secondary focus, perhaps the same topic. One of the concerns I would have is that in the slide you showed us earlier that indicated the volume, the AAC and the increase in the AAC but the lack of increase in the harvesting, one of the things that spells to me is lost revenue in terms of the Treasury branch.

If we take this incremental couple of hundred million cubic metres and put it out, how do we protect the kind of base source of revenue we've traditionally had from stumpage and make sure that this is actually incremental revenue and moving to new sources? In other words, how do we prevent it ending up as more 2-by-4s and traditional users?

**Hon. R. Harris:** I think what this slide shows is that one of the reasons why we have been unable to increase the harvest to the AAC number is that the traditional markets for the traditional product lines are actually, for the most part, saturated, and there's no more room for that. The purpose of the new tenure offering is to develop industries in the non-traditional model.

If we are successful in getting the kinds of expressions of interest I think we're going to get, we will actually create a greater demand for this product, not just in the dimensional lumber and the softwood side but in completely different uses that will have an additional value of potentially driving up the value of it.

Our goal here is not so much to do that as to increase the harvest level, because by doing that, we mitigate the downside, 10 to 15 years out, for communities. We also recover a value on something that will be permanently lost if we do nothing.

**Hon. P. Bell:** Just a final question, then. You noted that you're going to try and complete the AAC reviews by the end of the summer. You identified, I think, Quesnel, Vanderhoof and the Lakes as the three areas. You alluded to doing AAC evaluations on other regions or other districts around the province. Will those be done by the end of the summer, or are those ones that will occur over the next year to two years?

**Hon. R. Harris:** The goal is to take these - the three areas that are hardest impacted are Quesnel, Vanderhoof and Burns Lake - by their impacted area. My hope is that we will see the Quesnel one done, certainly, by early summer, Vanderhoof a little bit later, all three of them completed by the end of the summer, then move straight into Prince George and the other regions that are impacted.

[9:45]

We need to quantify what this looks like in terms of impacts on the AAC. That's actually a critical number in terms of determining how much volume we want to put into the marketplace in proposals, because we have to be able to qualify that. The 200 million cubic metres is a number that is a pretty reliable number, but it's based on the estimates of what we saw last year, of where the trends are going. Accelerating this review is a critical component of quantifying, in fact, the volume that we want to move into the marketplace.

**Hon. P. Bell:** Thanks.

**Hon. G. Campbell:** Colin?

**Hon. C. Hansen:** This is obviously a very troubling presentation, when you consider that a piece of British Columbia that's six times the size of Vancouver Island is now infected. I have flown over that area, as I think most of us have, and have just been awestruck by the number of dead trees as far as the eye can see. There must be lots of people that just wring their hands and say if only some decisive action had been taken six years ago when there was perhaps an opportunity to contain the spread of the pine beetle at that time, but I guess the problem is here and now.

The concern I have is around the cost of doing nothing - the impact or the potential for just huge, devastating forest fires in decades ahead if we don't take some decisive action right now to try to make sure that this fuel buildup, as you referred to, is managed. I've got two questions. Firstly, from the time that a tree is infected, how soon does it have to be harvested to still have any use to it? Secondly, in our most optimistic forecast, what percentage of the problem can we deal with through harvesting as opposed to the need for prescribed burns or some other way of dealing with these little pests?

**Hon. R. Harris:** In terms of how long the fibre is good for, it depends on what part of the province you live in. In the southern interior where it's a little drier, it can be as long as 20 years. But as you get into moister and damper climates up around the Prince George area and into Vanderhoof, we see a life span of usable fibre of ten to 15 years. It does vary, depending on region.

We can't log this thing out of existence. This is something that will require Mother Nature to fix. What we can do, by strategically harvesting, is to mitigate two things: the expansion to some degree, but we can only mitigate it; and in areas where it's just starting to show itself, we may be able to contain it. You made reference that maybe if there were some containment strategies back in 1997-98, we might not be quite as far down the road as we are today.

The other aspect of mitigation is that if we can harvest aggressively and quickly in areas that are impacted in what's called "green attack," which are the new areas, we have the potential to minimize the downside ten to 15 years. Instead of the region seeing a 19 percent reduction in AAC, maybe they'll only see an 18 percent reduction or 17 percent. Or it still may be 19 percent but instead of it lasting for 40 years, it may only last for 35.

It is really important to stay proactive and in front of this as best we can, but at the end of the day, we should have no illusions that we are in control. In fact, we're not. What we are trying to do is manage as best we can and to mitigate the impacts.

**Hon. G. Campbell:** Graham?

**Hon. G. Bruce:** Thanks, Roger.

I want to be clear on this. What's our total annual cut in a year in the overall province - the allowable annual cut? What's the scope of this in cubic metres, again, for the pine beetle attack?

**Hon. R. Harris:** The federal-provincial AAC is about 70 to 75 million cubic metres a year.

Interjection.

**Hon. R. Harris:** Thank you, Rick. So 78 million.

This area impacted accounts for almost 50 percent of the provincial AAC. It's huge. It's a significant volume in terms of the impacts. Based on the infestation we saw at the end of last year, we're looking at an impact of around 500 million cubic metres over the next three years. At the present harvest rates, if we do nothing, ten to 15 years from now, we won't have got to 200 million of that, up to 200 million. That's to be determined by the audit review.

**Hon. G. Bruce:** I just want to be clear again. The total area affected right now was how many million cubic metres?

**Hon. R. Harris:** Well, it will be 500 million.

**Hon. G. Bruce:** So 500 million cubic metres. We harvest annually about 78 million cubic metres.

**Hon. R. Harris:** That's across the province, not in this region.

**Hon. G. Bruce:** No, I realize that. Total annual allowable cut in this province is about 78 million cubic metres, and we have right now just about 500 million cubic metres infected by the pine beetle.

[9:50]

**Hon. R. Harris:** That's correct.

**Hon. G. Campbell:** Other questions?

I think there are a couple of things I'd like to check with you. First of all, the transportation connections you're talking about, Roger - connecting up the access roads, basically creating loop roads or connection roads or whatever you call them. Is there a budget for that?

**Hon. R. Harris:** No. That doesn't have a cost implication to us at this time. It's the planning process that we will entertain from licensees in terms of moving product, and that's something....

