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Open Cabinet

Open Cabinet Transcripts



TRANSCRIPT OF THE OPEN CABINET MEETING December 10, 2004

Province of British Columbia
EXECUTIVE COUNCIL

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

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

FRIDAY, DECEMBER 10, 2004

The cabinet met at 9:20 a.m.

Premier's Opening Remarks

Hon. G. Campbell: We have a brief but important agenda this morning. First, let me remind everyone it's the holiday season — retail season. Get out there and shop in British Columbia. Go wild. Go crazy, and have a good time. That should help. Shouldn't it, Bill?

A Voice: It should.

Hon. G. Campbell: Okay, good.

I wanted just to report quickly to you on my trip back to Ottawa — my third trip back to Ottawa. I wanted to talk to you about.... We're going to have Colin talk to you about Fair Pharmacare and some of the changes he's planning for the next year. We're also fortunate to have with us today the chair of the Citizens' Assembly on Electoral Reform, Jack

Blaney, who will be giving us a report this morning.

For Information: Debrief on Meeting with the Prime Minister

Hon. G. Campbell: To start with, let me just go through a little bit of what took place in Ottawa. I had two chances to be in Ottawa.... I had three chances. On one, I actually got to go back and watch the B.C. Lions play in the Grey Cup. I should tell you that although the results of the game weren't great, the spirit of the people on the plane back and forth was pretty phenomenal. They were from all over the province. Next year we'll be hosting the Grey Cup in British Columbia, when we expect to win as opposed to having the result we had this year.

I also had a chance to go back, as you know, for the state dinner with the President. It's no question in my mind that the Americans certainly understand the challenge of softwood. There is no question that the President and the executive are expecting industry leaders to negotiate a long-term settlement. I think that's on their front burner, as is BSE. There are hopes that we'll see some real change in BSE within the next couple of months as well.

At the dinner, at the table I sat at, I was with Mr. Emerson, the Minister of Industry, who is from British Columbia, and also Andrew Card, who is the chief of staff for the President. We were fortunate. We were sitting in a part of the Museum of Civilization that was, frankly, just about all British Columbia first nations artefacts. I pointed out to the chief of staff that although we were glad we kept the artifacts at home, we'd be glad to ship some softwood south of the border so that he could try and get some of that developing in his country as well.

They do know that softwood is a big issue. It's a \$6 billion trade issue, and I think we'll be able to see some progress with regard to that in the next little while.

I went for a specific visit with federal ministers at the beginning of this week. I met with the Minister of Transport, who I'm very pleased to say understands the opportunities that Canada's Pacific presents in terms of building a long-term economy. He also understands the constraints. We are, right now, watching as our capacity to carry all of the goods across the Asia Pacific to the two fastest-growing economies in the world — India and China — is reaching a limit.

He is, I think, ready to work with the railways. He is ready to help us open up our ports and our airports. All of that is going to be very critical. I was in Kamloops last week. Again, they were commenting on how important it was for their airport to be improved so that they could have international landings — and for the same thing to take place in Cranbrook, the same thing to take place in Prince George.

So there are some real opportunities, I think, and a real thrust from the federal level from Canada's position to open up the Asia Pacific, and they certainly understand where we sit with regard to that. John Les met with Minister Lapierre in Prince Rupert. I am pleased to say that the federal government, I think, is encouraging and is as excited about what can take place in Prince Rupert as we are. It's not just the rail upgrades that we're going to see, but the container upgrades we're going to see in that port are going to be pretty phenomenal over the next ten to 15 years.

We have challenged all of the federal government to think bigger than they normally do about the Asia Pacific. I was very encouraged by my meetings with both the Prime Minister and the Minister of Transport. I also met with our federal ministers Owen and Emerson and Senator Jack Austin to outline a broad range of issues that British Columbia believes Canada will benefit from.

One major challenge: there's no question that the pine beetle is a disaster that we know is taking place, which we have to find a long-term strategy to respond to. We've recommended to the federal government a ten-year strategy that will include enhancing and improving forestry, improving the economic diversity for those regions. I was again encouraged that although this is not something the federal government has typically done, they are certainly fully engaged with us in a conversation with regard to that.

[9:25]

Finally, the whole thrust of our B.C. life sciences initiative. The federal government is fully aware of the fact that the B.C. Centre for Disease Control is actually North America's Asian centre for disease control. We have excellent connections not just to China but to India. We have excellent connections with universities and researchers in places like Guangzhou, and it's going to be a critical component of our ability to respond to the changing world that we live in. That was encouraging.

They're also very enthusiastic about the work that's taking place in British Columbia, both in cancer treatment and in cancer prevention. I'm encouraged by their understanding of how we can build on the critical mass that we have here. They know that we have Canada's most successful and probably most critical biotechnology industry here in British Columbia, with two major successes in QLT and in Angiotech. They understand how important it is that we keep that intellectual capital in Canada and keep that research and development taking place in Canada. Generally speaking, that was across the board. Those were very encouraging meetings.

I also talked directly with the minister of the department of Indian and northern affairs about the importance of us moving through and really relentlessly focusing on the four AIPs that we currently have before us in terms of first nations. I know that the Attorney General and the deputy responsible for the treaty negotiations office have been in contact with the federal ministry since those meetings, so I'm encouraged that they understand how important all of that is.

By the work that you have all done — laying out an agenda, sticking with the agenda, being consistent in responding to Canada's needs as well as British Columbia's needs — we have, I think, seen some success there. We will continue to

pursue that over the next number of years.

There is no question that when you look at the country and at the opportunities British Columbia presents to Canada, they are looking to us to lead Canada into the twenty-first century and across the Asia Pacific specifically. Whether it's Korea or Japan or China or India, they know that we're first base. We're the first touchdown point both for Canadian products and, frankly, for mid-continent products moving out to Asia and for products moving back in.

