



TRANSCRIPT OF THE OPEN CABINET MEETING

April 17, 2003

Province of British Columbia

EXECUTIVE COUNCIL

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Hon. Stan Hagen
Hon. Judith Reid
Hon. Joyce Murray

WEDNESDAY, APRIL 23, 2003

The cabinet met at 9:05 a.m.

Opening Remarks

Hon. G. Campbell: Thank you, all. We will get started. A couple of people have asked where my Canucks jersey is today. I should just tell you that I only wear it to games, and that's why it's been so successful. I'm not wasting it on this. I'll tell you that right now. [Laughter.] They were great last night. I can tell you that. They were great.

We have a number of items to cover today. I'm going to ask Colin to give us an update. It's actually the one-year anniversary of the redesign of the health reforms that we did with the authorities. He's going to give us an update on that. He's also going to give us an update on SARS and where we stand with regard to that. We're going to have Murray review the endowment fund for persons with disabilities. We're going to have Judith present tolling policy for consideration. Christy is going to be reporting back on changes to graduation requirements. That's what we have on the agenda for this morning.

We are faced with some continuing and significant challenges in the province that are not of our making. You probably saw or have heard some of the issues around Grant Aldonas, who is the undersecretary for commerce responsible for softwood and who

was actually driving that agenda fairly well from our perspective. He has now been reassigned to other responsibilities having to do with the rehabilitation of Iraq and the rebuilding of Iraq.

So we have some issues to deal with in softwood, but we also have some significant issues to deal with, with SARS. We'll start with Colin. Colin?

For Information: Update on Redesign of Health Sector

Hon. C. Hansen: Thank you very much, Premier.

As you mentioned in your opening comments, it was exactly one year ago today that British Columbians were first introduced to our health authorities plans for renewing the health care system for patients across this province. The significance of those plans cannot be underestimated because they represent one of the most monumental shifts in health care that we have seen in the system in decades in this province - and really monumental compared to what other provinces have achieved up until now as well.

When our government took office, we promised a new era in health care delivery with a commitment to high-quality, patient-centred and sustainable health care, and those are very important words.

When our government took office, there was no question that some significant changes needed to be made, and we've made significant steps towards those goals. The changes that we've made to date are really only the beginning of the changes that need to be brought down to make sure that our system is, in fact, sustainable. When we started down this path, we were determined to move away from the old ways of doing business. It was a crisis management approach that left millions of health dollars in the budget every year not really being effectively used. For all the short-term gains achieved by throwing money at the system, what we wound up with was long-term pain for the taxpayers and especially for patients in the province.

When we created the health authorities in December of 2001, we asked them to focus their attention on two areas. One was efficiencies and administrative savings, and second was clinical best practices in the system. We wanted to achieve the following long-term goals: (1) accessible, high-quality health care; (2) patient-centred, public health care; (3) improved health and wellness; and (4) sustainable, affordable health care. These four goals were built into our service plans and really have driven our planning during this period of time.

Further to these four principles, we asked our health authorities to focus on the following areas when they developed their particular plans: improve the use of resources for direct patient care, ensure that patients have improved access to care, prioritize services for those most at risk, assure that the principles of the Canada Health Act are being followed, and ensure that sectors and services are planned and integrated throughout the system. We wanted to make some substantial shifts in how patient care was delivered in B.C., and 12 months later we can say categorically that we have made significant gains in every corner of the province.

[9:10]

I want to look at some of the challenges, first of all, and the first one is the financial challenge we're facing. If you go back to 1985, the health budget in this province was about \$3 billion. The budget is now at \$10.4 billion. In fact, when the final health budget is tabled in the House, it will reflect the increased federal spending, so it will actually be an increase from the \$10.4 billion that was in the budget up until now. That's a three-and-a-half-fold increase in health spending over what we were spending in 1985.

Health spending in British Columbia now accounts for 41 percent of the entire provincial budget, and that share of the budget is going to rise in the years ahead. If we are to maintain the status quo, we would be facing 7 percent and 8 percent increases in the budget that would be necessary in the years to come. Since we were first elected as government, we have in fact increased the health budget by \$1.1 billion over what was in place under the previous government.

The Canadian Institute for Health Information reports that British Columbia has the highest per-capita spending on health of any province in Canada. Despite this, we continue to face challenges in ensuring that patients get the care they need when they need it. Clearly, simply adding more money will not overcome the structural problems within the health care system.

The second big challenge we faced was an organizational challenge. Restructuring is needed to improve efficiency and performance in the system. When we took office, we found a health care system that had no goals and had no performance measures or standards of care that were applied consistently throughout the province. Our government is committed to long-term thinking to restructure health care delivery, to improve performance and to ensure sustainability. The three-year budget envelope for the health authorities is just one small example of planning ahead.

Planning ahead allows us to avoid the chronic cost overruns that had to be addressed

through special warrants by the previous government, and for the first time in years, there has not been a need to resort to this top-up of the annual budget because of mismanagement within the health care system. The ministries of Health Services and Health Planning are on budget, and every one of the six health authorities in this province is on or under budget for the year just ended. That's good news for all of us.

I would now like to walk you through some of the examples from each of our six health authorities to show how health care delivery has improved and how patients have benefited from the redesign that has transpired to date. I'm going to start with the northern health authority. In the northern health authority, physician leaders have partnered to collaborate on a plan to recruit and retain doctors across the north. Priority areas include pediatricians, obstetricians, orthopedic surgeons and ear, nose and throat specialists.

A team approach among the various health sectors is establishing Prince George as a regional centre of excellence. Recruitment efforts are being coordinated with other initiatives to strengthen the overall appeal of working in the area. For example, we've got the new northern medical school as one component of that. The program at the University of Northern British Columbia will increase the number of northern doctors, and that's part of the province's \$1.3 million plan to almost double medical school spaces in the province.

The north now has more doctors and nurses. There has been a net gain of 11 physicians in the north, plus 27 nurses hired at Prince George Regional Hospital. That hiring has been enabled as a result of the nurse refresher program. In fact, the increase in the number of nurses is part of a provincewide trend. In 2002 the number of practising nurses in B.C. increased by 538, and we have added 1,013 new nursing spaces at our universities and colleges over this past couple of years.

In Terrace there is a new \$1.4 million northwest renal dialysis expansion, and that's going to mean patients will no longer have to commute to Prince George in order to receive dialysis treatment. There is a new \$9 million seniors facility in Dawson Creek that will provide a modern care option for seniors in that area, and design work is underway on a 50-bed, \$7.5 million replacement for the Omineca Lodge in Vanderhoof.

[9:15]

A new specialized mental health treatment facility in Prince George, known as Iris House, means that people with mental illness will no longer have to travel to Riverview Hospital in the lower mainland to get access to treatment.

Patients and medical staff will benefit from the new emergency room in Prince George, an expanded intensive care space, an enlarged ambulatory care unit and a new patient care wing. In all, it's a \$50 million project that offers a new and bright environment with the latest equipment to care for patients in the north.

The improvements include a permanent MRI machine, which means that Prince George patients will no longer have to share a mobile unit with Kamloops, giving them better and more stable access to this important diagnostic tool.

Overall, the shift in health care delivery in the north and the establishment of Prince George as a regional medical centre will mean that patients throughout the north will have to travel less to get the medical care they require. Instead of going to Kelowna or to the lower mainland, they can now get better access to care where they live.

In the interior health authority, which I'd like to shift to next, regional care is leading to improved coordination and more effective use of health care resources as each hospital supports others in a network of care that serves patients on a regionwide basis. By pooling resources across the region, patients in the interior health authority can receive complex surgical care in hospitals like Kootenay-Boundary regional hospital in Trail or the East Kootenay Regional Hospital in Cranbrook.

Creating these centres of excellence also has the added benefit, with their specialized expertise and equipment, of attracting more specialists to these communities. Just to give you a couple of examples: as a result of this aggressive recruitment, 28 more physicians and specialists are coming to practise in the Thompson and Cariboo regions. As well, there has been \$2.3 million invested to bring five additional specialists to Cranbrook.

Regionalization also means that patients will get the care they need where they live. While some patients may have to travel to their closest regional centre, the change also means that they will have to travel to the major centres in the lower mainland less than they would have in the past. The stats bear this out. The number of patient transfers, for example, out of the West Kootenays is actually down significantly from the previous year.

The interior health authority is also investing \$10 million to upgrade seven residential care facilities throughout the region, including Kaslo and Trail.

In Kelowna there's a \$6 million investment to open their ninth operating room at

Kelowna General Hospital, which is improving access to neuro- and thoracic surgery. A new operating room in Vernon is also helping to reduce the pressure on patient wait-lists in Kelowna and, really, throughout the Okanagan region. The addition of a new, permanent MRI at Kelowna General Hospital will provide diagnostic care to up to 20 additional patients a day.

Better coordination is allowing the interior health authority to use operating rooms more efficiently on a regional basis. For example, instead of waiting for OR time for eye surgery in Kelowna, patients can now get the treatment they need in eye surgery centres in Armstrong or in Summerland.

Also in the interior health authority, the creation of one administrative system to replace the 19 systems that had existed previously has allowed the health authority to reduce administration and duplication and to streamline its operations. For example, there is now one single purchasing department, and that has improved the authority's ability to negotiate better deals for supplies, thereby freeing up funds for direct patient care.

There is a new \$5 million tele-imaging system in Kamloops that gives radiologists the instant ability to read digital images of X-rays and other diagnostic procedures from remote locations. The technology connects facilities and doctors and other health care professionals, making it easier for them to work as a cohesive team even though they may actually be in different cities. The digital transfer of these images shortens the time for diagnosis and allows patients to get treatment faster without having to travel to a major centre.

The expansion of Royal Inland Hospital will double the size of their emergency room and improve access to a variety of out-patient services. Patients will get better access to health care services, and the quality of their care will improve as staff will be able to care for more patients with greater comfort and privacy.

[9:20]

Kamloops is also seeing the benefits of our changes in how mental health programs are being delivered in the province. As a result of the \$125 million mental health plan that Dr. Cheema is working on, we are moving away from the institutionalized care model to more appropriate, homelike, community-based mental health facilities in the province. The tertiary psychiatric rehabilitation centre in Kamloops provides two new 20-bed mental health facilities that will provide residential rehabilitation for patients who would otherwise have had to travel to the lower mainland for their care.

Let's take a look now at the Vancouver Island health authority. The redesign plans on Vancouver Island will create a network of regional specialty hospitals to ensure that quality acute care services are targeted and effective. Diagnostic programs are changing for the better. For example, there is a new MRI machine in Nanaimo that I had the privilege of officially opening recently, and it has reduced wait times for this procedure significantly. Also, in Nanaimo there is a new community dialysis clinic that opened last year, expanding the capacity from four to 12 stations. These improvements have enhanced access to care for patients and provided an alternative for patients needing to travel to Victoria.

On southern Vancouver Island there is a new multislice CT scanner at Royal Jubilee Hospital, and the implementation of CT scan service at Saanich Peninsula Hospital has reduced waiting times for elective CT scans from what was an average of 12 weeks down to just two weeks. Vancouver Island health authority has also been able to achieve administrative savings, which is allowing resources to be focused on direct patient care. On southern Vancouver Island as well, the overall overtime rate has been reduced significantly. Overtime rates have improved 17 percent over last year. That's on top of an 11 percent improvement from the previous year.

These changes are creating an environment where medical professionals want to stay and work. For example, 94 percent of the registered nurses that graduated from Camosun College remained to work on the Island. If you look at the registered nursing class at the University of Victoria, 74 percent of that graduating class has decided to stay and work on Vancouver Island. The region has also successfully recruited physicians to new and vacant positions across the Island, including a new pediatric intensivist to improve care for children. This means that patients have to travel less to get the care they need.

There is also an aboriginal health initiative that they are working on. It is the development of a partnership with aboriginal communities that commits \$682,000 to address addictions, mental health and chronic disease.

New mental health options are also being put in place. Over 50 more beds will be opened in the central Vancouver Island area, and the new Seven Oaks psychiatric rehabilitation facility in Victoria is providing better care for patients. As well, an expanded psychiatric unit in Comox has doubled the number of secure beds they have in that community. Vancouver Island health authority generally is a leader in its work in integrating its mental health and addiction systems, and with over \$6 million in new funding for mental health plan implementation, we are seeing new community health services across the whole Island.

We are also seeing excellent progress at the Vancouver coastal health authority. Physicians at St. Paul's emergency room are among the first in Canada to use bedside computers. Through immediate computer access to treatment orders and test results, patients receive faster emergency room treatment. That results in earlier discharge for them. There is a new \$90 million ambulatory care centre being developed next to Vancouver General Hospital. It will provide access to one-stop out-patient care for up to 600,000 patients annually. Community dialysis units are now in place on the North Shore and in Richmond. They're providing patients with kidney failure with care closer to where they live.

There are 20 new assisted living units now in place in Powell River for seniors, providing an independent environment with the care supports that are necessary. A new partnership has been developed with SUCCESS in Vancouver, a fabulous organization, to provide much-needed care for frail seniors in Chinatown living with dementia and chronic illness. Those services are being provided in the residents' first language. The new Squamish nations women and youth clinic in North Vancouver provides community health services, and it promotes better health for aboriginal peoples in that part of the region.

[9:25]

The Vancouver coastal health authority is creating a single acute care network in the region. Instead of every hospital trying to be all things to all people, hospital sites will share expertise and resources within a catchment area. The result is improved patient services as hospitals are able to concentrate on specific services and ensure patients that need these services get them in a timely and quality manner. Critical care at Vancouver General Hospital and UBC hospitals are now fully staffed, and that's a first for a long time. Overtime has also been significantly reduced. The emergency rooms are also fully staffed at Vancouver General Hospital and at UBC hospital, ensuring prompter and improved care for patients.

There are also lots of health care developments in the Fraser health authority. After a decade of waiting, the residents of the Fraser Valley will finally be getting a new hospital. The new 300-bed facility will give patients improved access to cancer and acute services. This facility will be built through a public-private partnership, and the new hospital will centralize several medical disciplines and will enhance patient care, access and scheduling by allowing the coordination of multiple specialist visits and diagnostic testing for patients at one location. Patients in the Fraser Valley now have access to improved elective cardiac surgery through the new Chilliwack eye centre. The centre's goals include providing surgery in the most cost-effective way and freeing up

operating resources for other surgical services at MSA Hospital and Chilliwack General Hospital.