**Hon. G. Campbell:** What we're saying is we would allow licensees to do it. It will have no cost impact on our budget.

**Hon. R. Harris:** We will allow it. That's correct.

**Hon. G. Campbell:** What about the rest of these proposals? There's one you mentioned that's a \$50,000 cost impact for the advisory council. What about the rest of the cost impacts of these proposals?



**Hon. R. Harris:** All of the cost impacts of these proposals are within our existing budget and within existing government today. There will be no additional impacts.

**Hon. G. Campbell:** So on the one side there's cost, and on the other side there's revenue. It will be revenue-neutral as well?

**Hon. R. Harris:** Until we see what the proposals look like and until we can quantify what additional volume will actually be potentially uplifted on the harvest side.... We're not looking at uplifting the AAC at this point. We're looking at just trying to bring the harvest up to the AAC level.

It's difficult to estimate, in fact, what those cost implications will be from a revenue side. I would suggest that if we can in fact attract more demand, long term, the revenue side to the province will improve.

**Hon. G. Campbell:** Thank you. I appreciate that.

Secondly, with regard to annual allowable cut, right now we set annual allowable cut, and people say it's too high. The fact is that we don't come close to reaching our annual allowable cut, and we haven't for some time. Isn't that correct?

**Hon. R. Harris:** We, across the province, have been significantly undercut for a number of years.

**Hon. G. Campbell:** Right. Can you tell me what the actual...? I don't recall what the actual harvest is, roughly, in the province - low sixties maybe?

**Hon. R. Harris:** Probably around 60. It'd be around 60. That would be a fair number.

**Hon. G. Campbell:** So we have an annual allowable cut that people talk about as if we're cutting it all, but we're not coming close to that. We're actually cutting about probably 61 million or 62 million cubic metres.

**Hon. R. Harris:** In fact, if you looked in some regions.... If you look at the northwest, as an example, the AAC across the northwest - covering from Prince Rupert through to Smithers and north of Stewart - is being harvested at only 15 percent of its AAC. It's significantly undercut. Vancouver Island has been significantly undercut over the last number of years. That's why we're involved in revitalizing this industry, quite frankly - to get the harvest up.

We should get this. I don't know if people.... The AAC is an arbitrary set of letters that talks about annual allowable cuts, but it's actually jobs. It's people, it's communities, it's livelihoods, and it's families. It's what in fact sustains most of the rural communities in this province in one form or another. If we're not utilizing the forest base, the communities don't get an opportunity to benefit. So it is very important to get that harvest level up.

**Hon. G. Campbell:** Can I just...? I just want to get this conceptually. The annual allowable cut is actually a science-based estimate by our chief forester on what is sustainable, what we could manage in terms of sustainability for the forest. The actual harvest is what is economically viable. Those are fair definitions?

**Hon. R. Harris:** That would be correct.

**Hon. G. Campbell:** Okay. Thanks.

Gary?

**Hon. G. Collins:** Thanks, Premier.

I just wanted to comment a bit on the fiscal impact of the plan, Roger, because.... I mean, all of our budgets, as we know, are very tight. We've all got lots of pressure in the budgets to try and meet and deal with within the spending authority that we have.

I've not had the opportunity - Treasury Board hasn't had the opportunity - to go through this proposal in any great depth. I would like to sit down and discuss with the ministry, just the two ministries - Finance, Treasury Board and Forests - and look at what the plan is and how these impact on other spending priorities within the ministry, as well, just to make sure that that can be done within the fiscal plan that you've got - and if not, then what other priorities we're going to be able to manage more carefully in an effort to try and make fiscal room within the plan. I haven't seen that yet, and I think that would be good for us to do.

**[9:55]**

Second of all, I think that in an ideal world it would be great if, by expanding the harvest in beetle wood, we could use that as incremental revenue and create new markets, etc. That's something that is probably easier said than done. It's very challenging to open up new markets. You know, if we talk about an OSB plant, that's not something that happens in six months. There's a process that somebody has to go through to do that. They have to know they've got tenure. They have to get the financing for it. Then they've got to do the design work, get it up and built and actually operate it. That takes a bit of time.

I do have a bit of a concern what the impact might be on the revenue stream coming from the forest sector. I think it goes back to the question that Pat asked, which is: is this going to be new incremental revenue, or is it going to push out other fibre for which there's a larger or a higher revenue stream? I haven't seen the analysis yet that would give me a lot of comfort one way or the other. I hope it's there, and I'd love to see it.

Perhaps what we could do, Premier, is that Finance and Forests could meet and go through that. If it requires further examination, then perhaps we could have a formal presentation to Treasury Board.

**Hon. R. Harris:** Can I...?

**Hon. G. Campbell:** Go ahead, Roger.

**Hon. R. Harris:** On the first point that you made, Gary, regarding opportunities, I guess, or being way out there, I think you'll find that in just about every scenario, the barrier to new investment or new opportunities has been, in fact, constrained fibre supply. That's actually the beginning of the process. By going through an expression of interest that actually allows us to design tenures that fit proponents' needs, we will, in fact, I think - I'm rather optimistic - see a lot more responses. Quite frankly, I think we'll see some investment a lot more quickly than maybe you're anticipating.

The reason for looking at alternative, non-traditional uses for this fibre is so we don't, in fact, do what is your concern - that we just actually transfer harvest from one area that generates a certain revenue to other areas that may generate different revenue streams. That's why in this plan we're proposing to.... We're really focusing more on the more non-traditional uses of this fibre than on the dimensional lumber.

**Hon. G. Collins:** I think that's great if that happens, and I'd love to sit down and look at the plan and see how that might work. It's the other side, as well, that I have a bit of concern about, and that's the spending side. I just think we have to make sure that if these are priorities - and I think you've identified them - that they can be done within the Forests budget. I'd just like to be able to walk through that and get a sense of comfort around that. That's all.

**Hon. G. Campbell:** If it's in the budget, it's in the budget, though - right?

Okay. Mike and Roger, would you have any problems sitting down with Finance and just taking them through how you're planning to pay for this to start with? I assume any proposals we get in would come back to Treasury Board for their impacts, at any rate - right?