They do understand the importance of our port strategy, which includes the Fraser River port, the Vancouver port, a number of cruise ship ports — Victoria, Campbell River, Nanaimo — and of course the port of Prince Rupert, which will really be an important northern gateway for all of the country, particularly the western agricultural products which we think can be shipped through there in a much more expeditious and cost-effective way.

It was an encouraging meeting. I think that as is always the case, it takes time to get the full benefits of all those discussions, but I was encouraged by the response not just of the Prime Minister but of the ministers as well.

Any questions about it?

Okay, the next item on the agenda is Colin, and he will give us an update on Pharmacare. Colin.

For Information: Fair Pharmacare

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

Just as a segue from that discussion, it was interesting earlier this year when we, in the months leading up to the first ministers' meeting on health in September and the discussion that you initiated across Canada around a national Pharmacare program, which we think we'll be making some progress on next year.... Throughout that debate, it was interesting that all of the national commentary around Pharmacare acknowledged that B.C. has the best Pharmacare program of any province in Canada.

In fact, one of the only real credible.... One of the reasons why people were pushing back on the concept of a national Pharmacare program was that they said if everybody in Canada was levelled up to what B.C. already has in place, it wouldn't be affordable. I think, as the Premier made quite clear at the time, it wasn't a case of everybody adopting B.C.'s plan. B.C.'s plan would remain whole and wouldn't be compromised, but we needed to have a national approach to providing pharmaceutical products to Canadians.

What I'm proposing today are some major changes to our Fair Pharmacare program that will make it a little bit easier for many families in British Columbia.

[9:30]

Just to back up a little bit, the Pharmacare program in B.C. actually goes back to the 1970s. The Fair Pharmacare program that we introduced was probably the first major significant change in how Pharmacare was structured in the province. It was in May of 2003 that we introduced that. We've now had just about a year and a half of experience in the operations of the Pharmacare program under this new structure.

What the new structure does is ensure that all families can get access to the drugs they need when they need them, based on the ability of the family to pay. Under Fair Pharmacare, there are about 280,000 families that are in fact paying less than they had previously. Those are individuals with, primarily, low and middle incomes who saw their deductibles come down and their total maximums that they would have to pay out of pocket come down. They were receiving greater financial assistance from the Fair Pharmacare program.

Under Fair Pharmacare, a family is responsible for the cost of their prescription drugs until they have paid a full deductible. Then after reaching a deductible, Pharmacare pays the majority of their eligible prescription costs, and the family is then only responsible for 20 to 25 percent of the cost of each prescription in what we call the co-pay after they have reached their deductible. In fact, as I will outline, most of those who benefit from the Pharmacare program do not have a deductible at all. They have a zero deductible as the program is currently structured. Those who have a deductible are many low-income people and middle-income people, but just to emphasize, there is a significant percentage that do not have a deductible.

A family's co-pay that they pay, this 25 to 30 percent, continues until they reach an annual maximum. That annual maximum is based on the family's income as well, so that lower-income families have a lower annual maximum that they have to pay out of pocket. After that, once they reach that maximum, the Pharmacare program pays 100 percent of all of their prescription costs for the balance of that calendar year.

Some of the principles of the Fair Pharmacare program are, first of all, that it provides equitable access for all B.C. residents and that financial assistance is based on the net family income.

Secondly, it's structured to protect British Columbians against catastrophic drug costs. Depending on the age and the income, the annual maximum that any family would be expected to pay out of pocket can be anywhere from about 1.25 percent of net family income to about 4 percent of net family income for those with higher incomes. But no family would have to pay more than 4 percent of their net annual income for their prescription costs.

The third principle is that it focuses assistance on those who need it the most. There is no deductible, as I mentioned, for families with lower incomes. They get immediate assistance from the program from the very first prescription they bring in each calendar year. As I mentioned, all they have to pay is that co-pay charge until they reach their annual maximum.

Fourthly, we need a program that is in fact sustainable. We see our Pharmacare costs going up by 11 to 12 percent a year, and we need to structure the program in a way that looks forward five, ten, 15 or 20 years and make sure that the program is going to be there for British Columbia families into the future.

The new Fair Pharmacare system is a vast improvement for British Columbians, and it's made a huge difference in the lives of parents, of patients, of families and of seniors throughout the province. However, we recognize that there is still a challenge for some people. Some people who have very high drug costs or experience a sudden spike in their need for medications can find that they have to pay a significant amount of money out of pocket at the start of the calendar year until they reach the deductible that they have to pay out of pocket.

So what we are introducing is a new monthly deductible payment option that will make paying that deductible easier. Now there is an option to spread out the cost of that deductible over the full calendar year. This means that families and seniors can manage their costs and budget over the course of the year rather than struggling to make that initial first lump sum payment in January-February of each year. So for families who expect to reach their deductible due to their high prescription costs, this will certainly take some of the strain off their annual budgeting.

Families will have the option — I want to stress that this is an option for families — to budget for a known monthly contribution, and they will be able to register to be part of this deductible payment option. They can register up until September 30 of any calendar year.

[9:35]

Upwards of 100,000 B.C. families, we believe, could benefit from this new program. Participants would have no deductible to pay at the pharmacy, and they would receive the assistance of the Fair Pharmacare program, again, from the very first prescription that they fill once they have enrolled in the program. Families with private health insurance plans, extended health plans that provide pharmacy benefits, would not benefit from this particular plan. Therefore, they would not be enrolling in this particular new program.

This year there were 100,000 families who met their deductible by September 30 of this year. These are people that we want to help out further with this new monthly deductible plan. Just to give you some sense of who benefits from Pharmacare, in 2004 there were 1,370 families who incurred \$1,000 out-of-pocket expenses in the first month of the calendar year. There were 6,626 families who had out-of-pocket expenses of more than \$500 last January alone, in that one month. So \$1,000 out of pocket in one month is a lot of money for any of us. We believe that if families can spread the cost of that deductible through monthly payments, those with higher drug costs will have an opportunity to spread those payments out, and \$1,000 spread over 12 months works out to less than \$85 a month. That's a lot more manageable, obviously, than \$1,000 in one month alone.