Patients will benefit from better care through state-of-the-art operating rooms at Surrey Memorial Hospital. With the touch of a screen, surgeons and nurses can control virtually every aspect of their surgical environment. The enhanced technology helps surgeons to be more precise by minimizing blood loss and post-operative pain and by shortening recovery time - phenomenal new technology that's being put in place.

The lower mainland's first subsidized non-profit independent living development opened in Burnaby in September. Nikkei Place offers 59 apartment units in an independent living environment. Seniors at the Dania Home in Burnaby will be able to age in place through the conversion of 35 of its 50 units into independent living.

The opening of the new day unit at the cardiac catheterization lab at Royal Columbian Hospital has reduced wait times for patients. Before the opening of this facility, patients could wait up to six months for treatment. Now they're being seen within two months - and same-day service in urgent cases. There's also a new CT scanner at Eagle Ridge Hospital and Ridge Meadows Hospital, and those have reduced wait times for this important diagnostic technology by 50 percent.

The sixth health authority that I want to address is the provincial health services authority, which is responsible for delivering highly specialized health care programs throughout the entire province. This better coordination has furthered the development of 25 new kidney dialysis centres around British Columbia. We have expanded kidney dialysis centres across the province in areas like Kelowna, Penticton, Creston and Nanaimo. And for the first time ever, patients in Terrace will be able to access kidney dialysis in their own community. That should be as early as June of this year.

Another example of how coordination and the consolidation of health care services are benefiting patients is the provincial health services authority establishment of four centres of excellence for thoracic surgery. Those are being located in Kelowna, Vancouver, Victoria and the Surrey-New Westminster area. This will improve care for patients who need lung surgery and lung transplantation. These centres of excellence for specialty practices have allowed the thoracic surgeons to pool their skills, which improves and stabilizes patient care.

The centres of excellence also benefit the surgeons. It allows them to support one another in their medical practice and better manage the needs of the patients they serve. As the quality of life improves for these much sought-after medical specialists,

the recruitment and retention of these specialists will be easier in the future.

With the establishment of the provincial network for autism spectrum disorder assessment and diagnostic services, the provincial health services authority has significantly reduced the wait times for diagnosis of autism in children six years of age and under. That wait list was 14 months long when we took office. It is now down to less than three months.

[9:30]

As you have seen, the individual health authorities across the province are making great strides in improving the delivery of health services. Provincewide, there has been significant improvement in service to patients since we began the redesign of our health care system. Overall, B.C.'s health system is performing more surgeries. Surgical volumes have increased last year over the year before by almost 9 percent. We recognize that despite this increase in the number of surgeries being performed, the surgical wait-lists continue to be a challenge, and in some cases, patients are waiting too long for their non-emergency surgery. We want to do better, and we are proceeding as fast as we can to address the wait-list challenge.

As part of this, the provincial health services authority is leading a project to improve access and standards related to surgical services. In parallel with studies of surgical services taking place within the regional health authorities, the overall goals of this project are, firstly, to develop measures of performance for surgical services, including wait-list standards; secondly, to identify best practices and guidelines to ensure the most appropriate care is being provided within available resources; and, thirdly, to implement a provincial performance measurement program for surgical services to measure effectiveness of these improvements.

In the 2001-02 fiscal year there were 27 B.C. patients that had to be transferred to the United States for care. Last year that number had decreased to only six patients for the entire year. The higher number of patient transfers the year before was largely due to job action by some health care workers, lack of capacity within the system and the fact that we didn't have a provincial bed management and utilization system.

We now have that system in place, known as B.C. Bedline, which helps us track all of the beds that may be available at major hospitals across the province. It's a great resource for physicians trying to make sure they can find a place for their patients in a major B.C. hospital. B.C. Bedline has also been a real asset in controlling the number of patients that need to be transferred to the United States. It has also resulted in

significant savings for B.C. taxpayers, as the average cost of transferring a patient to the United States is \$300,000 for each patient. This means that between 2001 and 2002 we saved about \$6.3 million by sending fewer patients to the United States and, instead, ensuring that those patients can be properly cared for in British Columbia facilities.

The availability of health care professionals like doctors and nurses is also critically important to making sure patients get the care they need where they live. We're recruiting more nurses and doctors and finally starting to address the critical shortage in key heartland areas of the province. In Cranbrook, for example, they have recruited five new specialists. There are four new specialists in Trail, and there are 11 in Prince George. Across the province, as I mentioned a little bit earlier, we've created 1,813 new training spaces for nurses at our colleges and universities, and we now have a net increase of 538 more nurses practising than a year ago. It's clear that the nursing strategy we embarked on is in fact working.

We continue to help health authorities recruit the doctors and nurses they need through a program known as Health Match B.C. The provincially funded health match helped place 180 doctors and 85 nurses around the province last year alone. We are also increasing the number of doctors in the province by doubling the number of medical school spaces from 128 to 224 by the year 2005.

The improvements in health care delivery are possible because our health care system is better organized and much more efficient, allowing us to focus attention and resources where they will be most effective. Health authorities are on track to meet the requirements of their performance contracts to reduce the amount that is spent on administration by 7 percent over a three-year period. They have already achieved savings in the tens of millions. Vancouver coastal, for example, has cut the number of health executives by 25 percent and management jobs by 14 percent. The northern health authority, to give you another example, saved \$1.9 million as a result of administrative change and reorganization, including a 20 percent reduction in executive positions.

[9:35]

So what's next? One year ago I said that what the health authorities were announcing was only the beginning of a continuous process of change. That remains true today, just as it was a year ago. Health authorities are continuing to improve the ways they deliver services so that they can serve as many patients as possible with the resources they have. Although we will receive funding increases as a result of the increased federal

money, and each of the health authorities will see increases in their budgets as a result, we cannot underestimate the impact of our growing and aging population.

I just want to give you a bit of a sense of the demographic dynamic that's facing us in the future, because it really is quite staggering. By the year 2010 we will have an additional 120,000 senior citizens in British Columbia. That's a 22 percent increase. If we go a little bit further forward to the year 2030, the portion of seniors will increase from one in eight, as it is today, to one in four. If we want our public health care system to be there in the future, we simply must change. The reason, of course, is that the per-person health care expenditures increase with age.

If you look at British Columbians between the ages of five and nine, the cost of health care, on average, is about \$800 for each of these children. For the age group of 25 to 45, that rises to about \$1,400 a year for the cost of their health care. For those of us at age 50, it rises to about \$2,000 a year for our public health care expenditures. But as you start looking at the cost for those over the age of 65 - and I can see some in the room who are hitting that milestone - the cost to the health care system for the 65-to-69-year-olds is \$3,800 a year. If we then look at the age bracket of 75 to 79, it's \$7,300 a year. For those between the ages of 80 and 84, the cost to the health care system is an average of \$10,700 a year. For the age group from 85 to 89, it's \$18,800 a year. If we look at that age group for those 90 and over, which is the fastest-growing age group in British Columbia and is expected to rise by 40 percent in the next three years alone, the average cost of health care for those British Columbians is \$20,800 a year.

I guess the other fact that is important to note is that 50 percent of our prescription drug costs in this province are consumed by people over the age of 65. Our challenge is compounded when you consider that there will be a smaller percentage of working people to pay for the health care costs of an increasing seniors demographic group.

Here are a couple of other stats that I think are quite interesting. Today there are 188 seniors for every 1,000 working British Columbians. By the year 2030, which is not that far away when you think about it, there will be 433 seniors for every 1,000 working British Columbians. Life expectancy is growing, and British Columbia actually has the highest life expectancy of any province in Canada. But the good news, when it comes to facing these challenges we have, is that we've already started to make some of the changes that are necessary to position the health care system so it is there for us and our children in the years to come.

We will continue to expand the home and community care sector to meet our goal of having 5,000 additional new beds by 2006. As part of that commitment we have created

a new sector in home and community care called Independent Living. Over the past year we've already built 760 new beds for seniors who need assistance - a key step in our goal of meeting that 5,000-bed commitment.

[9:40]

Our aging population and our commitment to ensure seniors have the appropriate and flexible care they need is a key reason why this government is expanding our partnership with third parties, because we have an obligation to ensure that taxpayers receive the best value for their dollar. We have carried out extensive analysis into how we can ensure quality patient care and get the best value for our limited resources. We are committed to innovation in developing new health care facilities. Public-private partnerships will allow us to take advantage of the efficiencies and the innovation that the private sector can bring to the health care system. For example, after 15 years of waiting, as I mentioned earlier, the people of Abbotsford are finally going to get their new state-of-the-art hospital and cancer centre, and that is thanks to a public-private partnership that we are putting in place. Where these kinds of arrangements are appropriate and make economic sense, we will continue to pursue them.

Now, as we start looking to some of the future changes, let's also look at some of the different sectors within the health care system, starting with the Ambulance Service. We want to find better ways to manage emergency measures. Over the past year we have undertaken a thorough core review of the B.C. ambulance system. We want to ensure that the model of emergency response across British Columbia is consistent, efficient and responsive to patient needs. We expect the outcome of this review in the coming months, and we look forward to changes to further integrate the Ambulance Service with the rest of our health care system.

Patients around British Columbia often talk to me about the number of times their blood work is needlessly duplicated when they're in the health care system for various reasons. We believe we can save millions of dollars in cost savings by challenging the way that lab services are provided, with no negative impact to patient access. B.C. currently has the highest cost of any province for its lab services. We also have the highest use of lab services in Canada. Our lab costs are 50 percent higher than the Canadian average. We need to look at ways to rationalize lab services so this key component of our health care system remains sustainable and so we get the best value for the health dollars being spent.

We are also looking at the way the Medical Services Plan is managed in the province. For years, British Columbians have associated our Medical Services Plan with busy

signals on the phone lines and with unanswered mail. It is clear that the Medical Services Plan's technology and infrastructure are outdated and inefficient and that the program is no longer meeting the needs of British Columbians.

I was interested to learn that in all of North America, there is only one IMS mainframe computer that is still in active use. That IMS mainframe computer, which is obsolete, is being used by the Ministry of Health Services and is a classic example of how technology has to be updated so that we can better meet the needs of British Columbians. We have to develop a long-term creative solution that will ensure that the Medical Services Plan delivers the services it's mandated to do in a timely and efficient manner.

We are also looking at primary care and chronic disease management. We want to see an expansion of the number of primary care centres in which integrated teams of health professionals can care for patients in a comprehensive way. We also want to continue targeting specific illnesses with better chronic disease management to help patients stay healthy and stay out of hospitals.

We need to control escalating drug costs. One of the key challenges the Ministry of Health Services has faced and continues to face is the spiralling cost of our Pharmacare budget. Pharmacare now has a budget of \$700 million per year. It has risen every single year. It will rise this year, and it will rise next year, and it will rise the year after. The increase has been 147 percent over the past ten years. We are facing annual projected growth rates of around 15 percent a year unless something is done.

Pharmacare was clearly unsustainable. In addition to that, it was unfair to those British Columbians with lower incomes who were paying more for their prescriptions than some B.C. residents with higher incomes.

In February, I announced major changes to Pharmacare to ensure that the province's new drug plan, known as the Fair Pharmacare plan, is both fair and sustainable. We have an obligation to ensure that this publicly funded program uses resources efficiently. The introduction of Fair Pharmacare is just one step that we're taking to ensure drug costs are sustainable for the future. There will be other initiatives that will be taken in the months ahead to ensure that other cost pressures within the Pharmacare system are dealt with effectively.

[9:45]

Just by way of conclusion, I've provided some real, concrete examples of the shifts that

are benefiting patients throughout the province. I have also explained that we still face some big challenges, and we have a lot more work to do. I am confident that we have processes in place to ensure that the shifts continue to focus on patient care. I am proud that B.C. is the first province in Canada to develop clear standards for accessibility for patients. We have performance contracts in health authorities to provide direction and stability. The background information for these standards is posted on our website. It's on the health authority websites for everybody to see.

Other provinces are already starting to take note of our approach, and they are describing B.C. as a leader in terms of health care renewal. Last year at this time our six new health authorities were in their infancy, and the shift to a streamlined approach to health care governance and management is still taking shape. The CEOs and the board members, along with our deputies and senior ministry staff, have worked incredibly hard to bring us to a point where the benefits of redesign are starting to become real and meaningful to patients in the province. The recent SARS outbreak provides a concrete example of how redesign is strengthening our ability to react and respond to new and emerging health care challenges. Our more streamlined approach, with just six health authorities, has proven very effective in allowing public health experts to disseminate new information quickly and efficiently and to ensure that our response is comprehensive and well coordinated in every corner of the province. With more efficient organizational structures, improved communication and strong public health surveillance networks, B.C. is well positioned to respond to this challenge, and we were extremely effective in dealing with the very first SARS cases when they were identified in British Columbia.

The fact that our province is home to a dedicated centre for disease control is a testament to the priority placed on epidemiology and protection of public health. This is a body that is unique among provinces in Canada. British Columbia can also be very proud of the leadership role played by our provincial medical health officer and his team, along with the staff at the B.C. Centre for Disease Control, in working closely to inform health authorities, individual health care workers, public health authorities and the B.C. Ambulance Service of new information related to SARS and by ensuring that everyone in the health care system continues to be vigilant in identifying new potential cases. There is also credit to be given to the network of dedicated researchers at the Michael Smith Genome Sciences Centre, who have played a significant role in the science of SARS by identifying the gene sequence believed to be linked to the virus linked to SARS.

Overall, we continue to take aggressive action at every level of our health care system to control the outbreak and spread of SARS. I am pleased to report that at least one of

the four probable cases of SARS here in British Columbia was actually well enough to be discharged from hospital over the weekend, and that is a very encouraging sign. As of yesterday there was a cumulative total of 47 suspect cases that had been identified in British Columbia. Most of these 47 suspect cases have now become symptom-free and have been able to be discharged.

While every day we report the number of suspect cases, it's important to recognize that this is a cumulative total and that many of those suspect cases have already been assessed as likely having some other cause to their particular ailments. Undoubtedly, there will be more suspect cases identified. I know that with the update that will be provided by the provincial health officer later today, there are likely to be additional cases added to that cumulative suspect list.

We cannot afford to let our guard down at any level in responding to this public health challenge. We will continue to take every action necessary to contain the number of SARS cases and to ensure that our decisions continue to be based on the facts and the evidence. We know that containment or the lack of containment of SARS in other parts of the world will have an impact on our province and our country down the road, which is why our containment strategy will need to adapt and change as the science changes and the virus itself continues to spread.