**Hon. M. de Jong:** Yeah. On the cost side, Roger has proceeded on the strength of one fundamental assumption, and that is that we've got a budget. Although I appreciate that the Finance minister is ever vigilant about what the....

**Hon. G. Campbell:** And rightly so, I might add.

**Hon. M. de Jong:** And rightly so. That has been a guiding principle. I think by far and away the more significant concern relates to the revenue stream. What I think Roger is trying to point out here is the very phenomenon that the Finance minister is concerned about is happening now. What we're trying to do is stem that tide.

The market can only absorb so much fibre, and as this timber becomes more decadent, the stumpage we collect on it rapidly goes to 25 cents. All we're doing is replacing higher-stumpage wood with lower-valued timber. If we don't do anything, that will be the phenomenon. We should try to analyze that as best we can as the recommendations or as the proposals come in, and I think they will come in very quickly, because you know, it's no secret that we've got proposals already - informal proposals - for two new OSB plants.

The challenge for us as a government will be reminding people, when we receive those proposals, that this is a very temporary fibre supply. A set of expectations will quickly arise that this is going to be there forever, and it won't be. It's a ten- to 15-year issue. We should, obviously, work with the Finance minister and Treasury Board, particularly around that revenue stream, but I am hopeful that Roger can get agreement-in-principle today to proceed.

[10:00]

**Hon. G. Campbell:** What I want to make sure everyone remembers is that we have a very tight budget framework for 2004-05, which we are now into - that if we move forward with this, we are moving forward on the understanding that it's within the budget. I don't want it to come back that, well, here are some other things that actually are.... That sort of priority stuff that not often but occasionally goes on by accident....

We don't want that to happen, because we do have a very tight budget that we've got to follow through. I do think it's worthwhile, Roger, for you to sit down with Finance and take them through how you expect these costs are going to be covered off. Also, I would expect that we would be very vigilant on the revenue side. I think that's important. I also think it makes some sense to get some proposals, to see what happens, so we can analyze what the potential impacts are.

I have a couple more questions. The first one is with regard to log exports. We have a fairly heavy market commitment already. The pine beetle - obviously, we want to maximize the economics of that. Is there potential, or are you concerned about the need for log exports or the export of cants? How are you envisaging that? One of the things people have talked to me about is, basically, fuelling the market, for example, in China by providing them with product which they don't necessarily have today. Has there been any thought of that, and how does that impact our other

policies with regard to log exports?

**Hon. R. Harris:** Premier, my sense is that because this is a beetle-infested wood, there are going to be some pretty big obstacles to just raw log export - that some form of processing will have to happen in B.C. before this log or this product will be able to leave the province.

**Hon. G. Campbell:** We prefer to call it naturally damaged wood.

**Hon. R. Harris:** Thank you - naturally damaged wood. I do think that you're going to see some level of processing occur here. Is there a potential for cants to be one of those products? Possibly. That may be one of the proposals we'll see.

**Hon. G. Campbell:** The second question I have is.... There is the suggestion that there might be selected removal of trees from parks. That would be something that I think you should clearly be talking to Treasury Board about, because my understanding is that we were saying selective removal of trees for parks, those resources.... Any revenues that came out of that would go back into the park. Is that correct or not, and has that gone through Treasury Board?

**Hon. R. Harris:** Our recommendation really dovetails more into the Filmon report, which speaks to the idea of controlling fuel on the ground from a fire prevention and interface issue. The truth is that when you're looking at how you're going to manage parks, you look at the full range of options in front of you. It may, in fact, be tree removals. It may be single-tree removal; it may be burning. There are a lot of options on how you manage fuel in parks. I think once you decide what the objective is that you're trying to achieve in that particular prescription, you pick the best tool that's there for you. It may, in fact, be tree removal; it may be some salvage thing. I do think that generically it's hard to establish which one it is. We're not going to be commercially logging parks though, no.

**Hon. G. Campbell:** Right, but I want to be clear about this. If you decide to remove trees from parks - that that's the right thing to do for forest health - I think we're pretty clear we expect the forests in the parks to be as healthy as the forests outside of the parks. Frankly, if they're not, they infect the forests outside of the parks. We are going to do that.

The issue is: if there is tree removal or salvage that takes place, how does that impact on the parks? One of the challenges we have is that people say, "Oh, you're just doing it to get money" - right? I think we should approve this, but as we approve this, we should say that you should be reporting back to Treasury Board on the potential for any revenues that come out of trees, which are dealt with in parks, should go back into parks. Does that...?

**Hon. R. Harris:** Yeah, I'd agree with that.

**Hon. G. Campbell:** So we could do that.

The final thing that I'd remind everyone of is that the B.C. Rail investment partnership actually envisages - with regard to particularly the regional endowments for the Cariboo-Chilcotin-Lillooet, for the Peace, for the northwest and for the Prince George region - that pine-beetle mitigation is.... There is potential there for that. There may well be part of that that fits into this strategy. Indeed, it's been such a huge issue across the north-central and north that it may also tap into the potential for the \$50 million cross-northern initiatives that they will be looking at. I think we have to have all of those things coming at once. I think you said this, Roger - multifront, moving forward on it.

[10:05]

What I'm hearing today - and feel free to tell me that I didn't get this right - is that we would approve in principle the action plans that have been laid out today; that the Minister of Forests will meet with the Minister of Finance to ensure that the cost items are included in the existing Forestry budget; that revenue impacts will be dealt with through Treasury Board prior to any conclusion being met by the Minister of Forests; that we will encourage the request for proposals, but again, those new tenures won't be issued without a submission to Treasury Board and coming back to cabinet; that we will carry on with the work that's being done with regard to the Filmon report with fuel reduction; that we will work to try and develop new markets and to get new proposals with regard to that - methanol, actually, is probably something that I think the federal government may even support with one of their existing programs, and maybe we can look at that; that we will be appointing an economic diversification director, Jim Sproul - who is already budgeted for, I understand - and a minister's advisory committee.

Any other points? Concerns? Okay.

Thank you very much, Roger.

Thank you, Mike.

The next item on the agenda is the digital divide.