Who will benefit? First of all, families with high prescription drug costs and families who expect to reach their Fair Pharmacare deductible. In terms of those who are eligible, it is, first of all, families who are registered with the Fair Pharmacare program, families who have a deductible of greater than zero. Just to put that in perspective, in this last year — in the calendar year up to September 30 — there were about 336,000 B.C. families who benefited from the Fair Pharmacare program. About 236,000 families had zero deductible, so they simply had to start out by paying the co-pay until they reached their maximum. There are about 100,000 families who are faced with a deductible and who actually reached that deductible in those nine months of this year. Then the others who would benefit are families who do not have an extended health drug plan in place now.

I think one of the important things to note is that this plan is a monthly payment towards the family deductible. The individuals will still pay the co-pay until they reach that annual maximum. I can just walk you through an example of this to give you a better sense of how it would work. If you take Brenda and John's prescription costs of about \$2,200 each year, based on their income, their Fair Pharmacare deductible would be \$1,200. They're in a fairly good income bracket. Currently, Brenda and John would have to pay \$1,200 deductible towards their eligible prescription costs before any of the benefits of Pharmacare would click in. Then they would contribute 70 percent of the cost of each prescription until they hit their maximum. What this means is that if one of them had to get a very expensive prescription filled, say on January 15, they would have to pay out \$1,200 potentially in the month of January. That's a lot of money to fork out all at once, no matter what somebody's income level is.

Under this new payment option plan, Brenda and John would pay \$100 towards their deductible starting in January, and then they would pay \$100 each month throughout the calendar year, but the benefits of the Pharmacare program would click in right away. From that first prescription after they were enrolled, they would simply be paying only 30 percent of the prescription costs until they reached their annual maximum, and then Pharmacare would actually pay 100 percent of their costs after that.

[9:40]

Let's look at how it would work. A family can simply phone up the Pharmacare office, and they can request an application. Those things will also be available on line for those that have access to the Internet. The target families — the 100,000 families that reach their deductible prior to September 30 of this year — will be receiving a mailing with the application form and explanation as to how the program will work. Once they receive that application, they simply have to sign those forms and choose a prepayment method, either by pre-authorized debit from their accounts or by a monthly billing. They have that option.

We then will be working with the Ministry of Provincial Revenue to help process those monthly payments as they come in, and what the family will get is the benefit of having their PharmaNet account credited with their full deductible as of that date of enrolment. As I mentioned earlier, the co-payment will then begin at that point.

At the end of each year there will be a reconciliation that will be done of everybody's account. If someone has paid by monthly instalments for their full deductible and then doesn't reach their full deductible during that year, we will in fact be reimbursing them for any surplus they will have paid through the monthly payment option. On the other hand, if some family has missed a payment for any reason, we will also be billing them at the end of the year for any outstanding amount.

As I mentioned earlier, this is an option that people can elect. It is totally up to the family to choose. They can also cancel it at any time if they think they're not going to benefit from the program. On the other hand, I guess we also have the option of cancelling the enrolment of anybody if they've missed payments that are not made up for.

There has been a lot of consultation for the rollout. I would like to acknowledge the great support from the B.C. Pharmacy Association. They've been invaluable in helping us to structure this in a way that allows pharmacists to assist their customers in applying for this program. There has also been great support from the B.C. Medical Association. They, too, have provided some good, sage advice. Pacific Blue Cross, which is the largest extended health plan in B.C., has also provided advice on how this program could best meet the needs of British Columbians.

There's an information package that is going to go out this week. It's going to go out to every pharmacy in the province through the B.C. Pharmacy Association. It will also go out to the B.C. Medical Association and to all of the private health insurers that we are aware of. It will go out to all MLAs' offices. I assume that constituency assistants will be getting phone calls about the program, so there will be a package coming to them. It will also go to all government agent offices. The government agent offices around the province have been very helpful in helping people deal with MSP applications and Fair Pharmacare applications. As I mentioned earlier, there will be an enrolment package that will also go out by mail to all of those families who we think will be able to benefit from it.

Our goal with the Fair Pharmacare program is to make sure we have a program that all British Columbians can benefit from based on their ability to pay. I remember a conversation that I had with a pharmacist. It was about five years ago, while we were still in opposition. He was telling me that the most difficult time of the year for him was January and February, because under the old system before we brought in Fair Pharmacare, you would have a young family that would have to pay out of pocket \$800 before they would get any financial assistance.

This pharmacist told me of a case where a young single mom came into his pharmacy in January to fill a very expensive prescription for her daughter. She presented the prescription. The pharmacist told her what it was going to cost her out of her own pocket with no assistance from Pharmacare, and the mother couldn't afford it. She turned around and walked out without that prescription for her daughter.

I think the Fair Pharmacare program that we brought in now means that young mothers like that can get the financial assistance they need to get prescriptions for their family. I think this change we're making now, with this monthly payment option, is going to mean even more fairness in a system that has already been improved last year. We're going to be able to improve it even more to make sure that there's even better access.

Hon. G. Bruce: Colin, I just need you to refresh a couple of things for me. When we went through this, it seemed to me that the changes we made several years back, a year and a half ago or whenever it was, resulted in about 280,000 more families in the low-income bracket receiving assistance through Fair Pharmacare than what was the case before these changes we brought about — if that's correct. I just want to be sure. Anybody that is making \$15,000 or less is not paying anything. Is that correct?

[9:45]

Hon. C. Hansen: Well, first of all, the changes that we made to the Fair Pharmacare program meant that 82 percent of B.C. families would either wind up paying the same or less under the changes that we made. So 18 percent of B.C. families would have actually seen some of their pharmaceutical costs go up, and those would be individuals in higher income brackets. The 280,000 number that you refer to is the number of families that actually saw greater financial assistance because of the changes we made last year.