[9:50]

I can tell you that we are keeping an eye on future developments and working with public health officials to consider how these changes may impact our province and ensure that we are prepared for the implications. We continue to work very closely with Health Canada and with other provinces and territories to share important information and to ensure that we are consistent in our approaches. I am extremely proud of the work that is being done today by front-line staff, medical health officers and the Centre for Disease Control. Every level of health care in B.C. is committed to act swiftly. Should the SARS situation change and more solutions and strategies be warranted, we will be enacting those quickly and effectively.

Meanwhile, I would encourage any British Columbian who has questions or concerns about SARS to get more information through the government website at www.gov.bc.ca. or, if they have concerns about symptoms they may be experiencing, to contact the Nurse Line, which is available by 1-800 number anywhere in the province.

So, Premier, this certainly has been an eventful year in terms of health care challenges in British Columbia. The changes we have made to date and the changes we'll continue

to make in the months ahead will ensure that British Columbians get access to the very routine needs they may have in health care but, as well, to the very important and changing challenges we may face globally with new and emerging issues like SARS. The health care system we have is responding to these challenges, and we want to make sure the system continues to be responsive and is sustainable well into the future.

Hon. G. Campbell: Thanks, Colin.

Graham?

Hon. G. Bruce: Thanks, Colin. That was very informative.

I just want to come back to the autism assessment and faster assessments taking place. You're saying 14 months to three months - in that time period. Would that be a provincial average? Are there still spots throughout the province where we haven't seen that reduction and where we're faced with challenges in trying to improve?

Hon. C. Hansen: I'm going to ask Linda Reid to comment on this as well, but there have been new diagnostic procedures put in place by the provincial health services authority, and the wait-list has come down remarkably for all parts of the province. There are still issues around access to care. Clearly, families living in more remote areas of the province have bigger challenges in getting access to that care, but I think the new procedures that are in place are really allowing us to get better and more responsive diagnoses more quickly.

That is just so vitally important to these children, because a delay of one year in a diagnosis of something like autism really sets back their whole treatment process. The treatment itself becomes the responsibility of the Ministry of Children and Family Development, which is why I'm going to invite Linda to comment on this as well.

Hon. L. Reid: Thanks, Colin.

When we talk about averages, when Colin mentioned 14 months being the long, that was the average. In lots of instances in different communities around the province, two years was not unusual prior to us coming to government. In fact, we have situations around the province where the wait-list is zero, and our challenge is to continue to take three months and drive it down to zero. I think we're being unbelievably successful. I take my hat off to both Colin and Sindi, because it was an issue that truly needed to be addressed on behalf of families, and I believe they've done an amazing job.

Hon. G. Campbell: Other questions? Judith, Sandy, and then Rick.

Hon. J. Reid: Thanks, Colin. I really appreciated the information. It was really encouraging to hear. We might be familiar with our own areas, but to hear what's going on all around the province was very, very helpful.

But it did raise a question for me, because you mentioned that in some health authorities, it sounds like there are some advancements in technology. One of the examples was in the Fraser health authority, where there's a new state-of-the-art operating room at the Surrey Memorial Hospital. You were talking about the computerized system and how wonderful that was. It sounds like that's the only place it exists, so how does this technology get transferred to other health authorities? How do they make the decisions about that kind of technology? Is this a pilot project we'll see other places, or was this specific to a certain kind of surgery that only happens there?

Hon. C. Hansen: What we are seeing is some of this new technology being piloted in different parts of the province, but the intention is that we will see it in all facilities. We see in the interior, for example, the development of the new teleradiology systems, which are also being developed on Vancouver Island and in the Fraser health authority and, really, in most parts of the province today. So while we see it start in one area - to get some of the bugs out of it and to learn from that experience - we then look to rolling that out in other parts of the province.

[9:55]

We have a huge technology deficit in British Columbia, because during the 1990s the previous government really starved the capital side of the health care system. So now we've got a lot of catch-up to do to make sure that some of the latest and most innovative technologies can be utilized to make sure patients get the care they need. We will see that technology duplicated throughout the province.

Hon. G. Campbell: Sandy.

Hon. S. Santori: Judith asked the technology question. I have two others. Can you advise us, Colin, what our total administrative savings were on a consolidated basis across the province? I know the interior health authority had significant savings in administrative costs - which was great - that were able to be put into health care. Do we have a number on a consolidated basis across both the health authorities and the ministry itself?

Hon. C. Hansen: I wish I could give you that number, but certainly it's in the tens of millions of dollars.

The reason I can't give you a precise number is because under the previous government, the whole process of administration was so disjointed across the province that you can't compare apples and apples. They had 52 different health authorities in the province, and they had different ways of measuring what really constituted "administration." We've now tried to standardize that across the province so that we can actually do proper measurement of how much is being spent on administration. We do know that if you look at a particular region, we can point to how administration costs are down because we're comparing apples and apples, but it is quite difficult to consolidate that on a provincewide basis.

Hon. S. Santori: My other question is quite astonishing, actually, when we look at the figure. With the revamping of some of the facilities in some of the rural communities where emergency services have been either reduced or in some cases eliminated because of their close proximity to another facility.... I believe it came out in the Romanow report and was identified in the Kirby report, as well as in one other individual's report: 15 percent of people that go to emergency wards are actual emergencies, which means 85 percent of the people who show up at an emergency ward shouldn't or don't need to be there. This is creating some real backlogs, especially where some consolidation has taken place.

Are there any plans in place, other than educating people, in terms of how we can reduce the number of people that actually show up at emergency wards who are, in fact, not emergencies - which is, firstly, costing a ton of money and, secondly, creating long wait-lists at emergency wards for those people who actually need emergency care? Is there some magic wand you can shake that can eliminate 85 percent of these people having to go to emergency wards and putting the stress both on physicians and nurses as a result of that?

Hon. C. Hansen: The short answer is that there is no magic wand for anything when it comes to health care. I wish there were. But there are clearly some strategies that can help manage that.

I wouldn't want to leave anybody with the impression that 85 percent of patients who come to emergency rooms are inappropriately using the emergency rooms. There's some of that, but what we need to put in place are alternatives to the emergency room.

One of those we have in place today, and that's the Nurse Line. That's accessible

anywhere in British Columbia by dialing 1-800-866-4700. Any British Columbian can get access to a registered nurse who can help guide them through a decision-making process as to whether they should go to an emergency room or not. Perhaps they should wait and see their own family doctor. That's already having a significant impact on reducing emergency room visits.

The other strategy we are putting in place is around primary care reform and ensuring that patients have an alternative to get the care they need in their community, outside of an acute care setting. A lot of that is around chronic disease management, so the individuals that have chronic illnesses - whether it's asthma, for example, or mental health concerns - can be managed before they get to an emergency situation. We are seeing some progress in that area as well, but that's an area that Sindi and Health Planning are working on to roll out much more broadly across the province.

Hon. G. Campbell: Rick, and then Linda.

[10:00]

Hon. R. Thorpe: Thank you, Premier.

Colin, you mentioned that with the interior health authority, at one point in time there were, I believe, 19 purchasing centres. Now, through consolidation, you've got that down to one, and you're getting much more effective purchasing and therefore more money left for patient care. What steps have been taken to also make sure that there's a coordinated effort between the five regions plus the provincial authority to garner even stronger buying power?

Hon. C. Hansen: There is a body, which we refer to as the leadership council, that is made up of the CEOs of the six health authorities along with the deputy ministers and the senior ministry staff. They meet on a regular basis. Often they will meet every two weeks, but certainly on a monthly basis, to coordinate all kinds of issues. Purchasing is one that really comes down to: what is the critical mass that you need to make it most cost-effective?

To go to a provincewide purchasing system would not be cost-effective, because we think we can better manage that at the health authority level. But there is good coordination now. There are examples where the Fraser health authority, the Vancouver coastal health authority and the provincial health services authority are now coordinating purchasing for those three, and just the sharing of information among the health authorities. We do achieve some of that without trying to impose some big

superstructure that would be highly bureaucratic for the whole province.

Hon. R. Thorpe: Thank you.

Hon. G. Campbell: Linda?

Hon. L. Reid: Thanks, Premier.

Colin, two questions. The first is in terms of the comments you made around utilization or in fact the process for how we decide lab costs. If we are indeed 50 percent higher than the rest of the country, what percentage of that would be seniors utilization? That's my first question.

My second question is around the hours of operation for community dialysis on the North Shore and in Richmond. They're not yet open full-time. I know that some of that is the training question. Indeed, there weren't enough skilful folks available to operate those facilities in terms of expanded hours. Can you give me a sense of when that's going to change?

Hon. C. Hansen: First of all, in terms of the lab services for seniors, I don't have a specific number for that in terms of the percentage of lab costs. I think it's fair to say that the percentage of our health care costs are higher for seniors, and the seniors do wind up with more hospitalization and more blood tests done. I think it's fair to assume that it certainly is.... I really can't say off the top of my head whether it's half.

As far as the dialysis units, they need to expand their operations based on two factors. One is the training and the other is the demand. We will see a significant increase in the need for dialysis in the coming years. The projections for the future, when it comes to kidney failure, are quite staggering. It's one of the driving factors behind the expansion of the number of dialysis units and facilities around the province. The hours will be expanded as staff are available and as the need exists.

Hon. G. Campbell: Colin, just two questions. We have a goal of 5,000 intermediate and long-term care units by 2006. How are we doing in terms of meeting that goal by 2006? I know you've got 760, or whatever it is, to date. But what's the plan that takes us to 2006 successfully?

Hon. C. Hansen: Actually, over the coming months you're going to see a lot of shovels in the ground around the province. When we made the announcements a year ago today around the three-year process for phasing out some of these old health care

facilities and replacing them with new facilities.... That process is now well underway.

In addition to that, our goal is for a net increase of the 5,000. Health authorities will be rolling out announcements over the coming weeks as to where those facilities are going to be located. We're, in fact, going to see shovels in the ground and construction.

Even in this period of time, as I mentioned, we've already seen 760 units that are opening. Some of those are replacement units, and some of them are brand new. We will see an accelerated pace over the coming year because of the time it takes to plan and make sure that those are done properly.

Hon. G. Campbell: But we're on plan to succeed.

Hon. C. Hansen: We are very much on target. We're on plan to meet the goal of 5,000 additional beds by 2006.

Hon. G. Campbell: Okay. The mental health plan - how are we doing with that vis-à-vis our commitments?

Hon. C. Hansen: Actually, Dr. Cheema may want to comment on that. But again, the health authorities have been doing a lot of work around the rollout of the mental health plan. Our commitment is to ensure that there is \$125 million of additional funding to fund that plan over a seven-year period. So far, we are on target - in fact, well ahead of target - but I think Dr. Cheema will probably want to add to that.

Hon. G. Campbell: Gulzar?

[10:05]

Hon. G. Cheema: As far as the mental health plan is concerned, our commitment was to fully fund and implement the plan. That was a \$125 million plan. We quickly realized that to implement this plan, we would need to spend additional money to have the facilities across the province. In fact, we will be spending an additional \$138 million over a period of five years.

We will be redeveloping the Riverview Hospital. We'll be taking patients from this institution to various parts of the province, where patients will be able to go to their homes - close to their homes, as close as possible. These facilities are very modern; they're homelike; they're providing compassionate care. We are doing it in a different way than the other provinces. Other provinces are also trying to do the same thing, but

they are losing capacity. We are, in fact, increasing our capacity within the province. By the end of this five-year plan, we are going to have more additional beds that would settle the need of the community. I think we are looking far beyond 2005-06.

The idea is that in the past when the NDP was in power, they had the commitment, but unfortunately, that commitment was never fulfilled. More than that, when they were able to send patients away from the institutions, the community placements were not there. Our goal is that the patient - anybody who is a part of the mental health community.... They need acute care, they need chronic care, and they need the community care. We are providing a continuum of care, and we are very confident that this is working. As we go along, if there are changes we will need, we will make those. But I think we are doing much better than what we thought. We are well advanced into our plan, and we are spending a lot more than what we said.

Hon. G. Campbell: Okay. Any questions?

Yes, Gary?

Hon. G. Collins: Sure. I just had one for Colin.

Can you walk us through the SARS numbers again? You gave us a general number, but in watching this, I notice there hasn't been a lot of comment in the media nationally or internationally with regard to those people who have contracted it, had it confirmed, have recovered and then have gone back to normal life. I don't know to what extent that's happening here or elsewhere. Perhaps you can give us.... I don't know if you have numbers on that - people who have been identified and then have been cleared or who have recovered from it and moved on. I know there's lots of talk about when somebody actually dies as a result of SARS, which of course is awful, but I don't know that there's been much discussion about people who've contracted it and recovered from it and moved on. Do you have any numbers on that?

Hon. C. Hansen: First of all, there have been no deaths in British Columbia. You refer to confirmed cases. There's no such thing as a confirmed case, and it's because we don't have the conclusive tests. As you may have noticed if you've caught some of the news coverage over the last couple of days, British Columbia is very much involved and a leader in helping to develop the conclusive test based on the genome sequencing that was done here in British Columbia to determine whether, in fact, somebody does or does not have SARS.

When we talk about probable cases - there are four in British Columbia - those are

individuals who show all of the symptoms that are consistent with SARS. As I mentioned, there's one gentleman who has now been discharged from hospital. It's not a case of his going back to his normal life yet, because he is still being monitored. It is still important that he watch for any recurrence of symptoms, so public health officials are still working very closely with that individual.

Hon. G. Collins: That's one of the six?

[10:10]

Hon. C. Hansen: That's one of the four. We also have three other probable cases in British Columbia that are still in hospital. As I mentioned, as of yesterday there were 47 suspect cases, and that is a cumulative total. We will have individuals that start presenting some of the symptoms. That would be, perhaps, a temperature in excess of 38 degrees Celsius. It may be that they have a dry cough - which is also a symptom of SARS - but, say, they haven't got any respiratory problems. So they don't have all of the symptoms. Now, there are other illnesses that could cause those symptoms, so we are not taking any chances. We are monitoring those suspected individuals as if they had SARS just to be 100 percent certain. Until we have that conclusive test which can say to an individual on that suspect list that they either do or do not have it, then we have to shy on the side of caution with those individuals. Many of those 47 suspected cases in British Columbia have seen their symptoms clear up without developing the full array of SARS symptoms. In those cases, public health officials are questioning whether or not they in fact ever had SARS. Again, until we have that conclusive test, we can't make that conclusion - until we have 100 percent certainty.

Hon. G. Collins: Of those 47, would any of those be in hospital, or are they just being monitored?