## **For Information: Digital Divide**

**Hon. G. Campbell:** We'll start with Joyce and then Tom. Joyce?

**Hon. J. Murray:** This is an update. I'm going to talk a bit about what this project's about, where we're at, how we're

doing it and what some of the benefits are for people.

We're all familiar with our election promise to bridge the digital divide. The definition was that we were to extend high-speed broadband Internet access to every community. In the throne speech there was a commitment to do this by the end of 2006.

This project really ties into some of our higher goals. We're committed to be number one economically and in terms of quality of life in the province. Premier, you personally have a strong commitment to technology in B.C. and being leading edge. We can't do that without people in the province having high-speed Internet connections. So I see this as a very important plank in that platform that we have.

The key thing that has struck me as I've been working on this is that it's about much more than technology. It really is about families and young people. It's about communities, especially rural and remote communities. It's about people's ability to succeed where they live, in their communities, whether they're large or small.

The other critical thing that I think this project is about is fairness. We all use Internet and high-speed Internet every day. We depend on it, whether it's our home lives or work. We know there are a lot of benefits to being able to do that. But there are well over 100 remote and rural communities that don't have that option. In fact, they need it more than we do, because many of us live in places close to universities or major health centres. Those rural communities don't have access to those kinds of facilities. I'll talk a bit more later about how this high-speed Internet access can help bring those kinds of facilities that we have in the major centres almost into the small rural communities.

The digital divide is really the gap between the communities - the 89 percent of British Columbians that can use high-speed Internet access if they choose and the 11 percent that don't have that option. Our promise is to have all communities have that option. We're actually leaders in Internet use across Canada now, so this is going to take us that next step of being even further out ahead.

High-speed Internet access is basically a tool, and you need to use it for it to be valuable to you. There are a lot of existing uses for high-speed Internet access, and we around the table use it in some of those ways - that is, researching things that are on websites, e-mail communications happening very quickly. There are also a lot of emerging uses that people, some of the bright lights and the brains in the province, are thinking about - how you can use high-speed Internet access to do things that we haven't been able to do before.

**[10:10]**

Those are things like telehealth, which I know that Colin is very involved in, where the imaging of a diagnostic process can be transmitted through high-speed Internet and broadband right to a rural area. The doctor in that area can look at the images that were produced by sophisticated equipment in a major centre and save the time, effort, money and grief of the patient perhaps having to come down to Prince George or Vancouver just to have the diagnosis. So we can revolutionize some aspects of our health services and reduce costs.

There's also the ability for women and men who want to stay home with young children to have a home-based business and be able to market their business through high-speed Internet access. There are opportunities for kids. I know that Tom is going to talk more about this, but we launched the digital divide project in a small school in Hixon. The kids there told us why it mattered to them, and Tom will talk a bit more about that. Another thing that I think is very important is that this will enhance community viability in some of the communities that have been hard-hit around the province by changes in resource economy.

So where we're at with our strategy.... Our plan is working. Since the throne speech, we've connected four communities. That's Cawston, Keremeos, Hedley and Telkwa. By the end of the year, we will have 68 more communities connected to high-speed Internet access. Right now 197 communities - and you can see the lights on the map; they're all across the province - have high-speed Internet. Those are the communities that have those opportunities that I was describing, if they choose.

But we have 169 communities in British Columbia throughout the province - and those are the red dots - that don't have that option. There's an average population of 400 people in those communities, and about 100 of the 169 are predominantly first nations. Some of those communities do have dial-up Internet access, but as we all know because we used to use that too, that's time-consuming. You tend not to use the Internet as much as you otherwise would, just because it's frustrating and it takes time. So those are the communities that have limited access to information, services and opportunities to sell their goods. None of the new innovative uses really work over that dial-up or the slower Internet connection.

Just a comment that I want to make. Because a majority of the communities that we will be connecting are predominantly first nations, I see this as also being a tool to accomplish what we're committed to, which is having first nations communities have equivalent graduation rates to the rest of the province - or health outcomes or economic opportunities. I see this as an important tool for some of our other government objectives.

This year 72 communities will get access. That's this year's program. By the end of 2006, the remaining 101 communities will have access to high-speed Internet. Effectively, everyone in the province will be able to watch open cabinet. Our much-beloved question period will be accessible to everyone.

**Hon. G. Campbell:** At last. Our ratings will start skyrocketing. [Laughter.]

**Hon. J. Murray:** How we're doing this is pretty unique, actually. It is unique across Canada. We are leading, and I

know that other provinces are watching us.

Two of the key people who are responsible for our innovation are here in the audience today, actually. That's Cairine MacDonald, who's the Deputy Minister of Management Services, and Dave Nikolejsin, who I think is the brains and the drive behind this project and the way we're actually putting it together.

What we're doing - the unique approach - Premier, is that we're taking the voice and data networks of the entire provincial government and the health authorities, the Crowns and other agencies, and we're combining them. That's a pioneering approach. By aggregating them, we will have economies of scale that will save a huge amount of money each year that we currently pay for our voice and data networks.

We will be using those savings to connect communities. There will be no net cost to government from doing this, which I think is a very.... I mean, that's a great bonus as well. We're doing something very worthwhile, and it's being paid for out of the strategy.

**[10:15]**

Just to understand how this works....People do ask me: "Does that mean you're connecting my home to high-speed Internet access?" What we're doing is connecting your community. Government will be connecting from community to community, and that will create an opportunity for the entrepreneurs or the community organizations to create a business of taking the connection from the point it reaches the community, from the end of the pipe, and transmitting it to the individuals' homes and businesses that would like that opportunity.

It will cost, in those remote areas, equivalent to what it costs us here in Victoria or in the lower mainland. It'll be affordable, because the expensive part is actually bringing the cabling to the community. That's the part we're doing through this project.

The project to bridge the digital divide we're calling Net Work B.C. That name speaks to technology working for B.C.'s families and young people and working to enable those opportunities for people to market services, to have home-based businesses, to improve their health using telehealth, to upgrade their education from a remote community and not have to leave home and travel to a larger centre. The work also reflects that we will be working with a number of agencies and other public bodies to make this possible and to be able to bring the benefits of technology to all the communities.

