



## **TRANSCRIPT OF THE OPEN CABINET MEETING**

December 5, 2001

**Province of British Columbia  
EXECUTIVE COUNCIL**

Premier and President of the Executive Council  
Minister of State for Intergovernmental Relations  
Deputy Premier and Minister of Education  
Minister of Advanced Education  
Minister of Agriculture, Food and Fisheries  
Attorney General and Minister Responsible for Treaty  
Negotiations  
Minister of Children and Family Development  
Minister of State for Early Childhood Development  
Minister of Community, Aboriginal and Women's Services  
Minister of State for Community Charter  
Minister of State for Women's Equality  
Minister of Competition, Science and Enterprise  
Minister of State for Deregulation  
Minister of Energy and Mines  
Minister of Finance  
Minister of Forests  
Minister of Health Planning  
Minister of Health Services  
Minister of State for Mental Health  
Minister of State for Intermediate, Long Term and Home Care  
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 Sustainable Resource Management  
Minister of Transportation  
Minister of Water, Land and Air Protection

Hon. Gordon Campbell  
Hon. Greg Halsey-Brandt  
Hon. Christy Clark  
Hon. Shirley Bond  
Hon. John van Dongen  
Hon. Geoff Plant  
  
Hob. Gordon Hogg  
Hon. Linda Reid  
Hon. George Abbott  
Hon. Ted Nebbeling  
Hon. Lynn Stephens  
Hon. Rick Thorpe  
Hon. Kevin Falcon  
Hon. Richard Neufeld  
Hon. Gary Collins  
Hon. Michael de Jong  
Hon. Sindi Hawkins  
Hon. Colin Hansen  
Hon. Gulzar S. Cheema  
Hon. Katherine Whittred  
Hon. Murray Coell  
Hon. Sandy Santori  
Hon. Bill Barisoff  
Hon. Rich Coleman  
Hon. Graham P. Bruce  
Hon. Stan Hagen  
Hon. Judith Reid  
Hon. Joyce Murray

**WEDNESDAY, DECEMBER 5, 2001**

**The cabinet met at 9:04 a.m.**

## Premier's Opening Remarks

**Hon. G. Campbell:** If we could begin, we have a fairly full agenda today.

As you know, we had committed to having one open cabinet meeting a month. We've had a couple more than that in the last little while. One of the reasons is that I wanted people to have the opportunity to hear about the strategic shifts that were taking place and that were being asked approval for from the various ministries. I think it is critical.

One of the things that I think is beneficial about this is that people actually understand the breadth of government and what it's trying to undertake and do. It has been a major undertaking, and I want to say that I think the ministers have done a great job so far of laying out the tasks and the directions their ministries intend to take over the next little while.

[9:05]

Today we're going to hear from the Attorney General and the Minister of Public Safety and Solicitor General. We're also going to hear about strategic shifts in the Ministry of Management Services, the Ministry of Provincial Revenue and the Ministry of Community, Aboriginal and Women's Services, and there will be a decision with regard to a national park.

We're going to start today with Geoff and the Ministry of Attorney General. Geoff.

### Ministry of Attorney General - Strategic Shifts

**Hon. G. Plant:** Thank you, Premier.

I'm delighted to have the opportunity to talk about the core services review of the Ministry of Attorney General this morning. Some of you will recall that I spoke in Penticton about the treaty negotiations office, and today's discussion is not going to include the treaty negotiations office side of my ministerial responsibilities, because I've already covered the shifts that I think are important there.

I want to begin my comments about the Ministry of Attorney General by putting what we do as a ministry and the specific programs that are delivered and the specific services that are provided by the Attorney General's ministry into their appropriate larger context, which is to say the justice system. It is the Attorney General's ministry that sort of stands as the top of the pyramid in terms of what we as a government do to deliver justice services to the province.

I wanted to remind some of us - and it's actually useful to remind even me of these things from time to time - of some of the things we said in the New Era document. We talked about a new era for public safety, and we said that government has a fundamental duty to protect its citizens and maintain law and order. We spoke about how public safety is a cornerstone to our quality of life. Those are important commitments.

We also talked about a new era of equality, and we pointed out how important it is that we treat all citizens fairly, equally and with respect, regardless of where they live or who they are. We made a specific commitment to ensure that all British Columbians have equal access to legal representation and justice. Those are commitments we made in the last election campaign - that the programs and the services that the Ministry of Attorney General is responsible for pursue those larger objectives.

I guess it's fair to say that sometimes we expect justice to just be there. I think that one of the challenges I've faced as a minister, especially in the context of the core review, is to begin a process of looking at justice as a system that can perform and deliver and provide certain outcomes and to think about what those outcomes ought to be.