Hon. C. Hansen: Well, they're all being monitored. Some of them would be monitored at home; some of them may be in hospital at this point.

Hon. G. Collins: Okay. Thanks.

Hon. G. Campbell: Shirley.

Hon. S. Bond: Just very quickly. Colin, you've demonstrated a sort of improvement in efficiencies across the sector. What I'm interested in is the relationship between the provincial authority and the regional ones. In the previous system there certainly were concerns about the equity of access to those services provided provincially for those of

us who, for example, live in the north. It was a great step, we think, that direct representation was made on the provincial board. Has there been a corresponding improvement in terms of access and efficiency for those of us who live outside the lower mainland? Have you seen direct results in terms of the relationship that's now been created with the provincial authority for those of us who live in the north?

Hon. C. Hansen: The short answer is yes. The goal is not to look at the needs of northern British Columbians when it comes to accessing more difficult surgical procedures. The goal is not to say: "Well, let's do this all in Vancouver." The goal is to say, "Let's make sure we strengthen our centres around the province, whether it's in Prince George or Cranbrook or any of the other regional centres in the province," and to ask what we need to do in those communities so residents don't have to travel to the lower mainland to get access to the care they need.

We are starting to see, in some regions, that the number of patients being transferred out is being reduced because they're getting better access to care. We're recruiting the specialists that are needed. It becomes a bit of a chicken-and-egg thing. You have to put the dollars where the care can best be provided. Up till now a lot of that care was being provided in the lower mainland. That then attracted the specialists to the lower mainland. By the recruitment efforts and the funding we're directing into the regional centres, we're able to recruit specialists into those centres. The next stage is to make sure the dollars flow there, as well, so patients can get the care they need there. We're making some good progress already, and we plan to continue with that focus.

Hon. G. Campbell: Okay. Thank you, Colin.

Murray.

For Information: Endowment Fund for Persons with Disabilities

Hon. M. Coell: Thank you, Premier. Good morning, everyone.

Last month, you remember, I made a presentation to open cabinet that gave a historical context to the income assistance caseload in British Columbia. I illustrated that the caseload is dropping from a high in the mid-1990s towards a more sustainable level today. I spoke about how people who are expected to work and who are able to work are succeeding, thanks to the ministry's job training and placement programs. Since June of 2001 these programs have placed more than 16,000 of our clients into jobs.

I also spoke about how disability cases make up nearly 40 percent of our overall

caseload now. This morning I'd like to focus on what we're doing to provide the support that people with disabilities need to achieve greater independence and participate more fully in the workplace and in their communities. A key initiative to help us reach this goal was the establishment of the Minister's Council on Employment for Persons with Disabilities. The council, made up of public and private sector leaders, is committed to increasing employment opportunities for persons with disabilities.

The council held its inaugural meeting in January, and I am very encouraged by the enthusiasm and the drive which the members have brought to the table. I am particularly pleased that the council has agreed to take part in a new initiative. Currently, people with disabilities face an unemployment rate twice that of people without disabilities. That's simply not acceptable in British Columbia. Many people with disabilities have a wide variety of marketable skills, and they want to use them in the workplace. They deserve to have the same work opportunities as people without disabilities.

[10:15]

Today I am pleased to update cabinet on this new initiative that will open more employment doors for people with disabilities in British Columbia. My ministry and this government are contributing \$20 million to the Vancouver Foundation to establish a disabilities supports for employment fund. This amount is in addition to the more than \$400 million that we are already spending to support people with disabilities.

The new disabilities supports for employment fund will be used to provide a range of supports that will enable people with disabilities to participate in the workplace as they are able. These supports will range from simple workplace accommodations like ramps and automatic doors to advanced technology devices including text readers, Braille printers, specialized keyboards and additional supports for people with mental illness. An example of that would be job coaches and support directly on the job.

The Vancouver Foundation has a 60-year history of community leadership in British Columbia and a provincewide mandate. Because of their expertise, the Minister's Council on Employment for Persons with Disabilities will advise and work with the Vancouver Foundation on eligible grant proposals. The Vancouver Foundation will distribute approximately \$1 million from this fund to British Columbia charities that apply each year. That's this year, next year, the year after and for many years to come - a \$20 million investment that will pay out millions of dollars in perpetuity. That's a great return on our investment and a greater return for people with disabilities who will benefit.

In the past year we have made solid progress in developing programs for people with disabilities who would like to work or participate more fully in their communities. Our government recognizes the distinct needs of people with disabilities, including the right to participate in the workforce as one is able and also without losing their disability designation. That change, brought about by the Employment and Assistance for Persons with Disabilities Act, provides a strong foundation for individuals to take the risk towards employment without the fear that they could lose their eligibility for assistance.

Earlier this month we increased the earning exemption for them to \$400 - double what it was when we took office - to encourage more persons with disabilities to participate in the workforce. These exemptions make it easier for people who are able to work and maintain their skills to participate in the workforce as best they can and to have greater financial independence. More than income, working gives people self-confidence, independence and purpose, as well as a strong sense of community involvement.

The government's commitment to assist these individuals into the labour market and to improve employment outcomes is outlined in our employment strategy for people with disabilities. We have increased spending on employment programs for persons with disabilities to \$24 million. That's an \$11 million increase in the past two years, or an 84 percent increase since we took office. We are taking action to make it easier for people with disabilities to take advantage of self-employment opportunities.

Two weeks ago I spoke at a conference of entrepreneurs with disabilities and told them we were adjusting our policy regarding the treatment of business loans. Some of our clients had told us their disability assistance had been affected by business loans. We want to support their initiative to become more independent through self-employment, and I am pleased that our policy will now make it easier to take advantage of these opportunities.

A new self-employment program specifically for people with disabilities will also begin in the fall. It will respond to the unique barriers to self-employment faced by people with disabilities. We applaud and support people with disabilities who are taking on the challenges of self-employment.

We are also supporting individuals who want to get involved in other forms of employment or volunteer work. We're currently implementing a full range of services under the employment program for persons with disabilities. This integrated approach to services will provide the supports needed for persons with disabilities to be part of the workforce as they are able, whether it's full-time, part-time, volunteer or self-employed.

[10:20]

We know that some people may first need a supportive environment to build confidence and motivation. In December we launched pre-employment services. This program provides help with job-related skills such as computer skills, decision-making skills and many job-readiness skills. We now have on the B.C. Bid website requests for proposals seeking bids from the community to provide planning and employment services and disability supports. These services include planning and assessment, job training and placement, technical equipment, physical accommodation and follow-up workplace support. These will begin in July.

Our focus is to address the barriers that can prevent people with disabilities from participating in employment and to create a range of supportive services that allow them to take full advantage of employment opportunities. The goal of all these measures - the minister's council, the disability supports for employment fund, pre-employment services, planning and employment services, self-employment and training opportunities, and an increased earning exemption - is to ensure that people with disabilities are provided with every resource available to achieve greater independence, security of income and enhanced well-being. I am pleased to have as partners the Vancouver Foundation and the minister's council, who will help us achieve these goals.

I hope the update has been helpful to cabinet members. I'd be willing to answer any questions you have.

Hon. G. Campbell: Thanks, Murray.

Rick, and then Gulzar.

Hon. R. Thorpe: Thank you, Premier.

Murray, thank you for this. How will people throughout British Columbia learn the details of this \$20 million fund, and how will they learn how to access it or apply for it? How will that information be made available to British Columbians?

Hon. M. Coell: Actually, as we speak, it's gone up on our website. The application process will be out shortly. We'll be contacting many of the charities in British Columbia that would make use of this fund, letting them know individually what the time frames are and what the process will be.

I think you will find that most of the charities that work with people with disabilities are

going to welcome this. We talked to many charities in the development of it, and the minister's council as well. I think that as you speak, Rick, people are being informed.

Hon. R. Thorpe: Would it also be possible, Murray, for us to have complete information packages available at all MLA offices throughout the province, then, for local constituents?

Hon. M. Coell: Yeah, and they'll be going out shortly as well.

Hon. R. Thorpe: Okay. Thank you.

Hon. G. Campbell: Gulzar.

Hon. G. Cheema: Murray, can you tell me: out of this \$1 million, is there any percentage that's going to be given for the non-visual part of the disabilities? I know that part of the issue with the mental health community is because they are not that vocal sometimes. It's not visible; it's not there. Are you going to be, for example, dividing the funds? For example, if there is so much, will a percentage go to the mental health community for special programs?

I do have a concern: why are we only giving money to the charities and not to the various organizations that have done work in the past? They have some special programs. Why can't we use their expertise to further their case? For mental health, this is something they can do very well. It can be done for a month, two months or three months. These programs are very specific, they are very special, and we should use them.

Hon. M. Coell: We will be looking at a number of different partners with the fund. It's an open fund, so people can donate to it and have specific requests in the donation as well. The fund won't be divided into percentages at this point for different disabilities, but there is a common theme throughout that mental illness will be very much a part of this, and we're going to be looking to the mental health community to give us guidance as to how that can be worked in.

I had mentioned job coaches and support on jobs, people working cyclically as they're able to with mental illness. I think we'll see that there are many groups that come forward with proposals, as well, that will be considered. I'm very optimistic that the mental health community will also benefit from this.

Hon. G. Campbell: Is the decision-making being done by an independent board, or is it

the ministry? Who is doing the decision-making?

Hon. M. Coell: The Vancouver Foundation is the board that will make the final decisions. They're going to use the minister's council, which is made up of business and public leaders in the province, for the first review and the recommendations back to the foundation, but it would be their legal obligation.

[10:25]

Hon. G. Campbell: Ted, and then Gordie.

Hon. T. Nebbeling: Thank you, Premier.

First of all, I want to say that I think this is so much the right way to go to assure that a provincial government program that is being initiated indeed will last. Too often we have these programs, and then after a number of years they seem to disappear, and nobody really knows what happened. I think this is a first-class model.

Secondly, like you say, there is an opportunity for individuals to add to the funds. In general, individuals are not willing to fund provincial programs by adding funds to it, so this is another opportunity. I would suggest, Premier, that this is a model that maybe would apply to other areas, as well, for development of programs. I think sports development programs could very well have tremendous benefits from this foundation model as the tool to disburse the funding. So congratulations.

Hon. G. Campbell: Gordie.

Hon. G. Hogg: Thank you.

Well, I think you asked my first question with respect to the allocation. I understand the decision-making to be made by the Vancouver Foundation through the allocation process, and there is an advisory body or a triaging body that is made up of the minister's council. Is that correct?

Hon. M. Coell: That's correct.

Hon. G. Hogg: The minister's council's triaging body. Will there be the representation that Gulzar referenced - the mental health community? There is also the community living or developmentally disabled. The intent of this is to cover the full spectrum of those disabilities. Is that also correct?

Hon. M. Coell: To some extent, Gordie, the minister's council is designed to help people with disabilities find employment. The fund will be looking at what supports are there for people with disabilities. The minister's council has business, public sector, community leaders on it - people like Sam Sullivan from the city of Vancouver and Bonnie Campbell from Thrifty Foods. There's a range of tourism and business community leaders as well. They're going to be looking at what the barriers are in front of people with disabilities, and what we can do to correct that and level the playing field so people with disabilities have the same opportunities for employment as people without disabilities.

Hon. G. Hogg: Is the intent of this to be an endowment fund, or is it a depleting fund? How is the fund to function?

Hon. M. Coell: With taking out approximately a million dollars a year, it's in perpetuity. It should be there for many, many decades.

Hon. G. Hogg: Thank you.

Hon. G. Campbell: Okay, thanks.

The next item on the agenda is tolling policy. Judith.

For Decision: Tolling Policy

Hon. J. Reid: Thank you, Premier.

This morning I am going to talk to you a little bit about the history that's brought us to this place, challenges in transportation, looking at how we are addressing those different challenges in transportation and how we've come up with the guidelines that I'm proposing today and asking for a decision on so that we can provide comfort to the people of British Columbia so they will be able to know where, when, how and why tolls might be applied in any given circumstance.

With our transportation system, we really face two issues. One is the aging of the infrastructure and the requirement to constantly invest in that infrastructure. The other is a lack of capacity - that as we have more use of any given piece of infrastructure, it requires an investment in order to be able to move goods and services which are in direct relationship to our economic performance as a province.

We have to address the movement of resources. We are a resource-based province, and in opening up our heartlands, we see great opportunities there in the rural and resource roads, in the support for our resource industries. Because they're key to our economy, we want to make sure that we are offering the necessary support of infrastructure that's needed.

[10:30]

This government has pledged an investment of more than \$600 million over the next three years to improve the safety and reliability of those roads. When we combine the provincial investment in transportation with funding from other partners on any individual project, we have identified a possible \$5.5 billion worth of new and expanded infrastructure over the next number of years. Projects get started and can take a number of years to be finished, but by having money for the province to invest, we are able to partner and able to increase the funds available.

Any work on infrastructure means direct jobs. For the project commitments that we already have in place and are looking at, we can anticipate 1,700 direct jobs from that work in the province.

I mentioned at the beginning that there needs to be constant investment in the existing infrastructure. The timing of that is very important. What we saw over the decade that the NDP government was in place was that there was very little invested in certain roads, and what happens is that that accumulates. This chart that you see in front of you shows how if you resurface a kilometre of highway after 12 years, it costs approximately \$65,000 - which is a lot of money, but that's after 12 years. If you keep delaying and you wait and wait, after 20 years it's \$400,000 for a kilometre, as the damage is so much deeper and the work is so much more extensive to rehabilitate it. To use our taxpayer dollars wisely, it's important that we get the timing right as well. We have to prevent that future and further deterioration in our road system.

As we've been looking at the investment that's necessary in our transportation infrastructure, we have considered tolling as one of the options, but there are other opportunities that we need to take advantage of as well. Those are partnerships. We have programs with the federal government and partnerships with municipal and regional governments that stretch those dollars further. As well, we have made a decision to fund transportation infrastructure with the 3.5-cent-per-litre fuel tax that came in on March 1 of this year.

As I visited communities all across this province and talked to them about the

challenges in transportation infrastructure, everyone agreed that we had to do something. It was absolutely essential to the economy of any region in this province that there was investment.

As I say, tolling was just one of the options that we talked about. Where the support came for tolling was quite limited. The support came if improvements were needed and they were going to provide a great enough benefit to the people who would use that and if that infrastructure could be done sooner rather than later. People were looking at a very great benefit back to the users and that it would greatly accelerate the infrastructure being in place sooner rather than later. People talked about safety and a shorter travel time as being the benefits that they would be interested in. When I talked with people around the province about the needs - and everyone had very specific instances they could refer to - it did become apparent that there was so much need that wouldn't be applicable to any kind of a tolling scenario.