We also will be working with the communities and the telecommunication companies to create those last-mile connections. We're not just bringing the pipe to the community and saying: "Okay, folks. Now it's up to you." We will actually work with those organizations or entrepreneurs and assist them, perhaps, in accessing federal funding which is out there for that last-mile connection and in working with the telecommunication companies. We are already having some great progress, and there are communities that are raring to go.

One of the reasons I'm happy to go into this detail is that I want all of the communities that don't have Internet access to know that they have a role to play in this as well. They can find out more by going on the website, the Net Work B.C. website. I invite communities or individuals - anyone - to log on to [www.network.gov.bc.ca](http://www.network.gov.bc.ca) <<http://www.network.gov.bc.ca>> and find out about the last-mile connections as well as the rest of it.

An important question for me is: how does this touch families in those communities? I mean, how does this benefit people? How does it benefit women, men, kids? I've got a few examples here, because I think it gives us a picture in our minds of why this is really a positive for the people that will have this option.

One example is a fisherman in a local community. That person said: "Well, you know, I fish for a living. How does this actually make any difference to me?" It turns out that person is also a carver and loves to carve but hasn't really had an outlet for selling those products. With high-speed Internet access, there is a world of marketing options for that person's carving. When he understood that, he went: "Well, wow. That's a great opportunity for me."

I have a friend who lives and works up in the north. She's created a side business, which is making those soft, fleecy blankets and jackets out of fleece. She markets a whole line of fleece products - bedding, sheets, pillows - and it's all through the Internet. She can do that while living in a relatively remote area because she does happen to have a high-speed connection.

There is a person, a dogsled racer, who lives in Atlin and markets dogsleds, which are premium product, through the Internet but uses a dial-up. It's an expansion of that person's marketing capability, which is great for small communities. Of course, tourism operators in some of those remote areas are going to be able to have way more opportunity to show their valleys and mountains and why people should come to that area to visit.

**[10:20]**

On the health side I had a demonstration through a three-way video teleconference yesterday that connected Tachie, which is northwest of Prince George, with UBC school of medicine and with a conference room here in Victoria. We had a demonstration of how the medical imagery can be used in a small community.

The first nations person who has been spearheading this in the Tl'azt'en first nation is Deborah Page. She was very eloquent about how the high-speed Internet project in their area, which is supported by our government to the tune of about \$250,000, is bringing together the young people and the elders in their community. It's helping to preserve traditional knowledge of plants and medicines, and it's helping to preserve the stories of the elders. So that was a very

positive project. They're actually being innovative leaders in telehealth with UBC. There are lots of other stories.

Nisga'a is doing Nisga'a Net, creating jobs, connecting their communities, communicating their cultural practices and beliefs, and that's a very powerful pilot project as well. There's lots of great stuff going on around British Columbia, lots of opportunities as we move into the next years and the next decade and as we see how we can use technology in innovative, creative and leading-edge ways. We're well on the way. This is working.

I think Tom has a bit more description on the educational side of what we're doing here.

**Hon. G. Campbell:** Tom.

**Hon. T. Christensen:** Great. Thanks, Joyce.

I think it's clear that one of the key benefits of your ministry's progress in addressing the digital divide is the opportunities that it's going to provide to students, to teachers and to schools all around the province as they gain access to high-speed Internet. The need for access to high-speed Internet, to become part of a connected community around the province, was something that was clearly identified by the report of the Task Force on Rural Education about a year ago.

They had consulted with communities around the province - schools and students and teachers - and it clearly identified that having the opportunity to be connected from a rural school, just as we all take for granted in some of our urban schools, was key to providing those students the same opportunities that their urban peers have. We also made, as part of our new-era commitments, a commitment to provide resources to improve computer literacy for students.

There's no question that becoming literate in technology is something that is going to be key for success in the twenty-first century. I think all of us recognize that, and those of us who have access to high-speed Internet simply take that for granted and don't recognize how much of a detriment it might be in terms of becoming familiar with use of the Internet and becoming computer literate if you don't have that access. I'm going to take a couple of moments, actually, to talk about computer literacy in general and give you a bit of an update on a number of things that are going on from the Ministry of Education's perspective.

There are really three parts to becoming computer literate. There's obviously the access part, which we're going to focus on primarily this morning, but there's also the hardware and the software. I've been involved in a couple of announcements in the last two weeks that go to those other two elements. I was in Kamloops at R.L. Clemitson, an elementary school, earlier this week to announce the release of Crosscountry B.C.

This is an interactive software game that teaches children in grades 4 through 9 about British Columbia's economy and geography by putting them at their computer in the role of a truck driver, who is given an assignment to pick up certain commodities and then deliver them to communities around the province. They have to figure out where you go in the province to pick up those commodities. You then have to figure out how to get there in the most efficient manner, taking into account your fuel costs, the fact that you as a driver have to eat, the fact that you have to sleep and that you have to be safe on the road.

There's a whole number of factors that are brought into play with the students learning and playing that computer game. In doing it, they're actually learning how to use the software and the computer. As one of the teachers said, they're learning, but they just don't recognize they're learning. The fact that it's fun, actually, really supports that further learning.

**[10:25]**

The other part, of course, is that we need computers, and we're working hard to provide more computers to schools. One of the great things that's been going on in the province is the computers for schools program. I was at an announcement about a week and a half ago at Riverside Secondary in Port Coquitlam, where we announced the 60,000th computer donated through computers for schools in the province. That's a partnership between the province, the federal government and industry to take computers that industry is done with, refurbish them and then get them into schools while those computers still have useful life. Students can then use them. Certainly, the province is continuing its support for computers for schools, and my ministry is looking at ways that we can further work with computers for schools to increase the number of those computers that we can get into schools around the province.

Of course, this morning what we're focusing on is the access piece and the Internet access. As outlined in the Speech from the Throne, we're moving forward to upgrade Internet access at up to 154 schools in 40 school districts across the province by the end of this school year, which is fast approaching - a couple more months to go. The reason that's important is for that access, but we also have a provincial learning network called PLNet, which has been in place for some time. It connects more than 1,900 schools, school boards and colleges around the province and really provides an effective means of providing education resources and distance learning opportunities to both students and teachers throughout the school.