It is true that for individuals who are currently 65 years of age or older, they would have zero deductible up to \$33,000 a year worth of income. A husband and wife or a single senior living on their own, if they had annual income of \$33,000 or less and are currently 65 or older, would have zero deductible. For non-senior families, the threshold would be \$15,000 a year worth of income. This new program that we're introducing today will benefit those with higher incomes.

Hon. G. Bruce: Then with this now, if you are \$15,000, if I'm looking at the chart correctly.... If you had a family income of \$15,000 to \$20,000, as the program had been when we first brought it in, your first deductible.... If you had demands on the Pharmacare system, you would have had to come up with \$300 or \$400 in a short period of time. Now if I'm in that range, I'm able to enrol, if I understand this correctly. I would be able to put that over the period of a year, so that charge would perhaps be around \$25 a month. Is that how...?

Hon. C. Hansen: It would wind up being about 1/12 of what their annual deductible would be.

Hon. G. Bruce: That lump sum payment that I had to try and find, which would be hard on my income, now has been virtually reduced from somewhere in the neighbourhood of \$300 down to \$25, albeit it will be \$25 times 12 — \$25 a month.

Hon. C. Hansen: Right.

Hon. G. Bruce: Okay.

Hon. G. Campbell: Joyce?

Hon. J. Murray: Thanks, Premier.

Colin, I think this is important for families. January and February are not times that people have lots of extra cash to pay their deductible up front. The question I have is about the \$4 million a year in costs to administer. Have your staff explored how this could be administered in combination with some other parts of your program to reduce those costs? It seems like a lot of money.

Hon. C. Hansen: If you look at the benefit, I think it's worth that expense. Certainly as the program gets up and running, we are hopeful that we can bring those costs down obviously. It does require a lot of changes to software, which have now been put in place, and those are expensive. We will certainly be looking for any opportunities to reduce those admin costs.

Hon. G. Campbell: I think it's fair to say, too, that the cost doesn't go away because we do this. The cost remains the same. This is trying to.... One of the major complaints that I heard about this was the upfront deductible, so we really wanted to lower the upfront deductible so people could spread that and manage it over the year. The cost doesn't disappear. We have to pick up that, in a way. Government's got to pick that up to make that smoothing possible. There's a financial cost as well as an administrative cost when we put this in place.

One of the things I was interested in, Colin, is: are you letting seniors groups know about this and how it's working? Most of the concern I had around this was about seniors. You know, we have to get this going quickly so that they know they're not going to face this in January.

Hon. C. Hansen: Yes, and I know the work that Ida has done in working with seniors organizations around the province has built up a pretty good list of different organizations and mailing lists. We will be sending out information directly to them as well.

Hon. G. Campbell: Okay. Any other questions?

Good work, Colin. Thank you very much.

For Information: Citizens' Assembly on Electoral Reform

Hon. G. Campbell: The next item on the agenda is a verbal report from Dr. Jack Blaney, who was the chair of the Citizens' Assembly for British Columbia. Jack, you are welcome to come here.

[9:50]

I just wanted to start, as we do this, by saying thanks not just to the cabinet and the caucus, but I want to thank the Attorney General for the work you did, Geoff, in pulling this together. I think we would all agree that the critical appointment that was made with regard to this was Dr. Blaney. We wanted to be sure we had someone who could manage what was effectively a brand-new approach to electoral reform — someone who could bring together 162 people who had never met one another, from every part of the province, and get them to work.

I can tell you, Jack, that I was very impressed with.... Geoff and I got to visit the Citizens' Assembly on their last day, at their last meeting. The sense of spirit in that room, the sense of mutual commitment to the well-being of the province, the sense of understanding one another and where they were coming from.... They really were, I think, focused on what was best for the province. They didn't deal with personal agendas; they dealt with a public agenda. That's a true tribute to you, Jack, for your leadership.

On behalf of all of the cabinet and the caucus and the people of British Columbia, I want to say thank you for that. You did an exceptional job for all of us.

J. Blaney: Thank you very much, Mr. Premier.

Hon. G. Campbell: Thank you.

J. Blaney: You've taken a bit of my speech too, Mr. Premier.

Hon. G. Campbell: The part where you say what a great job you did? [Laughter.]

J. Blaney: No, the part about the members. We very much appreciated you being there.

Mr. Premier, Attorney General and hon. members of cabinet, it really is a pleasure to be here today, because I'm representing 160 quite extraordinary citizens of British Columbia — the members of the Citizens' Assembly on Electoral Reform. Much as the Premier said, we started January 1 of this year. I think January 10 or 11 was our first meeting with 161 members from all over the province. Today, right as of today, we still have 160 members. Only one member withdrew. The attendance at meetings was close to perfect. Reasons for not being there were like: "I had a baby on the weekend." Those are just about the true details.

The last meeting the Premier and the Attorney General attended, the.... We had one meeting.... One member was there who just two weeks ago had quadruple bypass surgery, and he was in attendance. The commitment was as historic as the event itself.

I would like to introduce some members who are with us today. We do everything by random draw in the assembly, which seems to work well. Six members were randomly drawn to represent overall in B.C. Then some members live in and around this area, and they are here today: John Chapman — Nanaimo, Adina Irimescu from Burnaby, Michele Miller from Kimberley, Steve Sage from Fraser Lake, Jacki Tait from Gitwinksihkw and Jack Zhang from Richmond. There are Island members: Wendy Bergerud from Victoria, Diana Byford from North Saanich, Barbara Kohne from East Sooke, Chris Andersen from Victoria, Dorothy Coombes from Victoria, Lana Donnelly from Colwood and F.W. Zens from Port Alberni. All 160 members, had we had the resources and everything else, would have wanted to be here today, but we don't have the space anyway.

Today is really a historic event, and I am so proud of it. When we talk about inventions, we usually think of inventions in medicine, industry, engineering and whatever — a cure for cancer, the computer. But social inventions are every bit as important for the quality of life as any industrial, mechanical or medical invention. I believe that the most important invention, the social invention, in our history on this earth has been democracy and has contributed to our quality of life probably more than any other social invention that we have.