We did make the decision about the 3.5-cent-per-litre fuel tax, and that will provide \$650 million over the next three years. I just want to share with you where some of those dollars are going to go. We're going to be investing \$225 million over three years to upgrade the system of rural and resource roads. We normally think of those as our side road system. There will be an additional \$146 million on main road rehabilitation. That's just taking the roads that we have and making sure they're not deteriorating. There will be \$132 million on building new additions and capacity to our highway system in that three-year period. That's where the road needs new intersections, new interchanges or four-laning in different sections. As well, we've got \$93 million on border-crossing infrastructure and \$10 million a year to expand our ports and airports, as well as providing \$8 million a year for inland ferry operating costs.

[10:35]

As we looked at the need we had, we did look at what role the private sector could play in providing transportation infrastructure. There definitely is a role for the private sector to design, build, operate and maintain our future major projects, and where that new construction is needed, public money doesn't need to be used. It doesn't have to go onto the debt burden of the province. Once again, if the people who are using the new infrastructure are receiving a greater benefit than the toll they would have to pay, then we think it would be reasonable that there could be circumstances where tolls could provide the return on capital investment of private investment, thereby enabling us to go ahead with these major projects sooner rather than later. The private sector can definitely bring innovation and good ideas to our transportation network as well as, I would say, a service-oriented attitude that would be very, very useful.

The discussions I've had around the province with many different groups have really indicated that the use of tolls should be very limited. Where we're looking at major capacity improvements that are going to be built and also where traffic volumes are high enough to keep the toll low enough so people will choose to use a tolled route because of the benefit it provides them, there was really positive support around the province for that.

When we look at, as I said, the \$650 million investment from the fuel tax.... I talked before about partnerships and how we can leverage, and I talked about over the longer term with that amount - but just with that amount - the \$650 million can be leveraged into \$1.7 billion over the next three years. That's a substantial investment into transportation infrastructure in British Columbia. There are still needs to be met, and there are still opportunities I believe we need to investigate.

I think the tolling opportunities are quite limited, and we need to be aware of that. What we have been working on is a series of guidelines. We brought in proposed legislation last spring, and it was passed in the fall. The Transportation Investment Act provided a legal framework for transportation investment, but then we needed the policy framework to be able to say how and when and why tolls would be implemented. That's what I'm bringing you today.

We posted a draft tolling policy on the ministry's website, and as well, as I said, I talked to people around the province. We had 76 submissions, responses from individuals and organizations and key stakeholder associations such as the B.C. Automobile Association and the B.C. Trucking Association. We looked at those responses, and we adjusted the policy accordingly in taking a look at what the concerns were that were expressed.

We have 11 guidelines that I'm proposing to you today. Those guidelines, listed in one through 11, are in your cabinet submission document. I'm going to go through them, give an explanation where I believe it's needed and will be quite happy to take your questions after that.

(1) The first guideline is that only major projects that result in significant increases in capacity will be subject to tolling. New roadways, new bridges and major highway upgrades such as four-laning of a two-lane highway for a substantial distance would be considered for tolling. Small improvements such as passing lanes and improvements that primarily address safety and reliability, such as realignments, would not be considered for tolling.

(2) Tolls will be implemented only if there are clear, demonstrable net benefits for the users of the new or improved facilities. The benefits must outweigh the burden imposed by tolls. User benefits may include the time savings and vehicle operating costs that might be involved as well as reliability and safety benefits.

[10:40]

(3) Tolls will be implemented only if a reasonable untolled alternative is available. To impose a toll where there has not previously been one will require a reasonable untolled access.

(4) The level of tolls and limits on the amount and frequency of increases will be established in advance. That will provide certainty to the public and partners that tolls will be set at reasonable levels.

(5) Public consultation will occur in all cases where new tolls are considered.

(6) The public will have the same rights to access tolled highways as non-tolled highways.

(7) Tolls will be used to generate revenue for transportation projects and provide a return on the investment of the private sector partners. Tolls will be used to defray the costs of designing, constructing, operating and maintaining new highways or major highway upgrades.

(8) The same maintenance, safety and other standards, and rules of the road will apply to tolled highways as will apply to non-tolled highways.

(9) The privacy of information used to levy and collect tolls will be protected.

Just as an explanation, to protect the privacy of the travelling public, a highway operator would only be permitted to collect personal information about users of the highway if the information is obtained from and with the consent of the person, is necessary for ensuring safety in relation to the operation of the highway or is necessary for assessing or collecting tolls or other charges related to use of the highway.

(10) A fair and expeditious process will be available for resolving tolling disputes.

An example of this would be if someone's car was stolen and went through an area of highway where there was electronic tolling and a bill was sent in the mail. Well, that

person needs to be able to have that dispute resolved, to say, "It wasn't me," and not have to pay that bill. There has to be a process in place to deal with those kinds of instances.

(11) The consequences of failing to pay tolls will be fair and reasonable. Highway operators may apply reasonable interest or other charges to late or unpaid bills, but the government would have the authority to limit such charges.

Those are the principles or guidelines I'm proposing. I would just like to address two other items that aren't part of the guidelines but were frequently asked questions within the feedback we received. One of those is a question about emergency vehicles. Emergency vehicles and personnel would be exempted from tolls. The second is a question about people from other provinces or other states and whether they would have to pay tolls. I think people are thinking about rather than the direct tolling we have right now, say on the Coquihalla, if you had an electronic system in place - how that works. Indeed, you have reciprocal agreements with other geographic areas that would allow us to bill their residents for the tolls incurred in British Columbia.

I think that provides an outline of what we would like to propose - what I'm proposing with the tolling policy. I'd be glad to take your questions.

Hon. G. Campbell: Rick.

Hon. R. Thorpe: Thank you, Judith.

No. 3 is: "Tolls will be implemented only if a reasonable untolled alternative is not available." As we're all aware in the Okanagan, we have committed to building a new bridge across Lake Okanagan at Kelowna connecting to the west side. Currently, you have from one of my constituents, the Westbank first nation, another proposal to look at as a public-private partnership. I understand that includes tolls. Since there would not be another alternative, does that mean such a project is off the table? Or are there other options?

Hon. J. Reid: There are other options that are in the proposal the Westbank group has brought forward to me. I will be meeting with them soon to discuss their ideas and their proposals and what they would hope to achieve through their concepts.

[10:45]

I would like to explain another concept here that is called shadow tolling. This is what

the other option is that they introduced in their proposal. A shadow toll is where we would have a private entity that might construct something, whether it be a bridge or piece of highway, and the government agrees that the vehicles would be counted as they go across the highway. But the government would pay the toll appropriately, rather than collecting it from individuals. That's called a shadow toll. People move freely back and forth, never seeing the toll, but the government provides compensation according to the amount of vehicle usage on that particular road.

That's a concept that the Westbank proposal includes. We do need to have a discussion with the Westbank group and take a look at their proposal, but as you say, our guideline is very clear and should provide a great deal of comfort to people that if there isn't a reasonable untolled alternative available, then tolling would not be considered.

Hon. G. Campbell: Other questions? Christy, Bill and Ted.

Hon. C. Clark: Judith, the Cape Horn interchange, the Port Mann bridge and that whole region is a nightmare of transportation for everyone who lives in Surrey, the Fraser Valley and the Tri-Cities. I want to see if you can give us an update on the status of your planning with that. I know that you're working with TransLink on some of the proposals to make sure that what we call the Vancouver gateway works better. Perhaps you could just give us a quick update in the context of this meeting.

Hon. J. Reid: There are enormous problems in that part of our province, in the lower mainland. It is really seriously inhibiting the movement of goods and services and, obviously, people. It does hurt our economy. There are very large projects to be considered there because of the movement of traffic and the capacity that needs to be built.

That is a very good candidate situation for this type of application of the tolling policy: where we could look at relieving congestion, where people could see the benefit, where there are alternate routes available to people and where people would be able to choose whether they would receive enough benefit to use a tolled route or not.

What happens in a situation like that.... Because it's such an enormous network, we have to look at the entire network. It's not enough just to add another crossing of the Fraser River. We have to look at it much broader, because everything ties into something else. It's for the larger movement.

As you said, we are working with TransLink on this. It's very important as we work together; as communities are involved, because that's a very important part of this as

the public has opportunity for input, and TransLink has been working through some of those processes already.

We're actively engaged in the planning of this, but it's still very preliminary planning. What you see here in the tolling policy would be the guidelines we would consider if we were looking at tolling any structures in the development of the gateway.

Hon. G. Campbell: Can I just follow on that, though? Isn't there a regional transportation authority in the greater Vancouver area? Aren't they the ones that are making decisions like that? How are we imposing ourselves on that? I think they've been working on the Albion ferry crossing for some time. They've been talking about tolling it for some time. How does this fit into that?

Hon. J. Reid: The province still has responsibility for some roads.

Hon. G. Campbell: Has it got responsibility for the Albion ferry?

Hon. J. Reid: That's TransLink.

Hon. G. Campbell: The question is, then.... TransLink is now thinking of doing a bridge instead of the ferry. TransLink is thinking of a toll instead of the ferry. Does this policy, or does anything we do with this, have any...? Does it interfere with those proposals in any way?

Hon. J. Reid: TransLink already has the ability to toll if they so desire, because that was part of the original structure from the former government. They already have that ability. If we were looking at anything as part of this gateway that affects the provincial roads, if we were considering any tolling as part of the provincial road structure, then this is the policy we would be using.

We're working together on this because, as I say, it's a very, very large network, and we want to make sure that we are supportive and not trying to make plans separately. This is the policy the province would be using. TransLink already has the ability to set its policy with regard to tolling.

Hon. G. Campbell: So the answer is that this would have no impact on the toll for the Albion ferry crossing.

Hon. J. Reid: That is under TransLink's jurisdiction.

Hon. G. Campbell: Okay.

Bill.

[10:50]

Hon. B. Barisoff: Thank you, Premier.

Judith, in No. 6 you say that the public will have the same rights to access toll highways as non-toll highways. In some instances where they use transponders or other means of payment, what happens with people who don't want to buy a transponder or with others that come from out of province? You were talking about reciprocal agreements we would make with other provinces or states. Is there a means of collecting that? I guess what I'm concerned about is to make sure that the trucking public has access to these highways if we so build them.

Hon. J. Reid: The technology that's been used is to photograph licence plates and then to be able to bill accordingly. The problem with commercial vehicles is that the trailer will have a licence plate and that the person hauling it is not quite as visible, obviously, if you're taking the photograph from behind. There are ways of dealing with that - of taking a photograph showing who's hauling the trailer - and that technology can address the problem so that the bill will go to the appropriate user of the highway.

Hon. B. Barisoff: I guess my concern still is the fact that they will have access. In a lot of cases, if it's the public-private sector that's actually building these roads to access some of these people.... You know, we have people who haul up from Florida or Quebec or wherever across the North American continent. Just to collect those tolls.... Is there an easier means of getting that money from the people, or are there going to be tollbooths at some of these places - these kinds of things?

Hon. J. Reid: There is a variety of means. Whether there be physical tollbooths, whether we send bills or whether the tolling would be done through billing through the mail would depend on the circumstances and the technology that makes sense. When you have a large-capacity new connection that we might want to see in place, one of the purposes is to keep the traffic moving. So to have people stop to pay a toll.... If we can use electronic tolling or send bills in the mail and keep the traffic flowing, there's a certain advantage to trying to go towards that kind of technology, but certainly physical tollbooths aren't out of the question either.

Hon. B. Barisoff: Okay.

Hon. G. Campbell: This has been done basically for public-private partnerships. That's what the potential for tolls is being envisaged for. Why would we be concerned about their mechanisms for collecting tolls? Why wouldn't we be saying to the private sector that's doing this: "That's up to you. Good luck to you"?

Hon. J. Reid: One of the considerations is because in the consultation with the public that we have committed to in these guidelines, there needs to be a benefit to the users. One of the benefits to the users is time savings. If the users say, "Well, it will be quicker for me to go in that route, and so I would be willing to pay a toll," but the collection is by a physical means where it slows that down and the user loses that time benefit, then certainly we would expect that the forces of business would dictate that the people would want to use.... Because there's always an alternate, people would want to make that choice and say: "Well, we're not getting the traffic on a road that we envisioned, and therefore we would like to be able to get more people willingly using our road. We'll have to correct this."

We would like to think that that would happen, but in the discussions that we have with people initially about the benefits, there is the concern that will be raised - because I know my discussions with people around the province is on things like the time savings - whether they're going to be having to stop for a toll or whether they're going to be able to flow through. So I think that ultimately, it will have to be a business decision made in the collection of tolls. But certainly, I know people will raise it with us if we are considering that on any project, and we'll have to respond to people as to what technology might be available and what would be worth considering in any particular project.

Hon. G. Campbell: I don't see.... If a consumer wants to use a road, they use the road. If they don't want to use the road, they don't use the road. That's why we're saying that there are no tolls unless there's an alternative, it seems to me. I can now see that we'll come forward with some proposal on which we'll spend who knows how long building our own bureaucracy around whether we think it will work or not - without any consequences to the public as to whether it works or not.

I just think we'd better be careful about that, because you just ended up adding costs and you lost the benefits you were trying to generate from tolls.

[10:55]

Hon. J. Reid: There's another aspect to this, and that's looking at multiple projects. Say

we look at the gateway and if there are multiple projects and different partners involved in those, there are great savings to be had if there is coordinated ability there.

It's something we need to be aware of as government, making sure we are sensible and not actually allowing other people to build up multiple bureaucracies. It's something we're aware of. We believe that if you're looking at any one particular road, the business case should be self-evident. But when you're looking at multiple projects, then there does need to be some planning coordination in advance.

Hon. G. Campbell: Ted, Gordie, Geoff.

Hon. T. Nebbeling: Thank you, Premier.

First of all, I want to say that I will certainly go over the recommendation made by the minister and which is approved - the proposed tolling policy based on the 11 principles as outlined in your presentation. I'm obviously very thrilled about the third principle. It is the principle that will create a sigh of relief in the Sea to Sky corridor, where the citizens have been watching for a long time what was going to happen with the Sea to Sky Highway and potential tolls.