The reality has been that if you don't have high-speed Internet access, using PLNet is a pretty frustrating exercise. It's really a tool that you may be hooked up to through slow-speed Internet access but not a tool that you can use. What we know is that if you have slow-speed connectivity, it means that students are simply less inclined to use the Internet, because they don't want to sit there and wait for information to download.

Certainly, that was the feedback that both Joyce and I received when we talked to students at Hixon Elementary, which

is about 25 kilometres south of Prince George and is a small school of 50 students. It was one of the first ones to gain high-speed Internet access through this initiative to upgrade these 154 schools. They told us that a year ago, when they had slow speed, they'd be given a research assignment - and I know one student said they were researching owls - and it just didn't happen. They tried to download information, sat for 15 or 20 minutes, and it still wasn't coming through. Then they would just give up. They didn't have those opportunities that, as I've said, we take for granted. They now have those opportunities, because Hixon was one of the first schools to be hooked up.

On the administrative side, there are certainly great opportunities for further efficiencies in terms of just the fact that you have high-speed Internet access. With slow speed it's much more time-consuming for staff to actually use some of the tools that are out there to manage or access student records and to manage financial transactions. So this high speed will help out there. Really, with slow speed it's impossible to use effective distance education for students or for teachers in terms of professional development.

Our plan now is to move forward with upgrading all of our schools to high-speed Internet. We're moving forward now by having entered into an agreement with Telus whereby Telus, by the end of this school year, will upgrade up to 154 schools by this summer. That agreement provides Telus with a three-year contract renewal for all Telus-supported PLNet circuits, which is about 60 percent of the PLNet circuits in the province, as well as \$250,000 to cover installation costs. In return for that contract, government gets a group price with Telus, and it actually saves us about \$6.6 million over the next three years. That then allows us to take that \$6.6 million and invest it to connect the other approximately 150 schools that aren't part of the agreement with Telus.

**[10:30]**

The rural task force identified about 300 schools that needed to be upgraded to high-speed Internet access. The agreement with Telus will cover off up to 154 of those. Then the balance can be worked on over the course of this next year through that additional \$6.6 million.

My ministry will be working with the Ministry of Management Services certainly to identify all the remaining schools and then to prioritize those based on need. So far, in the last couple of months we've identified 30 sites that are in critical need, and we plan to start those upgrades by the end of May this spring. Over the summer we will be planning the improvements for the remaining sites and will start upgrading them in August with the goal of having all of our remaining low-speed Internet-connected schools in the province upgraded by March of 2005.

Really, what this then does is.... For administrators it's going to allow them to be connected with our common student information system that's being launched this fall, which will provide great efficiencies for school districts and schools in terms of management of school data and will save staff time in terms of the management of that school and student data. For teachers it will support another of our new-era commitments, which was to increase technical training for teachers. We recognize that one of the best means of supporting technical training for teachers is to actually involve them in using technology tools.

What we're doing there.... For example, one thing we're working on is that the ministry is working with faculties of education in the province to develop an on-line course to support middle school teachers in developing strong literacy skills for middle school students. As part of delivering that course on line, teachers will be trained in the technology they need to be familiar with to access the on-line course.

Developing these on-line professional development courses certainly has the benefit of involving teachers in using the technology and becoming familiar with it. It also has the great added benefit - and addresses one of the challenges that I certainly hear consistently from teachers in more remote parts of the province - of actually connecting them to convenient professional development opportunities. Otherwise, if they can't do it from a distance, they obviously tend to have to come to the some of the more urban centres to get those professional development opportunities. So it really does provide a golden opportunity on the professional development front.

Finally, of course, and most importantly, is the impact that this will have for students. As I've said, it certainly ensures that the Internet is a tool that students can use. It significantly broadens the opportunities that students have to access courses. There are a number of districts around the province where they are looking at the opportunity to offer courses on line to some of their smaller schools. You may have a small school in Valemount, perhaps, where there are two or three kids in grade 12 that want to take physics 12. It's very difficult to offer a full class of physics 12 for two or three students, so you can deliver it by distance from a school in Prince George, which is in the same school district.

The opportunities there are really limitless, and school districts around the province and individual teachers and schools are now looking at what sort of opportunities they can take advantage of moving forward to benefit students and ensure that students - regardless of where they are in the province - really have the broadest possible range of opportunities available to them. All in all, as I've indicated, I'm certainly looking forward to this being completed by March 2005, as are all of the schools that aren't yet connected. It really bodes well for the future of our schools.

**Hon. G. Campbell:** Colin?

**Hon. C. Hansen:** Thanks very much, Premier.

This is obviously going to have a profound effect on education, as Tom has outlined. But it's going to have, I think, an even greater impact on the delivery of health care services around the province. So it is a tremendous initiative and one that is going to revolutionize health care delivery in smaller communities.

I co-chaired a conference a couple of weeks back in Toronto. I co-chaired it with the federal Health minister, Pierre Pettigrew. It was a conference with national aboriginal organizations. It was the first time, actually, that all of the

national organizations had come together to agree on a common strategy for aboriginal health initiatives in the years to come.

[10:35]

At one point in the conference Pierre Pettigrew asked all of the participants around the conference table this question: "If there's one thing that you could do for your community to enhance health care, what would it be?" I remember one person mentioned safe drinking water. Another person mentioned childhood vaccination programs. One Inuit leader from Nunavut said: "In a word, bandwidth." He went on to explain how he had seen some of the new telehealth technologies that were available that were being used in the south, but they were of absolutely no benefit to his community because of the lack of high-speed Internet access.

I was at a conference. It was actually the UBCM conference last September, I guess, in Vancouver. We did a telehealth demonstration there where they connected from Trail to Children's Hospital in Vancouver to the conference centre in Vancouver. In Trail was a young mother-to-be who I think was about six months into her pregnancy. There were some risk factors that had been identified in the pregnancy. She was in a room in Trail with an ultrasound technician. The specialist who was watching that ultrasound was based at Children's Hospital in Vancouver. We were in a conference room in downtown Vancouver watching that baby's heart beat on a big screen in the middle of that conference centre.

I think it really brought home to everybody in that room the potential that is there for telehealth. When we talk about the health care you need, when you need it, where you live, there is no better example than the kind of telehealth technologies that we can bring to even the smallest of communities, providing we've got this kind of high-speed access.