But we have today an invention that's your invention. It is a new tool in democratic governance, and it's absolutely unprecedented. I could talk about how this is the first time that an important public policy question has been determined or at least recommended by non-elected citizens, but I'm going to be much more specific than that. This is the first time in any democracy, certainly any modern democracy, where voters have designed a voting system. Now, you might expect that might have happened before. Voters might have been consulted in a half-day seminar before at some times and some places, but voting systems have been designed by politicians. Voting systems have been designed by experts, and they have then taken it back to politicians.

But British Columbia has done something that is record-breaking. They have asked voters to think about and review the voting system and, if it is to be changed, to recommend that change directly to the voters themselves. While this might seem like a reasonable thing to do, no government before in the history of this world has ever done it. We are very proud that British Columbia was a leader with that innovation.

[9:55]

Throughout the world, democracy has been transformed. The eminent scholars of democracy are really quite busy these days, because there are a lot of things happening. We went all the way from the Greece democracies of city states to representative governments like we have today.

But something else is happening in the world. Some of the things aren't as good as we'd like — like, voter turnout is down in almost every democracy in the world, and a few other things — but something else is happening. That's the engagement of citizens between elections. This is going up. This is the focus of major interest by political scientists throughout the world. So we enter this new scene where many political scientists — a great book that was out last year called Democracy Transformed? — believe there is a new transformation.

So here we are in B.C. while this transformation is happening, and we have created the Citizens' Assembly on Electoral Reform. This is the boldest innovation in democratic governance and citizen engagement that's going on in the world today. We have people from all over the world watching us and seeing what we're doing, because no government has taken quite that bold step to totally trust citizens to be able to consider something and then send it to their peers — other citizens — for a decision.

This is your initiative. The government of B.C., the Legislature of B.C., created this historic initiative. Its success lies in how 160 so-called ordinary citizens became quite extraordinary. You set the conditions. You first of all established that they would be randomly invited and self-selected and randomly drawn. This was a very important thing to do. You also made a very important change to the Gibson report, which suggested one member from each riding and then about 25 persons in top-up. You discarded that. You said that no, there should be two members randomly selected from each riding and no top-ups. What you ensured here was independence for the individual member. They did not represent any constituency; they did not represent a particular group that had an interest. This was very, very powerful — a very important decision that was made.

Secondly, through this random invitation, you have a great diversity of people. You can look at the assembly, and you will find someone like yourself. We have every political stripe that there is. We have chiropractors to courier drivers, dentists to drywallers. We have everybody who's represented in B.C.

The other thing you did which was terribly important was that you established gender balance. We have 80 men and 80 women in that assembly. They are very proud of having the gender balance. They believe that is probably the most important element of all, which has established a very civil discourse in the assembly.

Thirdly, you gave the assembly a very important task, but you also gave it a very focused task. It had a very, very sharp focus. That was again a very brilliant, if I might say, decision on the part of the Legislature. It would be so easy

to get off course onto a lot of things that might be of interest to us, but we had a very special focused task.

Fourthly, we had independence. This independence was real, constant and very much valued by members. There might have been at the very beginning, to be totally honest, a little bit of cynicism. Governments don't give us that kind of independence, but it was there all the time and very valued.

Lastly, fifthly, you gave the assembly power. This assembly had the power, if it wished to recommend a change, to put that recommendation directly to the people of British Columbia without going back to the Legislature for filtering or amendment or change or, as so often happens with governments, perhaps putting it on the shelf.

I'm very proud, and we're all very proud, to be in British Columbia because British Columbia did this. We set a new standard for citizen engagement, and people are looking at this throughout the world. This is the highest standard yet set for citizen engagement in reviewing public policy items. This has never been done before. We were so pleased, a couple of weeks ago, to thank the Premier and thank the Attorney General on behalf of all British Columbians for this gift to B.C. and this gift to democracy.

[10:00]

I'd also like to add — a little self-serving as it might sound, Attorney General — that we did it on budget, maybe under budget. In terms of how things worked, I also want to pay a tribute to the special legislative committee that was established, which would work with us and from which we could get advice — never interference but advice. John Les was its first Chair; Jeff Bray, the second chair. This was a very, very good, bipartisan committee. They were very helpful to us and confirmed our independence.

Very quickly, what did the assembly do? Well, the assembly learned all about voting systems. They also learned about how to work together. They spent a lot of time at first on: "How do we work together? What are the values that are most important to us in terms of how we work together?" They were very proud of these values and championed them in all the meetings we had. In the little discussion groups they were up on the side and up on the wall so that we could remind ourselves of the values. The fundamental value of all was respect — respect for other opinions, respect for other people.

Secondly, we listened to British Columbians. That was May and June. We had 50 public hearings. Thousands of British Columbians came to those hearings. We heard about what people proposed in terms of electoral systems, but probably the most important part of those meetings was the town hall aspect of them after we had heard the presentations. I enjoyed that immensely. Whether we were in Port McNeill or Fort Nelson or wherever it was, citizens gathered around and had kind of an exchange about their kinds of concerns. We went beyond just electoral systems to other kinds of things that concerned British Columbians. This was very important.

We had over 1,600 written submissions. I have to tell you that many members read every one of them. They are now in binders, and someday they'll be in the archives, I guess, in paper. It'll be about this wide.

Thirdly, we made decisions. In the fall, we got together, and we had to make a decision: should we recommend a change and, if so, to what? The first thing the citizens did before they really got into the matter of decision-making about which system... They decided that first of all, we should talk about values. What should be the values that should be the foundation for our decisions? Those values determine the outcome.

Anyone who wants to second-guess what we did and why has to take a look at the record and has to take a look at our report, which I will soon file with the Attorney General. It was all based on three very fundamental values. Everything turned on those values.