The reason it's so important, especially for Squamish, is a fact that few are aware of, and that is that 65 percent of all traffic on the Sea to Sky Highway from Horseshoe Bay stops at Squamish. Squamish is a community that in the past has relied very heavily on the extraction of natural resources as their main industry and, because of the policies of the nineties, has been hurt tremendously. As a community they have been looking for new opportunities in tourism and education. As a consequence of that and a lot of hard work by the Squamish community, they have been able to entice the Sea to Sky University to be established in Squamish. They are having good negotiations with a ski resort developer for Garibaldi Heights.

Squamish is looking for these opportunities to come to fruition, and the one thing that has really shadowed the discussion on these new initiatives to create jobs and opportunities and a better tax base for the community has been the tolling issue. Many of these projects that are on the map for Squamish depend, to a large extent, on the development of residential and commercial components. That creates a new tax base for the town. It will also bring in new people to the community, more mature citizens who are looking for a place between Whistler and Vancouver. They still want to be close to the city, but they like the open air and the natural beauty of the corridor.

From a perspective of economic development and new opportunities, Squamish will be

thrilled. Whistler is thrilled. Again, one fact very few people know is that 45 percent of all the tickets sold to citizens in the lower mainland are heavily discounted in order to make it possible for them to use the ski hill. If there had been a toll, that discount would most likely have been eliminated. Thereby, the whole incentive of getting the lower mainland to ski in Whistler would have disappeared for many, especially the younger skiers. Not having that threat there any longer is certainly another benefit not just for Whistler but for the corridor as a whole.

Like I said, Premier, I'm very much in support of the 11 principles, and I hope my colleagues will feel the same way. Thank you.

Hon. G. Campbell: Gordie.

Hon. G. Hogg: I noted, Judith, that you said the tolling opportunities will be limited. I assume that was as a result of taking the criteria of the guidelines and applying those to your ten-year capital plan and looking at that. Can you give us some sense of what range of opportunities may exist there in terms of sort of a low end and a high end, in fact, when you do that type of analysis?

Hon. J. Reid: One of the restrictions of being able to use tolling in any given situation is the business case that has to come with it. Because there will always have to be a reasonable free alternative, that means the people, as the Premier said, get to choose whether they use that or not.

[11:00]

In looking at projects that have come to my attention, there are a lot of them where there's not enough traffic. In order to make a business case, the toll would be too high in order for people to ever choose to use that route. That's what eliminates an awful lot of these projects from the reality of seeing some of these initiatives come to pass. It will require areas where there's enough traffic flow in order to create the volume that will provide the return on the capital investment and still keep the toll down so it's reasonable and people choose to use that route. Just by the very nature of the business case, there are very few places in the province where it looks like this will be applicable.

Hon. G. Hogg: So it's two or three or something in the smaller range?

Hon. J. Reid: At this point in time, that's what we're considering.

Hon. G. Hogg: Thank you.

Hon. G. Campbell: Geoff.

Hon. G. Plant: Thanks, Premier.

The conversation about the technology around transponders, tollbooths and all of that is interesting to me, having spent some time driving on roads where old technology is used. Is there anybody in North America using this photograph technique now, or would it have to be sort of developed here in B.C.?

Hon. J. Reid: Highway 407 in Toronto is using this technology and has been for many years.

Hon. G. Campbell: We have a recommendation that we approve the 11 policies and the guidelines for tolling. The guidelines for tolling are attached. It's more detailed, in terms of the 11 policies. Any further questions? Any concerns? All right. They're approved. Thank you.

The next item is the proposed changes for graduation requirements. Christy.

For Decision:

Proposed Changes to Graduation Requirements

Hon. C. Clark: Thanks, Premier.

I want to talk today about improvements to B.C.'s high school graduation requirements. You'll remember that last fall I brought forward our proposed changes to the grad program to open cabinet, and at that time you supported my request to go forward with a consultation on some of the proposed changes. We recognized early on in our term of government that we needed to look at graduation requirements in order to fulfil our new-era commitments for more flexibility for students, for high and consistent provincial standards across the province and to improve student achievement.

We started our consultation in the fall of 2001. We did over a hundred sessions across B.C. We talked to thousands of parents, educators, community leaders and students. Reggie Balabanov, who's the president of the B.C. Confederation of Parent Advisory Councils, and Bob Lindsay, who's the president of the Principals and Vice-Principals Association, were an important part of this. Both of them are here today to watch our decision-making process about these discussions. I'd like to publicly thank both of them,

as well as all the other people who contributed so much to making sure these consultations worked and that we got real, meaningful input from people.

We did our hundred consultation sessions. We talked to thousands of people. In May 2002 we brought together a two-day symposium of 150 people who sat down and worked through some of their ideas for what they thought our graduation program should look like. In the fall of 2002 I presented a synthesis of those ideas to this group at open cabinet, and cabinet supported, as I said, our move to go forward with a more public, broader consultation on the proposals that they brought forward. In fall to December of 2002 we did 40 more public meetings. We received 2,600 submissions - 100 submissions from specific interest groups. Now I am presenting the final proposals based on the feedback that we got for your final approval.

The graduation requirements I'm recommending today have addressed the feedback that we heard, which was substantial. Let me take a moment to just remind you of why we've decided to review graduation requirements in the first place. We have an excellent public education system in British Columbia. There's no question about that. Our scores on international tests confirm that. In the latest international student assessment of 15-year-old students, no country or province outperformed British Columbia in reading. Only Korea did better than British Columbia in science.

[11:05]

So why are we changing the graduation program? Well, while the system works very well for some high-performing students, and we need to make sure we continue to support all of those students to do well, we aren't doing nearly as well with many other students. Since the last changes were made in 1995, we still have an unacceptably low graduation rate, and that means the education system just isn't working for some students. One in four British Columbia students does not graduate from high school at all, and the statistics are even worse for aboriginal kids. Approximately 60 percent of aboriginal students don't graduate. That has, as I know Murray constantly reminds all of us, a direct impact on our society. Those students tend to be more likely to wind up on student assistance. They tend to be more likely to wind up in the corrections system, they tend to have poorer health, they tend to have fewer parenting skills, and they tend to be people who are less likely to participate in our democratic and civic institutions.

We also know from last year's satisfaction surveys of graduating students that they were only moderately satisfied, not highly satisfied, with their school experience. An overwhelming majority of grade 12 students told us this. Sixty percent did not feel that high school had prepared them for employment, and only half of them felt that high

school helped them develop the life skills they needed to compete in the world after graduation. While we do a good job of educating the 25 percent of students who go on to university, we need to make the education system work better for the other 75 percent.

In order to fulfil the new-era commitment to ensure a top-notch education system for all students, last year we proposed a number of changes to grad requirements. Those changes had four objectives. The first objective was to increase student choice. The second was to give school districts and boards more autonomy to meet local needs. The third was to raise standards and improve student achievement, and the fourth was to increase the level of satisfaction that parents, students and educators have in general with our education system.

I brought those changes forward to cabinet last year. We did an extensive consultation, as I said, and I think the amount of response we received reflects the high level of interest that British Columbians have in our system. From the feedback that we heard, we heard some things loud and clear. There were a couple of proposals that we brought forward in the fall, which the public did not support or want to see changed.

First, I want to go through those with you. The first and probably the most widely discussed proposal was the one to make physical education mandatory in grades 11 and 12. In fact, over 90 percent of the responses that we received over the Internet were opposed to this recommendation. Most students and most parents and most educators that we heard from felt that requiring students to be active was a great idea, especially with increasing evidence that childhood obesity is reaching epidemic proportions. What they didn't like was requiring students to include it in their core schedule in grades 11 and 12. They felt it reduced flexibility, which I think is fair criticism. That's also one thing our government is trying hard to increase. Mandatory phys ed past grade 10 is not going to be included in the changes to grad requirements, but expecting students to meet fitness requirements is going to be part of our graduation requirements.

Under the new changes we are proposing today, students will have to demonstrate that they've completed a minimum of 80 to 120 hours of physical activity in their portfolio assessment - which I'm going to speak a little bit more about later - in order to graduate. That requirement could be met in many ways - for example, students who play on community or school sports teams. Right now we give kids credit for being a part of the provincials, which are elite athletes who meet a very, very high standard. Other students who are involved, who may not be quite as blessed or as gifted genetically, may be putting in the same number of hours participating in intramurals or other kinds of sports

teams. They aren't currently eligible to get credit for those. They may take dance, or they may spend weekends snowboarding. They could count those kinds of physical activities toward their graduation requirements in the portfolio. Of course, any student who enjoys taking PE and who wants to take it in grades 11 and 12 can continue to do so.

I will also be working with George Abbott in the Ministry of Community, Aboriginal and Women's Services to think about other ways that we can make sure students are more active in their high school years, including programs like active schools and making sure that the Olympics, which I know we're going to be successful in bringing to British Columbia in 2010, are better integrated and are something that students in our school system can get excited about.

We are also going to be looking at the curriculum from kindergarten to grade 12. One of the things we heard very clearly from parents, from educators and from students is that we can't just start thinking about phys ed and start saying it's a very important thing in graduation years. If we want people and we want citizens to embrace an active lifestyle with enthusiasm, we need to make sure we're delivering it effectively in the early years of school as well.

[11:10]

Now, we also talked in our proposals about requiring schools to provide all three math courses in grades 10 and 11 everywhere across the province. We've decided that the ministry will not require all three math courses at every school across the province. However, we will still be encouraging schools to make the three math courses available and asking schools and school districts to explore other options, such as having students access the math courses through distance electronic learning. That's because having only one single math course causes its own problems. For instance, we heard that principles of math 11 is a barrier to graduation for some kids because they can't get the other math courses in their school or that they had to take principles of math 11 two or three times in order to pass it at all. Nevertheless, many universities require students to complete principles of math 11, because they feel it is the most difficult of the three. Our view is that all three math courses require students to meet very high standards, and ministry staff are working with university and college faculties to try and resolve this issue.

Hon. G. Campbell: Can you explain the issue again?

Hon. C. Clark: The issue is that many schools weren't or aren't providing all three math

courses: essentials of math, applications of math and principles of math. It meant that many schools would just offer the principles of math, which was the hardest one, so that students, in order to get their math for graduation, would have to take what universities perceive to be the hardest one.

The other issue is that because UBC only accepts principles of math as a criterion for entry, many high schools feel they must offer that one or they're closing doors for students. So what we're doing is working with university presidents and deans of education to talk to them about how we can make sure they're looking at all the kinds of math courses that we offer as viable courses for entering university. They're open and receptive to this discussion we're having with them right now.

The last proposal that won't make it into the new graduation program is what we called pathway concentrations. Students, parents and teachers overwhelmingly said that while they liked the concept of career academic paths, they didn't feel students should be required to complete four courses in their chosen pathway in order to graduate. Many felt it would be too hard for students to change their minds as they moved on in the graduation program, and some small schools in rural communities said they would have problems offering all of the courses required for all eight pathways. Others felt it was just too much to expect that all students would be prepared to choose a pathway in grade 10. In other words, many thought that to them pathway concentration sounded a little bit too much like streaming.

So instead, as part of their portfolios, which I'll explain a little later in more detail, students will make an education plan and choose one or more focus areas related to their education choice and career options. Focus areas are designed to help students consider a range of possible education and career opportunities and plan their transition from high school to the workplace or post-secondary institutions.

I've told you what we aren't including in the new graduation requirements as a result of what we heard from the public. Now I want to tell you what we are recommending in the graduation program as a result of the discussions that we've had. One of the biggest changes we're proposing is adding grade 10 to the graduation program. In order to graduate, students will be required to successfully complete language arts 10, math 10, social studies 10, science 10, PE 10 and a new course we'll be introducing called planning 10. The public agreed that adding grade 10 to the graduation program will help students and their parents focus on achievement earlier in students' high school careers. Students will have more time to ensure their high school education is focused on their goals, whether it's university, trades training or going straight out into the workplace.

We're also recommending eliminating the current career and personal planning course in grades 10, 11 and 12. That's the course where students learned about career and personal development and developed individual student learning plans. I think it's fair to say that this was the second most-talked-about area of our graduation requirements discussion. We will replace all of those with one single planning 10 course. In planning 10, students will learn about career development, educational planning, personal finances and health - real-life skills that will increase school relevance and help improve student and parent satisfaction. Having students take it in grade 10 will allow students more choices in grades 11 and 12 - more flexibility, more electives - and it will help them make plans for the future.

[11:15]

The public also supported the proposal to raise standards for student achievement by requiring all graduates to be tested in four areas: language, science, social studies and math. Currently, students are only required to write one exam, language arts 12, in order to graduate.

If we are to continue to be global leaders, we need to maintain high standards in British Columbia's high school system. We need to make sure that students graduate with a solid understanding of the basics in all the key core areas, especially those students who don't plan to go on to university. Mathematics is just as important for somebody who plans to become a mechanic as it is for somebody who plans to become a doctor.

That's why, in addition to the existing language arts 12 exam, we are recommending four new provincewide exams in language arts 10, science 10, math 10 and social studies 11. These new exams will provide school planning councils and school boards with more useful data when monitoring their school's achievement for accountability purposes. Students will also have more opportunities to practise writing exams before they get to their all-important grade 12 graduation exams.

At the same time, we do want to avoid - because this has been the experience in many other jurisdictions - putting far too much pressure and emphasis just on exams at those lower grades, so we're recommending that the grade 10 and grade 11 exams will account for 20 percent of students' marks. This raises the stakes - there's no question - of the exams in those grades, but it doesn't raise them, in our view, to a level that we've seen in other jurisdictions like Texas, where they've encountered tremendous problems with their standardized testing.

Now, of course, in addition, a full range of grade 12 provincial exams will continue to be

available for students applying to colleges and universities. That means students who are taking language exams - Chinese, Punjabi, Spanish, German and French - will continue to be able to access those exams and to write those exams for university access.

We also heard from parents and students and educators that more choice and flexibility was required in the graduation program. One way to do that is to reduce the number of required courses in grades 11 and 12 so that students can take more electives in the areas that interest them.

Another way to do that is to make all grade 12 provincial exams except language arts 12 optional so that students can take grade 12 examinable courses without having to write the exam. This is particularly true for students who might want to take a Mandarin course or a Spanish course but who might not have the same kind of second-language skills that other students in the class might. If they want to take that course as a matter of interest, to gain a certain amount of knowledge, but don't want to write the exam because they don't necessarily want it to reflect on their transcript because they're applying to a post-secondary institution, we want to encourage them to do that. So we're proposing that those exams can become optional.