There's a range of things that we can ask of the justice system. I like to focus on four particular points. I say that justice must be accessible. This speaks to the fact that we live in a diverse province with a diverse population and the need to make sure that all people have access to programs and services that the justice system provides. It's also fair to ask that justice be efficient. That is to say, if people commence litigation or if the Crown lays a charge in a criminal case, we need to make sure that the system functions efficiently so that trials take place within a reasonable time and so that courtrooms operate in a way that makes maximum use of the facility given, which the taxpayers are paying a lot of money for.

I think it's also reasonable to demand of our system of justice that it be fair - that is, that it be fair between plaintiffs and defendants, that it be fair between the Crown which prosecutes cases and defendants who are charged in criminal cases and that it be fair in the larger sense of ensuring that

the rules of law we make as legislators are themselves fair so they don't impose unreasonable burdens on citizens.

[9:10]

Lastly, I think we're entitled to ask of our system of justice the same question we're entitled to ask of every other area of responsibility we have as government, and that is that it be affordable. Justice, to be accessible, I think, has to be affordable to the citizens who use the system. But because we, as a province, spend as much money as we do supplying the framework and the institutions within which people seek justice, I think we're entitled to ensure that those institutions are themselves affordable - given the overall capacity of the taxpayers of British Columbia to fund a justice system, along with everything else.

With those kinds of general objectives, I thought I should tell you that the way those general objectives are organized in the Ministry of Attorney General is across four principal program and service areas. There's a little bit more than that - I'll add to it - but the four main ones include the court services branch, which is responsible for staffing and operating the 99 courthouses we have in the province. It's also responsible for courthouse security, the transportation of prisoners and the enforcement of civil court orders.

There's another program division in the ministry which is called the justice services branch. That is the branch where programs like legal aid, family justice services, alternative dispute resolution services and the family maintenance enforcement program are found. This is a newly organized part of the Ministry of Attorney General. The goal in bringing these programs together was, in fact, to recognize that some of the traditional ways we think of the justice system operating, in terms of adjudication and trials and things like that, don't work for a wide variety of cases. We need to think about new approaches. That is the main focus of the justice services branch.

The criminal justice branch is primarily responsible for prosecuting Criminal Code and Young Offenders Act offences in provincial statute. There are 400 Crown counsels in British Columbia. They respond to 100,000 charges a year. There are 80,000 charges actually laid and prosecuted through the system. Each prosecutor does so, discharging a traditional role as an independent actor within the justice system but underneath the overall umbrella of policies that we set in the ministry as government.

Finally, the legal services branch is essentially the government's law firm. We give legal advice to the ministries to try to keep you out of trouble. When that fails, we represent government in court by....

**Hon. G. Campbell:** To get you out of trouble.

**Hon. G. Plant:** Yeah. Also, the legal services branch includes the people who work hard to draft our legislation, and hopefully draft it in a way that ensures that we don't get into trouble.

**Hon. G. Campbell:** It's a very troubling presentation. [Laughter.]

**Hon. G. Plant:** It's a very troubling presentation.

The Ministry of Attorney General partners with Rich Coleman in the Ministry of Public Safety and Solicitor General and also partners with Gordon Hogg's ministry in relation to youth justice. The three ministries together are the justice ministries in British Columbia, but the Ministry of Attorney General has a budget of \$552 million. The largest single component of that budget is the court services component. That is, the cost - mostly rent that we pay to Minister Santori's B.C. Buildings Corporation - of staffing and maintaining the courthouses in British Columbia. As you can see from looking at the slide, the treaty negotiations branch is a \$46 million portion of that \$552 million overall budget. We spend \$82 million on criminal justice. We spend \$106 million on justice services, of which the largest single component is the budget for legal aid.

[9:15]

One of the items in that budget that I think has become increasingly important over time is the Crown proceeding item, which is there these days as a projected expenditure of some \$30 million. That's become increasingly a fact of life for government. The Crown Proceeding Act is the place where the judgments and settlements against government are paid.

As some of you have heard me point out before, not so long ago - in fact, even as late as the mid-1990s - judgments against the Crown, the government of British Columbia, never exceeded \$8

million or \$9 million in a given year. In this current year the forecast has grown from \$30 million to \$40 million. It's now a significant cost to government to pay the judgments and settlements that we have to pay because of the litigation that is commenced against us.

That leads me to a brief overview of the pressures we face. I've already identified a significant pressure. As the justice system becomes more complex, it becomes more expensive. Like everything else in government, the rent goes up and salaries are increased, and those costs also increase the cost to the ministry of delivering the services that we are required to deliver.

More broadly, as the system becomes more complex, as laws become more complex and the legal processes to enforce those laws become more complex, the whole system gets more complex for litigants as well as for government. Cases take longer to try than they used to. One way people have of illustrating that point is to point out that 20 years ago, you could do an impaired-driving case in 45 minutes in Provincial Court. Now they take a day. Twenty years ago there could be four or perhaps five impaired-driving cases prosecuted in a day in court. Now we get one done, because the cases are more complicated and it takes longer to try them. The Charter has had a huge impact on that. There are court-imposed disclosure obligations on the Crown that did not exist until a few years ago. Those disclosure obligations add to the cost of prosecuting cases.