There was, first of all, fair election results. The members asked themselves this question: if there were an election today or tomorrow in British Columbia or Alberta or Saskatchewan or wherever and the party that won the most votes in the popular vote...? Let's say that was 40 percent of the popular vote. Should that party then have roughly, give or take a bit, 40 percent of the seats in the Legislature? Or should it have 60 percent of the seats in the Legislature?

Today, with the system that we have, the answer is 60 percent, roughly. Right across Canada, in every province, if you get about 40 percent of the vote, you get about 60 percent, or maybe more, of the seats. The members of the assembly said that's not fair.

In 1996 — an election which I'm sure none of you remember — one party got about 38 percent of the votes. Another party got about 42 percent of the votes. The party that got 38 percent of the votes actually got more seats and, for five years, formed the government. This is not an unusual event. This has happened several times in the last ten or 20 years right across Canada. Our members said this is not fair.

In 2001, another election, a party won a majority — 57, 58 percent of the votes. Those who did not vote for that party — about 43, 44 percent of the electorate — ended up with 3 percent of the seats. Our members of the assembly said that's not fair. It's not even good for democracy.

The first value they had was that there ought to be fair election results — or what you might call proportionality. That is, the percentage of votes a party gets should roughly translate into the number of seats that party gets in the Legislature.

The second value was strong local or regional representation. That is, they did not want to diminish the number of MLAs for any particular region. You know that we are suggesting that ridings be amalgamated but that the number of

MLAs for a region — like Peace River North, Peace River South, or whatever — not be diminished. This was very important. This was particularly important to northern members. This is where we had a lot of discussion about urban and rural and northern members and a lot of accommodation for those northern members. This was a very, very important decision, because I think it was very instrumental in deciding not to go with another kind of system that had proportionality.

[10:05]

The third value was that the assembly members felt voters should have more choice. There should be more power to voters. It was something we heard in all our hearings — something about the whole matter of the power of parties, where the real competition for many elections was actually to get the nomination, not to win the election, where there was perhaps a little bit too much party discipline. So they wanted a system where the voters... Maybe a little bit of a transfer of power from the parties to the voters.

Let me conclude by explaining how they see this happening with a voter going into the polling booth. Let's say you're in Vancouver, and Vancouver currently has ten ridings. If the voters approve this proposal on May 17 of next year and the election in 2009 is run by this means, probably the ten ridings in Vancouver will be two ridings of five. The voter will go into the voting booth, and he or she will be asked to rank as many candidates as they wish, but five will be elected. In all probability, they will rank five. There will probably be five Liberals and five NDP and perhaps five Green or whatever, but it's up to the parties. They may have fewer for reasons which I could discuss if you're interested.

This is where voter power starts to come into play. You see, if you're a very staunch political person, whether that be NDP or Liberal or whatever.... Let's say, for this room, if I said Liberal, that might be acceptable. You go in there and you're a staunch Liberal. You say: "Well, of the five who are running, who's the best?" This is a very important decision, because your first vote is the most important one. So the Liberals or the NDP or any other party members are not only competing against members of other parties. They're competing against their own party — Liberals. This gives enormous power to voters.

In all likelihood, in two ridings of five in Vancouver, it will not all have five NDP or five Liberal. It will be split. So the first vote is very, very important. This gives enormous power to voters.

This is also how the voter might go. The voter might say: "This, I think, is the best candidate. He represents our region well," or "She is very good on these kinds of things — economics — and I know this person. My first choice is there." Secondly, you make another choice. You think he is the probably the best choice there. Then thirdly, Phil Owen — he is coming out of retirement, and he decides he's going to run as an independent. Your third choice might be an independent, your fourth choice perhaps a Liberal and your fifth choice, let's say.... "You know what? This is not my party person, but this person has done a really good job in terms of talking about economic performance, the port of Vancouver and everything else. Although it's not my party, that gets my fifth preference." So the voter has enormous kind of choice and enormous kind of power.

There's also another implication of this. When a party — let's take the NDP party this time, as an example, and it'll work together — is deciding which five members now should be running in this riding, you can be assured that not all five members are going to be white males over 50. Parties will look at a better balance and a better diversity. They will present a set of candidates that well reflect the voters in that area. Now it's quite difficult. You've got one member for one riding. You choose one. Now the parties actually look upon this as an opportunity and have an opportunity to present a diversity of candidates for these ridings.

This is roughly how it would work. This system results in fair election results, strong regional representation and more power to the voter. It's not surprising that the members of the assembly in many ways made this decision. You, in your wisdom or whatever — however people wish to characterize it — decided that the voters should design a voting system. In this case, the voters did design a voting system, and they designed it for voters.

We've often had the question: why is this system not more common in the world? I've already answered it, right from the beginning: because this is the first time that voters have designed the voting system.

[10:10]

Mr. Attorney General, it is our pleasure to present you with our report, and I have to make one.... The report is very light. It's 16 pages. This report, because we want it to be accessible to all British Columbians, will be mailed in mid-January to every household in British Columbia. We're able to do that on budget too, Mr. Attorney General. But in addition to this very slim....

Hon. G. Campbell: Don't get carried away here, Jack.

J. Blaney: I heard that was going to catch the attention of the media.

Someone told me a report from the commission must have thud. So we are going to have a second volume, which is the technical report, which will list all the submissions and all the people who made presentations and, basically, all the backup data that you need for the record. But the essential report, sir, is in 16 pages, and it is our pleasure to present it to you.

Hon. G. Plant: Thank you very much.

J. Blaney: Copies, I think, will soon be circulated to members of cabinet.

Mr. Premier, if you wish, I'd be happy to respond to any questions that there might be.

Hon. G. Campbell: Thank you, Jack.

Does anyone have any questions of Jack? Any questions? Joyce.

Hon. J. Murray: Jack, did you think about...? Did the Citizens' Assembly members think about what kind of information needs to be made available to people in British Columbia to better understand these choices and the recommendation you're making? I mean, I know that people are interested, or some people are, but they really have not a lot of information to make what's going to be a historic decision in May of 2005.