A third way we're providing more choice and flexibility in the grad program is by allowing more locally developed courses to count toward graduation. The current grad program only allows two courses to count. Offering locally developed courses also provides more autonomy and flexibility for schools and school boards. For instance, schools now will have the opportunity to work with colleges or industry or local business to develop individual industry training that meets the needs of their local community. We are keen to encourage locally developed courses in order to provide more choice and flexibility, but we also have to live up to our new-era commitment to make sure there are high standards of achievement, so we are recommending that the ministry establish provincial standards for locally developed courses.

The final and major change that we're making to the graduation program is the development of graduation portfolios and focus areas. The portfolios will measure student achievement in areas not covered by graduation exams, like physical activity, citizenship, computer skills, problem-solving and employability. Students need to be recognized for their achievement in areas like art and design and other creative efforts, both in the school and in the community. These areas involve skills that can't be learned in a single course and that can't be measured by a traditional pen-and-paper test, but they are, no doubt, still part of what we expect from a well-rounded graduate.

We're still working out some of the details of the new program, like developing provincial standards and assessing student portfolios, and in order to get it right, we're proposing that we pilot the portfolio program next year in a limited number of schools. Okanagan University College has shown a great deal of interest in assisting us with this so that we can ensure that it's implemented across the province. Schools in Delta, Nakusp, Surrey, North Vancouver, Trail and Port Alberni are already using portfolio assessment. Their experience and the experience from the pilots will be used to help us develop the provincial standards.

[11:20]

We will also be introducing eight focus areas, as I said, to help students make the transition to the workplace, technical or trades training, or university. During their graduation year, students will consider one or more focus areas like business, marketing, science or fitness and recreation, or students can design their own focus areas related to their future education and career plans. We anticipate the school boards will develop specialized or magnet programs to match the focus areas, like industry training programs. We also expect that the graduation program will be more personally relevant for students as they design and refine their own focus areas.

These recommendations reflect what we heard during our public consultation and, I think, will benefit students across B.C. They also support our new-era commitments to work with educators and employers to expand job training and skills development opportunities. They are fully consistent with government's direction for education in British Columbia. They give school districts more autonomy while establishing high provincial standards. They support more flexibility and choice for parents and students, and above all, they will improve student achievement.

As I said in the beginning, in order to make our education system work better, it must work for every student. We have proposed a program, I think, that will make our system more rigorous, because it will assess students in all core areas and will also add grade 10 to the graduation program. It will be flexible enough to allow students more choices to be able to pursue a variety of goals by adding more electives, and through portfolio assessments, it will assess a broad range of skills that aren't traditionally assessed by pen-and-paper exams.

These recommendations, I think, will make our graduation program and our school system in British Columbia better. With your agreement today, we will move to implement these changes beginning in September 2004. I'd be happy to take any of your questions.

Hon. G. Campbell: September 2004.

Hon. C. Clark: Yes.

Hon. G. Campbell: Bill.

Hon. B. Barisoff: Thank you, Premier.

One of the questions I have, Christy, is about requiring schools to provide three math courses in grades 10 and 11. I guess my concern is that in the smaller districts and the smaller high schools, we'll still go back to the same situation we had in the past, where they will only provide the one that gives you entrance into university. What happens with the opportunities for students in those schools where they don't have the ability to provide them? Can you create an ability to provide them in the smaller high schools?

Hon. C. Clark: We certainly can. We are pursuing ways, through electronic learning and distance education, to encourage school districts to offer all three. The thing we identified during our discussion was that the problem didn't really rest just at the school district level. School districts are responding to what post-secondary institutions are demanding of them. What we're doing instead is working with post-secondary institutions, particularly UBC, to try and see if they can broaden their view of what's acceptable for students who are applying.

For example, principles of math is the only math course that UBC believes is acceptable for students graduating from high school, but that's not true at SFU. They consider applications of math also an acceptable course. What happens is that students will take principles of math and not applications of math, because they often don't know if they're going to go to UBC, SFU or another university. We've determined through the course of this consultation that the location of the problem really is with the post-secondary institutions, and as a ministry we need to sort that through with them. That doesn't mean we're not going to continue to encourage school districts to provide all three, because all three of them offer a different take on mathematics and all three of them are very valuable.

Hon. B. Barisoff: One other question, Premier.

My other concern is not making PE mandatory in grades 11 and 12. I just want to express my concern that I think there are some huge benefits that could accrue to students and to the health of the general public by making it mandatory. It's something

that should be looked at in the future.

Hon. C. Clark: No question about that. We did hear from people, though, that they didn't think the way to improve the fitness of graduates was to add it in grades 11 and 12 as a mandatory requirement, so there are a couple of things we're doing differently.

One, we're still going to make it available for kids in grades 11 and 12, but, two, we are going to be working with the Community, Aboriginal and Women's Services ministry to broaden the kinds of physical activity that are available for kids in school so that we can instil a love of sport in them. We are including it in the portfolio assessment, so every student will have to graduate with a minimum of 80 hours. We're working out the exact standards for how that will work, but it's a pretty high standard that we'll be asking students to meet.

[11:25]

Third, we are going to be looking at the curriculum. One of the results of the discussion, as I said, was the fact that people say that the curriculum, although it's well designed, isn't always as well delivered as it could be throughout the system - not starting just in high school but from kindergarten on. We need to look at all three of those ways of addressing it.

Hon. G. Campbell: Just on the physical education, what evidence is there - assuming there is evidence - not about whether they should take it in grade 11 or 12, but in terms of what young kids have got to have, what you've got to have in intermediate grades and what you have to have in early high school up to grade 10, say? What do we have that tells us about that?

Hon. C. Clark: There is lots of evidence about childhood obesity and bone density, particularly amongst girls, and how their level of physical activity can impact on that positively. There has been some tremendous work done by the Ministry of Health Planning in conjunction with the Ministry of Education where we are starting, through a program that we're calling action schools, to measure bone density and educate young girls, in particular, about how more physical activity can impact on that. We're starting to do some follow-up studies so that we have some real research that tells us what difference physical activity can make.

Hon. S. Hawkins: We do have best evidence, and the best evidence we have through Health Canada, the provincial health officer advises me, is 150 minutes a week. We are going to work with your ministry, Christy, because I think the goal here is to improve

kids' health right from elementary through their developing years into high school. I think we have to work on increasing physical activity rather than giving them the option of decreasing it.

I agree with you. I don't think it's always productive to make it mandatory, but we have to find ways to make it work for them. I think that's where action schools is going to be a benefit. It links the community with schools, with recreation, with researchers and with the health authorities. We're trying to drive that message earlier because, absolutely, we're concerned about the increasing incidence of childhood obesity and the increasing incidence of kids with diabetes 2, which is a late-onset diabetes. We're concerned about the risks to their cardiovascular health and to their bone density and bone health.

I just wanted to say, if I can take this moment, that was one part of the consultation you did and the feedback that was disappointing to us in the health community. We would have liked to have seen the recommendation go forward to actually increase physical activity for those kids. Obviously, that wasn't what you found in your consultation.

Best practice, as the Premier asked about, is 150 minutes a week, and 80 to 100 is getting us there but doesn't get us as far as we should be going to encourage that in kids. We are going to work. Our ministries are working very hard on the action schools. We're going to roll that out across the province. I think it's in about five or six schools in the lower mainland right now. That is one way that we will be able to encourage it and roll it out in earlier years.

Hon. C. Clark: I want to be clear, though. We're not talking about decreasing here. We're talking about adding to what we've already got. This proposal takes what we currently have - which is mandatory phys ed up to grade 10 inclusive - continues to make phys ed available for kids in grades 11 and 12, plus adds a minimum of 80 hours that kids will be required to demonstrate for their graduation program in order to graduate.

We are increasing it. We aren't increasing it in the way that we'd originally proposed, but we listened. The public was overwhelmingly opposed to this.

What they told us - what parents and students in particular told us - is that while it's incredibly important that students graduate with a love of physical activity and that we have a healthy society, the way we'd proposed to try and address that would mean we were taking away some of the opportunities students had in school to learn about mathematics and science and English and all those other things that school is supposed to be there for. We need to find other ways to instil a love of physical activity in students

that won't require taking away choices and electives in grades 11 and 12.

Hon. G. Campbell: I wasn't actually questioning the recommendation. What I'm saying is that building from what your observations have been.... We know, for example, that in terms of early childhood development, what happens between zero and age 3 makes a huge difference in a child's life. There's evidence for that. We know that what we do to take care of children early in terms of learning challenges that they have.... The earlier we diagnose what the problem is, the better off the child is going to be in the long term.

[11:30]

I understand that as we build physical activity into the lifestyles of our children.... I'm asking: is there evidence that if we do that a lot in grades 1 to 3 and then we build on that in grades 4 to 8 or whatever those divisions are...? Is there evidence that if we put those resources in early, we actually get the benefits we're looking for later anyway? The best thing is if kids want to, they choose. For me, it's not about sports. We know that a child that's fed learns better; we know that a child that's physically healthy learns better. You know, there are other things like that, which we know from evidence. I'm wondering what evidence there is for early encouragement, early development of physical activity. I'm not talking about sports. I notice if you leave kids alone, they'll actually have lots of physical activity. They'll play. They don't have to have organized sports to actually have physical activity. Do we have evidence of that, which we apply or even share with the school boards so that they know we apply it in terms of public education?

Hon. C. Clark: Yes, there is a lot of evidence about that. It's certainly true that the earlier we make those investments, the better. There is also, though, a period kind of in the middle years, especially for girls, where physical activity drops off precipitously. We need to think about how we're going to address that. In grades 7, 8 and 9 girls in particular really show a loss of interest in physical activity, even if there's been a big investment up front in it. I'm going to be working with George and with school boards to see how we can address that. Of course, that's not part of the grad program we're talking about today, but you're quite right: we need to be evidence-driven in the way we make the decisions about how we address this.

Hon. G. Campbell: Okay. George, Rick, Sindi and Linda.

Hon. G. Abbott: Thanks, Premier.

I wanted to talk a little bit about the issue of sports as well. I kind of reluctantly, I guess,

agree with the conclusion about not proceeding with mandatory phys ed in grades 11 and 12. I think that from a developmental perspective and a resource perspective, we're probably not ready to go to that, even were that notion embraced.

Nevertheless, I think that while the recommendation is acceptable in the short term, in the longer term we need to do some work to perhaps make that 80 to 120 hours - if that's what it ends up being - more meaningful and perhaps look at the possibility of something mandatory in the future. I know that may be different than the great majority of respondents, but nevertheless, I think that for particular reasons we ought to continue to look at that possibility in the future, after the developmental work is done.

Further to your comments, Premier, one of the sort of happy issues we have in B.C. is that among provinces and territories B.C. is by far the most active of all the jurisdictions across Canada. There's a variety of reasons for that. Climate certainly doesn't hurt. I think there is a culture of sport and activity in B.C., as well, that we can build on. I think there are also some good programs involving communities and schools, and so on, that have helped. But as Sindi and others have noted, the stats on inactivity among kids are a big concern for British Columbia because they're going to manifest themselves - again, as others have noted - in health issues not too far down the line, if they aren't already there in some cases.

I know Christy agrees with the point that as students emerge from high school, hopefully they emerge not only with a sound education in all the areas Christy talked about but also with a lifelong love of sports. I think there are different ways the latter goal can be pursued. For example, again up in the Shuswap-North Okanagan, Silver Star Mountain puts considerable resources into getting students in elementary and junior high and high school up to their ski hill. They do that not only because, I'm sure, they're benevolent by nature. I also think they see it as an opportunity to produce a lifelong interest in kids in skiing and boarding. I think there's a whole bunch of stuff we can do in terms of racquet sports and other things that really acquaint kids with all the opportunities and the fun that go with individual and team sports in the future.

[11:35]

I do agree with the recommendation, but I think we should do that developmental work to look at the possibilities in that area, to look at the resource needs - because they would be considerable - to pursue this. Hopefully, we can work towards something in the future that can instil that lifelong love of sports at graduation.

Hon. G. Campbell: Rick. Sindi.

Hon. R. Thorpe: Thank you, Premier.

Christy, you say that you're going to give school boards more autonomy to meet their local needs. Will local boards be able to have mandatory physical education in grades 11 and 12?

Hon. C. Clark: No. In order to graduate, the standards are set provincially. We decide at a central level what kids will be required to have to graduate. The reason we do that is because we want to make it possible for kids to be able to switch districts, and they need to have consistency across the province.

Hon. R. Thorpe: With respect to the issue on the math and the three and UBC and that kind of stuff, is it fair for me to conclude that you're not going to implement anything new until you have a resolution with UBC, whatever that may be? If you move forward without that, would you not be limiting some students in their post-secondary education opportunities?

Hon. C. Clark: Yeah. We don't plan to make any of the proposed changes that we had for the math curriculum. We don't intend to start plowing ahead and requiring that districts provide all three and make a big change, because they told us that it was expensive, they weren't able to do it and they weren't ready. We're going to continue to work on it because we identified it as a really important issue. We think, though, that the solution will be found in a discussion with the university presidents and deans of education.

Hon. R. Thorpe: Okay. My final point, Christy. You built this around four themes that you outlined to us in your presentation. How are we going to monitor our progress against those themes, and are we going to report back regularly to British Columbians on how we're doing on progress?

Hon. C. Clark: Our number one goal is improving student achievement. Our method of reporting that is through accountability contracts, which we've signed in every district across the province. It's through a public reporting of results, which we're expanding and making more publicly available. It's through the creation of school planning councils where they examine the results at a school-by-school level.

Those accountabilities are new in the system, and that is going to be a very, very powerful tool, I think, in monitoring how well we're doing with student achievement and to see if our grad rates are going up, to see if the number of students taking math - in

particular, say, in aboriginal communities - is going up and to see if their marks are going up overall. All those kinds of things are new accountabilities we've built in.

Hon. R. Thorpe: Thank you.

Hon. G. Campbell: Linda.

Hon. L. Reid: Thanks, Premier.

Christy, I'm on page 12 of the cabinet decision document, when it talks about career and personal planning. In terms of your comment, we're now going to have that course content covered off in grade 10. Is there no opportunity for those young people who aren't making those decisions by the time they're 16? What happens to that content they would have previously had in grade 11 and grade 12?

Hon. C. Clark: What we heard in the consultation is that in large part, in many districts, either CAPP - career and personal planning - isn't being offered in exactly the way it's mandated by the province, or the content is repetitive. That's why students and parents really were so negative about the course.