Also as a pressure - just to talk about it briefly - is the fact that technology plays an important role in how the court system works. Some parts of our judicial or justice system have taken advantage of technology; others have not done that as well as they could yet. In order to, I think, take advantage of the huge opportunity presented by technology, there are cost pressures associated with that. And, frankly, there are institutional-cultural pressures associated with that. This is getting everybody in this system who are extraordinarily proud of its traditions and extraordinarily capable of arguing that the way we have always done things is the only way to do them because it has worked for so long.... To get all those people moving in the direction towards change is a process that requires a significant amount of thought and energy and a willingness to, well, entertain controversy from time to time.

In the Ministry of Attorney General we have been looking for ways to respond to these pressures, for ways to maintain the core values of the justice system in light of these pressures and the challenge of affordability. There are four key strategies that I want to talk about: first, finding alternatives to litigation; second, the idea of managing liability - and I'll have more to say about these in a moment; third, the notion of strengthening partnerships with the justice system actors; and fourth, reforming existing programs, which is to say, looking at how we do things, making sure that we're doing them the best way possible.

[9:20]

The first strategy: finding alternatives to litigation. That really works itself out into two different ways, depending on whether you're talking about the civil justice system or the criminal justice system. In the civil justice system, I think the goal we have to set for ourselves is to provide an increasing array of what I call off-ramps, which is to say processes and programs that encourage people to resolve their disputes early in the dispute rather than waiting until the courthouse steps or going to trial. There are many, many civil cases where the best resolution is not a judgment at the end of the day that involves an adjudication of rights but some kind of workable solution to an ongoing relationship between the parties to the dispute.

In family law, for example, disputes are seldom one-off disputes. They're disputes that occur in the context of a broken-down marriage or a relationship, and after the court case is over, the parties are still going to have to work together in some way or another. If we can get parties to solve their disputes before they become entrenched in their adversariality, then we can make some progress. That does not just involve creating and enhancing programs like mediation and alternate forms of dispute resolution; it also involves providing information to the people who are in broken family situations to tell them what their rights are, to give them the tools they need to solve the issues they have themselves, perhaps even before they enter the court system at all.

On the criminal side, we talk about diversion. It's not a brand-new idea. It involves recognizing there are cases that, properly speaking, ought to be dealt with outside a criminal courtroom, where there are things for low-risk, first-time offenders - programs, community accountability - that are not only less costly but in fact more likely to produce the kind of resolution to some forms of criminal cases that ensures there's less likelihood that the offender will reoffend. So we talk about diversion.

We also talk about case flow management. In the criminal justice system there is already a system of case flow management rules. There are people who think that they are not working well. That's a

legitimate question. That's being looked at right now by, I think, the Associate Chief Judge of the Provincial Court.

Frankly, I think the future in the criminal system is more case flow management rather than less. That, again, is not just because we need to make the system operate more efficiently but because we need to make it work more fairly. It's less fair to witnesses and victims when criminal cases are dragged out, with multiple appearances and adjournments. It's more fair to them, and to all of us as taxpayers, to operate that system more efficiently.

Civil litigation. I've already spoken about the challenge that the growth of civil litigation presents for government. In 1992, for example, there were 86 civil litigation files opened involving the government of British Columbia. Last year that number grew to 375. That is to say, the volume of litigation against the province has quadrupled in less than a decade. Right now in my ministry there are over 1,100 open and active civil litigation files. In Canada today, I'm told, 40 percent of all lawsuits that are commenced involve government as a party. Clearly, we have a challenge in terms of managing this growth of civil liability, as it affects government.

The second strategy is to manage government liability. There are three ways we can do that, broadly speaking. One is that we can, across government, improve the way we manage risk. In fact, I would argue that in some areas of government traditionally there hasn't even been much attention paid to the relationship between the decisions that government officials make on a day-by-day basis and the proactive management of the risks created by those decisions. Whatever there has been - and in many areas of government they have been doing a good job of this - we clearly have to do a better job.

We also need to look at enhancing cost accountability. That is, instead of having a Ministry of Attorney General that is the government's law firm and also the cheque-writer, if you will, for all the judgments against government, we need to redesign a system of accountability that ensures that all of you also share collectively in the responsibility to manage our risk and to avoid unnecessary exposure to litigation and civil liability.

[9:25]

Thirdly, I believe it's time to look at the substantive law of liability. That is, what are the rules that the courts have made? What are the rules that legislators have made over the last few years that have led to this expansion of liability? It's an expansion of liability that affects not just government but all defendants and respondents in the system. The rules of liability affect all who are solvent who are sued. Increasingly that is, I think, a challenge.