J. Blaney: Madam Minister, the members are very concerned about that and very interested. We're very pleased, by the way, that we were able to deliver this report to every British Columbian, every household in this province. I do believe we're going to have, over the next little while, very good media coverage in terms of the report and the recommendation. I understand that the Attorney General's office will be setting up an education information office sometime reasonably soon so that citizens can find out about our existing system and find out about the system which we are proposing.

We do have a website which contains our report and a lot of background material as to the kinds of considerations the assembly had when they developed this recommendation. Indeed, the website will have the full technical report, and we are also doing an animation there to tell you a little bit how the system works and how the counting system works and things of that sort. Hopefully, people will use that website. The website will be maintained, as I understand, by the Attorney General's office until the referendum date.

Hon. G. Campbell: Thanks, Jack.

I've got Geoff and then Susan and then George.

Hon. G. Plant: I maybe should add a little bit to what Jack has just said. There will be an information office established, providing that Treasury Board approves a budget and that you all approve the form of it. I'll come forward with a specific proposal very soon. But elements of what we're going to do include the fact that we think that the Citizens' Assembly website is an enormous reservoir of debate, information, discussion and dialogue about these issues. I think nearly all of the deliberations are on record.

J. Blaney: Yes.

Hon. G. Plant: We're going to keep the website up until the end of the referendum campaign, I suppose until voting day. Everyone who has Internet access will have access to all of that information.

The information office will, at the very least, include the things that we did during the treaty principles referendum. There will be a 1-800 number. There will probably be some attempt to simplify down to three or four pages the basic questions and issues. Anything that we do in that regard we'll probably simply lift from the Citizens' Assembly materials. We'll use their words to help educate British Columbians. There will probably be an independent website that people can go to. So those are some of the things that we are looking at doing.

[10:15]

I've been asked this question a few times: what will we do? I've always said that I think Jack is right. The release of this report will continue to get the kind of extensive media coverage that the whole process has received. I think the report will further stimulate this important debate, and I actually think that this is going to be on the front pages of newspapers. It's going to be in meeting rooms. It's going to be on street corners for the next six months.

We have a role to play as government to make sure that citizens have access to enough information to help them make an informed decision, but I don't think we're going to have to do very much at all to stimulate the debate. I think the debate will be out there. I think there are 160 people of British Columbia who have been members of the assembly who are going to become enthusiastic participants in this debate in all the communities they came from and are going home to. It's going to be fun to watch, but we definitely will do something to try to make sure that voters have access to the information that they need to help them make a decision on May 17 when they go to the ballot box.

Hon. G. Campbell: Thanks, Geoff.

Susan.

Hon. S. Brice: Thanks, Jack.

In your explanation about how.... Your example was Vancouver's five MLAs and perhaps a range of parties represented on an individual's ballot. In your scenario, let's say that each of the individuals that you happened to select became the elected representatives. So there would be five people from Vancouver. How do you ensure in this process that the important work at the constituency level is apportioned out? I understand how the legislative job gets done. We get into the Legislature. But from the constituency point of view, all of those people in Vancouver — how do they get

apportioned to a particular MLA who is elected?

J. Blaney: They will represent that area. They will have constituency offices, and no doubt, they will have constituency offices that will be spread throughout the area. This also allows.... Again, from the voters' point of view, they will know who their five MLAs are.

Let's just say that there are three of party A and two of party B. It does give the voter an opportunity to go to that MLA who might be closer to their political preference. This seemed to appeal to assembly members as well. So there will be five constituency offices. Presumably, there will have to be collaboration among them in terms of where they sort these out. But it does give the voter a little bit more choice.

It is assumed by this means, by the way — this system — that there will be more collaboration among or between political parties. For example, if you're voting your preferences, a member of a party is not going to want to be too tough on other kinds of persons, because they might like that second and third preference. Our hunch is.... We have some examples of it where there is more collaboration, less adversarial kinds of politics of the members for that region.

Hon. S. Brice: Thank you.

Hon. G. Campbell: I'd like to try to focus on some of the bigger issues here, because it's probably preferable for us to read the report before we start asking for details about the report. It may not be, but it's an idea.

George.

Hon. G. Abbott: Thanks, Premier. Your direction probably came too late, because my question is actually of a little bit of a techie nature. I think it's an important question. Maybe it's kind of a broad-brush question.

In '52-'53 British Columbia had the preferential vote. We had multi-member constituencies back then. I don't remember it. I was just barely alive. In the urban centres there were multi-member constituencies, but in the rural there were single-member constituencies.

The challenge I see — and maybe you can explain how STV will address this — is: how do we ensure that in those areas where we have a dominance of rural constituencies currently we won't see, in the grouping of those rural constituencies, all of the members coming from the urban centres that are the largest part population-wise in those constituencies? I would see this, perhaps, as a problem up in the Prince George area and perhaps in some other areas of B.C. But how would STV address that particular problem?

[10:20]

J. Blaney: First of all, it is a problem now. It happens now. A problem that British Columbia and every province in Canada faces right now — and, indeed, every state in the United States — is that rural areas are being depopulated. That is a major concern. It was a major concern at the assembly.

My hunch is.... Well, what the assembly members have recommended is that we probably.... In the areas of the least population there would be two-member ridings, perhaps three, rather than going up to four or five or something of that sort so that we keep the constituencies within a reasonable size.

Again, it will be up to the parties. The parties will want to make sure that they look like they represent the area. If they are putting two candidates forward, it would seem to be in their best interests to put two candidates — because of their interest, where they reside and everything else — to cover that new constituency.

Hon. G. Abbott: Okay. Thank you.

Hon. G. Campbell: Thanks.

Thank you, Jack.

Just a sec. I've got to get back to my list here. Murray.

Hon. M. Coell: Thank you, Premier.