What we intend to do is rework the curriculum, rework some of the things into the curriculum in grade 9 and fit all that needs to be there into the grade 10 curriculum. There's no point in repeating that information in grades 11 and 12, which is what was happening out there in school districts at the expense of an elective for students.

Hon. L. Reid: My second question. You talk in your document about raising standards to improve student achievement. I don't see where it talks about increasing resources and supports to reach that goal. What's the plan around that?

Hon. C. Clark: We are increasing resources and supports in school districts across the province. The Premier announced another \$100 million going into education over the next three years. That money will find its way into classrooms, but we do believe very firmly as a government that we don't make the decisions about exactly what kinds of resources school districts should be providing. We believe that they should be autonomous and be able to make those decisions themselves. What we are doing as a government is providing more money for them, and we are letting them make the decisions about where they think that money should go based on their local priorities and needs.

[11:40]

Hon. L. Reid: I have one further concern, Premier, about special needs learners. Certainly, the Premier mentioned earlier on about early childhood development. If we're going to identify youngsters that much earlier in their career, in their educational opportunity, what kinds of opportunities will there be for the special needs learners? This is a framework, a template - no question - and I completely appreciate your comment about districts coming to grips with how they individualize that program across the system. But is there some comment you can make today that would give the parents of special needs learners some assurances that indeed, when you talk about raising achievement, there's some ability for those students to meet those increased targets?

Hon. C. Clark: Yes, there are a couple of things. We proposed, for example, in the original proposal I brought to cabinet, to get rid of the school completion certificate, which was something that special needs learners found really important. While it isn't a Dogwood and it isn't a credential that's useful for any post-secondary institutions, it does recognize the work that those kids do. Just because a special needs child doesn't get a Dogwood Certificate at the end of grade 12 doesn't mean that they haven't put in a tremendous amount of work and their teachers haven't put in a tremendous amount of work. So we need to continue to recognize that. We're doing that.

We are also, outside of the bounds of this proposal today, doing random audits of individual education plans. That's the first time the ministry has ever done that. We'll be going out and spot-checking to make sure that individual education plans are indeed doing what they're supposed to do, that they're meeting the needs of the kids they're designed for and that those individual education plans have been designed with the input of parents and students and educators adequately.

The third thing I want to touch on is the fact that we're putting another half-million dollars into our support team for kids with special needs so that support team operates centrally and has some centralized and broad expertise. That extra half-million dollars is going to mean that they are able to go out and expand their reach to provide support for school districts and make sure their expertise is enhanced as much as possible.

Hon. G. Campbell: Gordie.

Hon. G. Hogg: Christy, in your need for change at the beginning, you talked about 25 percent do not graduate, and up to 60 percent of aboriginal students do not graduate. I would be interested firstly in context with respect to other provinces - how those rate - and standards with other provinces.

The other question that interests me is that you talk about wanting to increase those graduation rates, and it's sort of counterintuitive to believe we raise standards and also raise graduation rates. I note that your intent in terms of improving graduation rates talks about increasing the relevance for some students, likely resulting in improvement to school completion and graduation rates. That's the one reference to the other side - all about raising standards.

My question there is: is there any evidence that suggests that by making things more relevant, it will improve graduation rates? I noticed the word is "likely," so there isn't a lot of certainty in that type of statement. Is there some research or evidence that would suggest that some other experiences in other jurisdictions where they've actually tried to make things more relevant improved graduation rates, as well as enabled them to improve standards? The counterintuitive nature of that statement is what I'm trying to explore.

Hon. C. Clark: The local example I'll use is the career technical centre out in Abbotsford. It's a great local example of how we can make school more relevant for kids, and we can also make sure standards are extremely high. What they do is teach kids algebra in the context of how to fix a car. They have a 98 percent graduation rate versus a 75 percent graduation rate for our general school population. They're doing extremely well at providing highly relevant programs that are keeping kids coming to school.

It does a couple of things. It raises the value of the trades for those kids, so kids who are good with their hands feel, perhaps, more valued than they might in a school that focuses on international baccalaureate and some of the highly academic programs. The other thing that it does is that because they can see it's relevant to their future, they want to get out of bed and go to school in the morning, even when they're teenagers. It makes a real difference in terms of their graduation rate, and that's an excellent local example of where both can happen. We raise standards. We make sure every child graduates with solid core skills. At the same time we provide them with a course that's relevant and increase the graduation rate.

The other question you had was about aboriginals. We don't have comparative measures with other provinces for aboriginal graduation rates, because we are the only province in the country that keeps track of aboriginal graduation rates. I would argue that the reason our graduation rates for aboriginal communities are increasing is because we keep track of it, and we hold school districts accountable for it. We make those numbers public, so everybody has an incentive to try to work to improve it.

[11:45]

Hon. G. Hogg: How do our overall graduation rates compare with other provinces and their standards that are set there?

Hon. C. Clark: We're about the same as other provinces. We do a little better. Actually, we're probably in the top third. But one in four not graduating is still way, way too low.

Hon. G. Hogg: Thank you.

Hon. G. Campbell: Mike.

Hon. M. de Jong: Thanks, Christy. This flows a little bit from what Gordie was talking to you about. I think I know the answer you're going to give me, but I'm going to pose the question anyway.

I hope the objective is not just to graduate more students but to graduate more students who meet graduation standards. The concern or the issue for me is that we still have far too many students arriving at grades 8, 9 or 10 and reading at a grade 5 level, and we push them through. We push them through because it looks good. They don't necessarily get completion certificates. By hook or by crook, they end up with Dogwoods of one form or another.

When you talk about things like student portfolios, I think that's great. But I hope it is complementary to and not a substitute for achieving basic skills. God, I love it when a student graduates from high school and is a great artist. But if they can't fill out or write the letter submitting their work to the marketplace, their chances of succeeding are pretty remote.

You've cited a facility in Abbotsford that I'm familiar with, which is a good example of relevance in the way you've laid it out, but I hope the people who are going to implement this understand that we're not just looking to improve our graduation rates. There's a second part to that statement that we also need to achieve.

Hon. C. Clark: The fact that we are going to be assessing core skills with five key exams in four areas is an incredibly important part of this proposal. We don't know right now, for example, how well kids are doing in a whole bunch of areas across the province because we don't have standardized tests. The introduction of five standardized tests as a condition of graduation is a big change and very important to ensuring that every child who graduates has those skills. As I said, mathematics is

important no matter what you do. Everybody needs to have it, so we should be assessing it. We should have some stakes attached to it, it should affect their mark, and it should be part of the condition for graduating.

Hon. M. de Jong: It may mean flunking someone. We don't like to do that anymore.

Hon. C. Clark: That's true. But I don't think it's also necessarily accurate to think that if we raise graduation rates, we can't have good core standards. I think it's possible to do both. Often our public discussion goes down that path where we say that if we make school harder, we're going to lower the graduation rate.

I think it's possible to make sure our standards are very high and actually make our standards a little bit tougher, but at the same time raise our graduation rate by making school more relevant and by building in those goals and those measurables so that everybody in the system is making sure that we help kids meet those goals - as opposed to just passing them along, as you said. Somebody who graduates and can't write adequately and who goes into university isn't the kind of product we want out of our B.C. high schools.

Hon. G. Campbell: Shirley.

Hon. S. Bond: Just a couple of questions - one about CAPP, in particular.

You mentioned, Christy, that part of what you heard in terms of the issues around CAPP was the fact that the curriculum was often repetitive in grades 10, 11 and 12. But it was also the relevancy of it and the content of the course in particular.

[11:50]

Having been a school board chair and seeing what students were asked to do in those particular courses, I heard about that more than anything. As we create planning 10, for example, how different will it be in terms of the relevancy issue? Will students find it to be useful and effective, so we're not basically creating sort of the son of CAPP? Will it be significantly different and relevant for students and end some of the frustration that's been expressed?

Hon. C. Clark: Yes, it will. It will include things like personal finance, with an application to real life for when they graduate. It will be packed with information for them.

I can't tell you, like you, how much I heard about CAPP. I've heard about CAPP in the

last 20 months in this job. It's a great idea, and it had a great philosophy behind it - to do it in grades 10, 11 and 12 - but the implementation was terrible. It didn't work. There were a couple of bright spots across the province, but in most districts it didn't work the way we'd intended it. So what we want to do in revamping this is make sure we learn from the mistakes we made in implementing it last time and make sure - you're quite right - that we don't end up with the son of CAPP again. We know now what not to do.

Hon. S. Bond: I, too, want to express concern about the three options in terms of math and the ability for students to take advantage of those options. I'm encouraged by the discussions taking place within post-secondary institutions about the relevancy of some of those courses and the use of those as entrance and admission requirements. I think there still remain challenges, because obviously math 10 and the math course in grade 12 are huge stumbling blocks for many students. Not that we should lower standards, but it isn't just about standards; it's about options for students who require those. So I am concerned about that, and I concur with Bill that we need to continue to find ways to make sure our students have the options - as many as we can possibly have - even in small schools in the province.

I'm on page 11, Christy, and I want to just, in terms of the pathways and focus areas.... I'm interested by the comment "as students create and choose their areas of focus." In terms of benefits and implications, it says that school boards will be influenced to develop specialized and magnet programs to match the focus area - for example, industry training programs. I'm wondering if you can describe to me how we would hope to do that. That is a critical component of the work we're doing as we create a more flexible and responsive industry training program. How will school districts be influenced to look at that kind of programming, which many, many parents and students have said doesn't currently have the breadth of opportunity it should have?

Hon. C. Clark: Two ways. First, we are going to be allowing students to include more than two locally developed courses in their graduation as part of their graduation requirements. That will vastly expand the opportunities for school districts. Right now I think many of them would say they are quite limited in the number of locally developed courses they can offer. And why bother developing them if kids aren't going to take them because they can't take more than two to count towards their graduation program? So that will be a big, big change for school districts.

Second, we are going to be introducing provincial standards for these courses. School districts are excited about that, because it means they go to the work of developing a course and then they can start marketing it across the province. They'll be able to market it to other districts if they develop a curriculum. Right now there isn't any seal of

approval that school districts can point to, to tell other consumers of that curriculum that it meets a standard or that it's any good. There are some that are really marvellous and some that are really less than challenging. The provincial standard is something that school districts will be excited about, because it will mean a seal of approval they can market across the province.

Hon. S. Bond: Just in terms of the issue of dual credit options, I think that's an exciting expansion of opportunity for students, and it fits very nicely with the work we're doing. We certainly have just issued a call for request for proposals from secondary schools to partner with post-secondary institutions to look at dual credit options, to look at transition, to look at how we can make those last years in high school, plus a career in post-secondary, work better. So I'm hopeful that school districts will take advantage of that and consider dual credit options. I think it's an excellent step and will help us as we revamp training opportunities in the province as well.

Finally, just the 80 to 120 hours in terms of physical activity. That's over grades 11 and 12?

Hon. C. Clark: Yes.

[11:55]

Hon. S. Bond: As you set up that, in terms of the criteria for.... I note in your comments it said that they will be required to meet minimum standards for physical activity and knowledge of healthy lifestyles. Will that be something that the ministry develops in terms of what those minimum standards are? Is that a school district...? I just have visions of minimum standards of physical activity. What does that mean? You talked about things like organized sports, but what about the student who doesn't do any of those things? What is a minimum standard, and how does that help us elevate the level of physical fitness in the province?

Hon. C. Clark: Well, we'll be working that out, as I said, in more detail. Remember, our current curriculum requires all of those things now - right? We have a lot of experience in this ministry at setting in place really objective standards for what I think, the way we describe it, sounds like it might be hard to measure. We have thought through very carefully - and educators confirm this - what kinds of standards and how we would measure those. We want to continue to work through those.

I'll give you an example of learning outcomes in grade 10 that are currently required. We require that they analyze and demonstrate basic offensive and defensive strategies -

something that might make them all politicians - but we also require that they analyze and explain the effects that nutrition, fitness and physical activity have on body systems. We ask that they select appropriate activities to design and plan for personal stress management and relaxation. There's a whole range of things we require as learning outcomes in our current curriculum.

We've set in place some very solid objective measures to measure those. Educators are experts in making sure that happens. We are going to use exactly the same rigour and apply that to the standards we'll be using for the portfolio assessment as well.

Hon. G. Campbell: Okay. I have just two questions. One, you point out that there's a.... I assume there is an annual transition survey of graduates.

Hon. C. Clark: Yes.

Hon. G. Campbell: And 38 percent of the graduates said they were satisfied with how well the education prepared them for work, which meant there was a big number that weren't. What do we do to follow up? Do we do anything to follow up and say: "What would you have us do that would prepare you better?"

Hon. C. Clark: We can do that in future surveys with them. The last survey we did.... Actually, we've done it for quite a few years, but this is the first year we've ever really used it as a measure for ourselves. That's a good addition to the questionnaire for next year.

Hon. G. Campbell: It seems to me one of the things.... When we're asking students about how it worked, there's no better time than when they're graduating to say: "What worked in the system? What didn't work in the system? How would you improve it?" We should ask them directly how they would improve the system so they got a better result themselves, as opposed to how I would. It's been a while since I was in high school. I think we should do that, and I hope you would include that as part of what you're doing.

The second point is that I understand from this report that the approximate additional costs are about \$1.2 million. Is that correct?

Hon. C. Clark: Yes.

Hon. G. Campbell: They will be within your existing ministry budget?

Hon. C. Clark: Absolutely.

Hon. G. Campbell: There will be no additional costs that will be allocated to school boards?

Hon. C. Clark: No.

Hon. G. Campbell: All of the additional costs to school boards will be covered within your existing budget?

Hon. C. Clark: That's correct.

Hon. G. Campbell: Okay.

Any more questions?

The recommendations are under option 2, which add grade 10 to the graduation program, with improvements to the curriculum; raise standards for student achievement by adding exams in key curriculum areas in grades 10 and 11 while retaining the current grade 12 exam program; improve student assessments and support and improve student activity by adding a requirement for graduation portfolio assessments in grade 12; increase student choice and school board autonomy by introducing flexibility to the graduation program, etc. Those will be approved, and you will now have a plan for implementation of that for September of 2004, which is a year this September. It takes you that long to do it.

Hon. C. Clark: Uh-huh.

Hon. G. Campbell: You can't do it by this September.

Hon. C. Clark: Well, I bet we could, but we might not do it all right.

Hon. G. Campbell: You'll do it all right by September 2004? I see.

Hon. C. Clark: Absolutely.

Hon. G. Campbell: Perfect. Okay.

Any questions?

That's approved then, and we are adjourned.

The cabinet adjourned at 11:59 a.m.

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