You certainly have my support on this one, Joyce. Anything we can do to help move it along, we'll do that.

**Hon. J. Murray:** Premier, you can see from those couple of comments that this is an initiative that's about partnerships. Those partnerships - whether they're with the universities, the health authorities, the Education ministry, first nations, community groups, communities - are creating the possibility of this access. But more than that, as those people get together and say, "What more could we do with this? Here's a tool. What do we need, and how can we use this tool to get that for us," I think it's really sparking people's imaginations. It is really engaging some of the really bright minds in aboriginal communities and elsewhere - in academia and in the ministry. I think it's a very exciting project.

We will be coming forward with future good news as the different projects unfold. I'll be telling you more about them in the coming months. What we're calling our net work B.C. strategy is going to allow B.C. families to bring out their best and their potential wherever they live. That is part of our promise to British Columbians. I'm just going to repeat our website again, because I invite people to log on to it and find out more.

**Hon. G. Campbell:** You forgot to repeat it.

**Hon. J. Murray:** It's on the TV screen. It's [www.network.gov.bc.ca](http://www.network.gov.bc.ca).

**Hon. G. Campbell:** Okay, great.

Just a couple of things, Tom. The computers for schools program, which is the industry program for transference.... This is really about connecting communities. Joyce, as you said, the last-mile stuff is done by entrepreneurs and community groups or whatever.

There's another sort of step down from the school, as well, and that is, I think, into the families, particularly families with very low incomes or families without the kind of economic support they need to get their kids a computer. Is there any way that we could look at how we might be able to take that computers for schools program and convert it or add to it and call it "computers for kids" and try and make sure that we get computers into the hands of kids whose families might not be as well off?

**Hon. T. Christensen:** It's a program that we support financially, but it's actually a program that's separate from government. That's a conversation that we could certainly have with them in the work they're doing.

**Hon. G. Campbell:** Who's "them"?

**Hon. T. Christensen:** It's a separate society that was initiated by Industry Canada about a decade ago with partnership from industry. The Ministry of Education has certainly been supportive of it. We're looking at additional ways that we can work with them, primarily to get computers into schools. But that's a good idea.

[10:40]

**Hon. G. Campbell:** Let me give you an example. We have some fairly large Crown corporations. I bet at least two of them have computers.

**A Voice:** Don't count on it.

**Hon. G. Campbell:** Is there a program for sort of the obsolescence of those computers going out? Is there a way that



we could maybe connect that - the provincial realm of computers, inventory of aging computers - with kids or something like that?

**Hon. T. Christensen:** I can tell you that B.C. Hydro and WCB have been two of the largest donors of computers for schools. Last year I think it was about 5,500 computers that went to the computers for schools program from the Attorney General's ministry. What we're working with computers for schools on trying to further develop is getting access to computers that are coming off lease, seeing how you can efficiently buy out those leases and then getting those computers to schools. So I think there is a much greater opportunity there, and we just need to continue to explore it.

**Hon. G. Campbell:** Sandy?

**Hon. S. Santori:** Just one question. I laud the approach that we're taking with respect to aggregation. The alternative of doing that would be for government to find some \$160 million or \$180 million or maybe even more - hundreds of millions of dollars - to accomplish this. The whole issue around aggregation, of course, is going to be dependent on the cooperation of the Crowns, the health authorities and the school district to in fact make this happen.

My question basically is.... I know that talks have started with those authorities and Crowns. Can you provide us with some indication in terms of how those talks are going? And are we corporately across government, both within government and externally, taking part in this initiative and jointly aggregating our demand to actually reap those savings that we can invest in this project?

**Hon. J. Murray:** Sandy, that's certainly the intent. I do want to acknowledge that you were the minister responsible for this portfolio when a lot of this groundwork and planning was done.

Those talks are going well. I mean, as you are pointing out, we do need to aggregate those different voice and data lines to get the savings to connect communities. We're in discussion with the different public bodies, and it is going well.

One way this works is that each of those sets of public bodies, in many cases, has a different telecommunication access that they pay for independently. As we need to upgrade to a higher broadband capability to do some of this more complex stuff, it doesn't make sense for the health authorities to upgrade their networks and for the Crowns to upgrade theirs, all separately bringing fibre optic in. It just makes sense to do it all together, and it's a lot cheaper.

So we're having those discussions about exactly how that is going to work, what the timing is and what the logistics are. I'm confident we'll be able to do that, and it's foundational to this program.

**Hon. G. Campbell:** Thank you very much.

Colin?

## **For Information: Northern Medical Program Report**

**Hon. C. Hansen:** Thank you, Premier. I just want to take this opportunity on the agenda to bring a progress report on the northern medical program.

Two weeks ago I was in Prince George and met with the northern medical program community action group that I had appointed last year. The reason this group was set up was really that some concerns had been raised about the number of different players that all have to be working in concert in order to make the northern medical program a reality. I'm pleased to say that they did some tremendous work. A lot of the gaps were identified, and we're able to deal with those gaps now and make sure that the northern medical program rollout is on schedule for students to start studying there this coming September.

The other thing I got to see while I was up there is a spectacular new building that will house the northern medical program at the University of Northern British Columbia - a fabulous use of wood. As we all know, Pat Bell used to be a big proponent of the use of wood. That was before he became the Minister of State for Mining, but he is very much still a big proponent of the use of wood. This is really a showcase for how B.C. woods can be used in the construction of an absolutely magnificent structure.

**[10:45]**

There was another event that took place a couple of weeks ago that Shirley Bond and I participated in at UBC. They did a trial run of the technology that is going to link the UBC medical school with UNBC, so they could use some of the high-speed Internet things we've just been talking about to link classrooms. You could actually have students based at UNBC that would be not only watching a class take place at UBC but participating in it fully, with active interaction.

As we went into that building.... It was at the faculty of medicine at UBC that Shirley and I went to for our end of that linkage, with the others being up in Prince George. That was a building that brought back memories from three years ago this month. Premier, you were at UBC to make an announcement on April 20, 2001. Gary was there as well. It was an announcement around, first of all, the construction of the new health sciences building at UBC, which is now getting close to completion - another fabulous facility that is going to meet the needs of students preparing to meet our health care needs in the future.