Just either to Jack or to Geoff: will there be efforts made to translate this into a number of languages that are, I think, going to be very important?

J. Blaney: Yeah, it's going to be translated into French, Punjabi and Chinese.

Hon. G. Campbell: Thank you.

Hon. G. Plant: I think that whatever we do in terms of information office publication, we should attempt to at least reach that same audience.

Hon. G. Campbell: Pat.

Hon. P. Bell: Thanks. Mine's been asked and answered.

Hon. G. Campbell: Mike.

Hon. M. de Jong: Jack, as the vote comes and goes and the result of that.... You've alluded to the fact that the world is watching. Certainly, other jurisdictions in the country are watching. You and members of the assembly will be asked a lot of questions, I would think, about the process itself and where it worked well and where, as an exercise in involving citizenry, you encountered some stumbling blocks.

Any thoughts on that, at this early stage, about the overall process? As you're answering that, any thoughts, as well...? My suspicion is that there will be, as a result of this great enthusiasm.... I think there already is, and I think that's a good thing. This was a unique exercise in asking someone other than politicians to design the electoral system by which they get their jobs. I think others will begin and have begun to advocate for citizen assemblies to examine other issues. Do you have thoughts on what differentiates something from the usual legislative debate and consideration that it receives and taking that extraordinary step of going beyond the existing political forums that the Citizens' Assembly represented?

J. Blaney: I have, a little bit. I haven't zeroed in on any particular kind of public policy question. I think the five kinds of conditions that the government established were fundamental to the success of this assembly. I think they are the kinds of conditions or the criteria that any new assembly must take a look at.

I know that Ontario, by the way, from what I understand, is going to replicate this almost word for word, because those things worked quite well. There were some kinds of things that we felt could have worked a little bit better, but they were mainly administrative. We have them in our big, thick technical report. We'll talk about those for the people who want to get into that.

In terms of other public policy questions, I think my major recommendation would be that first of all, it won't work for all things, by any means. It's not something you want to do once a year or something of that sort. I think the question would have to be a principled question. It would have to be one of fundamental values.

You clearly wouldn't want, I think, to put a citizens' assembly together to address the thing that Minister Hansen talked about, the new details of a Pharmacare system. I think that would be far too technical and detailed. But you might, indeed, have an assembly deal with a fundamental principle underlying the health care delivery system. I think that would probably be a good use of it — or education or whatever. It would have to be a fundamental principle and still a very sharp focus. The sharp focus, I think, is very important.

Hon. G. Campbell: Linda.

Hon. L. Reid: Jack, you commented on the notion of post-election. Constituents would have the ability to choose a more like-minded MLA for their issues. What we have today is pretty much a depoliticized sense of constituency work. We handle all the folks who come in the door. Do you think that politicizing the constituency work will in fact be helpful?

[10:25]

J. Blaney: I'm not so sure that it will politicize it, but it just might make some people feel more comfortable in going to one MLA or the other. My hunch is that since MLAs under this system have to be very constituency-oriented, they will be very friendly and very open to all their constituents. So my hunch is... It's hard to tell until one tries it, but one would hope that it would be as accessible and accommodating as it is now or perhaps, well, at least as good as it is now.

Hon. L. Reid: Thank you.

Hon. G. Campbell: Jack, let me again say thank you to you for your work, and through you, let me say thanks to all the members of the Citizens' Assembly. To all of you who've come today: thank you very much for being here for this presentation by Jack.

I also think it's important to recognize that this was an idea that worked its way through the public. It came from the ground up. There was a lot of discussion about it throughout the nineties. I can recall Nick Loenen talking to me about it when I was even thinking about running for provincial office.

I think we should recognize the contribution that Gordon Gibson made. He took what were in many cases broad ideas and brought them down into lots of focus for us. I would like to thank the Attorney General for the leadership he's provided for all of us as well, because I think this is a very important undertaking.

I think the real challenge of this will be to encourage citizen engagement, and I hope that members of the assembly will understand, as we all do, that everyone won't agree with all of the conclusions the assembly may have reached. They won't have spent the time and the effort and the energy that the assembly has reached. I'm hopeful there will be a true citizen engagement now and debate and dialogue and discussion about these ideas and how they will work for people. I do believe that discussion will take place across the province, and on May 17, 2005, the citizens of British Columbia will decide how they want to elect their Legislative Assembly.

I will reiterate that the government will not take a position on the question. The cabinet will not take a position on the question. But I should also reiterate that MLAs are welcome to engage in the discussion as they see fit as we go through this exercise. I think the critical part of this.... I agree with Jack. It is the independence of the Citizens' Assembly which is truly critical.

I think we also have to reach out to the broad public in British Columbia and trust them to engage in a conversation about how they can make their elected institution, the Legislature, a more effective, more positive force in their life — a more connected force in their life. I do hope that the engagement will be complete, that it will be thorough and that the results of the referendum which will be placed on May 17 will be understood by everyone.

I should just say that we asked the assembly to draft the question for us, and this is the question that people would be asked: should British Columbia change to the BC-STV electoral system as recommended by the Citizens' Assembly on Electoral Reform? Yes or no? It's a pretty straightforward question. There'll be lots behind that question.

Again, I think that this has been a true act of citizenship of each and every one of you who are here from the assembly, of all the members of the assembly. On behalf of the government and the people of British Columbia, let me say thank you very much for that contribution. It was historic, it was important, and it's ongoing. I appreciate it. Thank you very much.

We're going to adjourn now, Graham. Did you have another item?

Hon. G. Bruce: I think it's obviously very appropriate that you thanked a lot of people, but I don't think anybody should be under the misunderstanding that.... This process would not have occurred had it not been for your passion and your interest in democracy. Quite frankly, this is leadership of the ultimate level that you've brought to this. Others have talked about it; you in fact did it.

Hon. G. Campbell: We all did it. Thank you very much.

We will now adjourn. Thank you very much, everybody.

The cabinet adjourned at 10:30 a.m.

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