The other part of that rollout was the expansion of the medical school - the target that you set, Premier, of almost doubling the number of doctors we train in this province, making sure those opportunities go to our young British Columbians for those careers of the future. What we're seeing now is really that dream, that vision, Premier, you set out three years ago is becoming a reality very quickly. The eyes of Canada and the world are really watching this program because it's one of the first times that a medical school has gone to different satellite facilities. That expansion of the medical school at UBC is not just going to be at Point Grey, but in fact, it's going to have a very key component of it in Prince George for training in rural and remote medicine and also a component here at the University of Victoria for a focus on geriatric medicine of the future.

Mr. Premier, I want to just give a bit of context. It's long been acknowledged that there is an inadequate supply of doctors in this province, particularly to meet the needs of northern and remote communities. Recruiting medical specialists and nurses has been a real challenge for most of those communities. The net result of that is that many patients who come from northern communities in fact have to travel to get access to care. They're either travelling to Vancouver or, in some cases, to Alberta to get access to care simply because we have not been able to recruit the specialists necessary to serve in those communities. That's put a huge strain, obviously, on individual families as well as the health care system.

The Ministry of Health Services is obviously pleased to be a partner in the evolution of the northern medical school program. Advanced Education, under Shirley's leadership, has also been a key player in making this a reality.

The training model is one that is really a collaboration between the three universities. Right now we have 128 students that are admitted to the medical school every year. We will be almost doubling that, to 224 for the 2005-06 year. When I was in Prince George, one of the things I announced, which was a product of the work done by this community working group - the action group - was the need to be able to repatriate surgeries to the north. Many of those procedures that could not be done in the north in the past meant residents had to travel south in most cases.

The question is: how do you prime the pump? How do you make sure we can fund the surgeries to be done in the north in a way that allows us to recruit the specialists who then have to become a key part of the teaching, the faculty at UNBC? All of these things have to work in tandem.

I was pleased, along with Shirley, to announce \$2.2 million that's going to go into providing for additional surgeries to be done in the north as part of this process. We've estimated that this will result in an increase of about 10 percent in the number of day surgery cases that can be done in Prince George and a 9 percent increase in the in-patient cases done in Prince George. That's obviously great news for residents in those northern communities.

**[10:50]**

The other thing we are looking at is accountability - to make sure we monitor how this rolls out. We will be holding the health authority to account for how these dollars are spent so they actually are resulting in the increased surgeries that we anticipated.

The response to the community action group's task force report is one that has really involved the Ministry of Health Services, the northern health authority and the northern medical program. We've put together a joint task group now to move forward on all of those recommendations, and I'm pleased to report that we are going to accept every single one of the recommendations that the action group put together.

One of the other things that is happening that's important to UNBC is an announcement that Shirley made that same day, and that's the expansion of the existing nursing program at UNBC to provide for 15 new student spaces at UNBC for nurse practitioners. We're rolling out new nurse practitioner programs at UBC and at the University of Victoria, and this is going to also create student spaces at UNBC as well.

Nurse practitioners, as many of you know, perform functions beyond what registered nurses have within their scope of practice. It includes things like diagnosing, prescribing, ordering of diagnostic tests and managing common, acute and chronic illnesses.

By educating doctors and nurses in the north, we know there will be a high likelihood that many and most of them will in fact stay and work in those northern communities. When we look forward, this is going to be key to us meeting the supply of professionals that we need to care for northerners in the years ahead of us.

Since 2001, since we started rolling out this program, I know Advanced Education has put in a total of about \$15 million towards startup, planning, curriculum development, library acquisitions and things like that. Included in that is about \$1 million that is specifically targeted to recruitment initiatives related to the northern medical program so that we've got the key specialists that are there to be part of that faculty. Advanced Education is also providing additional startup funds in this fiscal year, which has just started.

In July 2003 there was also a new patient facility that opened at Prince George Regional Hospital. It's part of creating a true centre of excellence around that hospital, because the hospital has to play a key role in the clinical instruction that will be provided to these students. One of the changes made in the design to that facility was to make sure that we accommodated clinical education into the design of that new hospital facility. It's a \$50 million project altogether that we opened. It's cost-shared 60-40 - 60 percent from provincial government and 40 percent from the Fraser-Fort George regional hospital district. But there's a lot more, obviously, that needs to be done, which has been identified in this action group report.

Physician recruitment is well in progress. We've got new GPs. Specialists in orthopedics, internal medicine, pathology, psychiatry, obstetrics, gynecology, emergency medicine, pediatrics and radiology are all specialties that we've recruited

- new physicians -into Prince George. Work continues. We still have some recruitment that has to be undertaken around internal medicine, psychiatry and anaesthesiology.

It's not just about Prince George. This program is going to benefit communities all across the north, because the residencies that these medical students will undertake will be in communities right across from the Queen Charlotte Islands to Dawson Creek. We've also seen, in recent months, recruitment into those communities. Mackenzie and Dawson Creek, for example, have got new GPs in recent months. New specialists in internal medicine were recruited into Fort St. John, Terrace and Quesnel.... Northern health is taking steps to ensure that long-term recruitment and retention of nurses is also part of this, partnering with post-secondary institutions to provide positions for nurses once they come through these education programs.

Residents of the north can truly expect to see some very tangible results in the near future - not just when these doctors graduate at the end of their program but indeed starting as a result of the students being in those communities. We are very much keeping our promise to strengthen rural health care.

Premier, the vision that you set out at UBC campus three years ago is well on its way to becoming a reality for those communities.

**[10:55]**

**Hon. G. Campbell:** What took you so long?

I just want to say that I think that Shirley and Colin have done a great job with regard to this. I know the frustration for people is that you do say something two and a half years ago, three years ago, and it takes that much time to put it through. I think one of the other things, particularly about training and medical schools at the University of Victoria and at UNBC and UBC, is that you have to have the staff that you bring in, and you have to have the support systems that are in place, so it does take a bit of time. I think Shirley and Colin have done a great job on that. Thank you both very much. I appreciate it.

Okay, we're adjourned. Thanks a lot.

The cabinet adjourned at 10:56 a.m.

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