We've seen a recent illustration of that in Delta in the context of the leaky-condo litigation. The trial judge held that the corporation of the municipality of Delta was 20 percent to blame for a loss. But because in the circumstances, the other defendants probably have no assets and because we have a very general principle of joint and several liability, the taxpayers of Delta may be on the hook for the entire amount of a \$3 million judgment in circumstances where the city is really only 20 percent to blame.

I have begun a public discussion asking questions about those issues. I do not have any answers yet to those questions. Clearly, it's a discussion that has to involve the stakeholders across the community, and it has to involve the legal profession. I'm going to roll forward with that discussion, but I really think we have to have that discussion. We need to have that debate to figure out whether the rules that we have - the law that we have that imposes liability - meet those tests that I talked about earlier, including the tests of fairness and affordability. That's the second strategy.

The third strategy is to strengthen partnerships with the judiciary, with the legal profession, with the federal and municipal governments, and also, of course, with police and prosecutors.

We need to work with the judiciary because ultimately the judiciary control their own process to a considerable extent, and they can be partners with us in finding the kinds of new processes that will assist in meeting our goals for the justice system.

The legal profession is filled with ideas about how to improve the delivery of justice services. They, too, because they are actors in the system, need to be partners with us in improving the system.

The federal government. Well, the federal government makes the Criminal Code. The Criminal Code is the main source of criminal offences, and it's also the main road map for criminal procedure. The rules that we enforce through the prosecutors that go to court in British Columbia are made in

Ottawa. If we want to make those rules work for us, we need to work with Ottawa to ensure that they're listening to our concerns.

Similarly, municipalities have an ongoing, longstanding concern that they make bylaws which require enforcement but they don't get adequate access to the provincial court system to enforce those bylaws. The reason is that the amounts at stake in those bylaws usually aren't enough to put them high enough up the priority list, as against the other cases that are competing for trial time in the provincial court. At the UBCM, the Union of B.C. Municipalities, convention a few months ago we took a few steps forward to start a discussion with municipal governments about how we can rethink processes to make an improved and more cost-effective system for enforcing municipal bylaws. Clearly, we always have to work with police and prosecutors to take advantage of their ideas and their expertise and to make sure that they are partners with us in improving the quality of justice.

[9:30]

Finally, the fourth strategy. Reforming practices and programs involves looking at the kinds of efficiencies that I think we need to look at, both from the perspective of improving the justice service that we provide and also from the perspective of recognizing that budgets are fixed and not unlimited. In that context, when I talk about looking at infrastructure, I think we need to look at our court system infrastructure and see if it's in fact operating as efficiently as it can. This is not a new need, but I think we're certainly going to take a renewed focus on this. We need to increase the use of new technologies to ensure that we're taking advantage of both the cost savings and the improved access that new technology can bring.

The other day I was in Terrace, at the courthouse there, and the administrative court judge told me about a preliminary inquiry - it may have been a sexual assault case - where the witness at the preliminary was in Nova Scotia. The preliminary, of course, isn't the trial; it's the hearing to determine whether there should be a trial. In order to save the witness the personal challenge, I guess, of travelling all the way from Nova Scotia, she testified by video conferencing into the courtroom in Terrace. In addition to the fact that I think that that probably improved the way the system worked, particularly from the perspective of the witness, we also saved \$5,000 because we didn't have to fly a witness from Atlantic Canada to Terrace. That's one example of how technology can help us.

Lastly, under this heading is the administrative justice project. The goal there, of course, is to improve the way all 60 of our administrative justice agencies work in British Columbia. It's also a vehicle through which we have been looking, using the core review lens, if you will, at some of the agencies that I'm responsible for in my ministry. These include the human rights agencies and the children's commission. That work is ongoing.

Premier, those are the four strategies. The goal, of course, is to continue to discharge the principal mandate of my ministry, which is to operate a justice system that is accessible and affordable and ensures equality before the law. I believe that the strategic shifts I've outlined can help us reach that goal.

**Hon. G. Campbell:** Thanks, Geoff. Any questions from anyone?

I have one question. When you're talking about limiting or examining liabilities, I assume that does not mean that we're going to go back to talking about no-fault insurance in ICBC. Is that correct?

**Hon. G. Plant:** That's correct. I'm not intending, by that, to reopen the public debate around no-fault insurance. We had that debate, and I think the people of B.C. want a fault-based compensation system for motor vehicle accidents. Actually, I think the idea of fault is relevant to the example I gave earlier about the corporation of the city of Delta and whether it is, in fact, fair to expose the taxpayers of Delta to 100 percent of the cost of a judgment in circumstances where the city was only 20 percent to blame.

**Hon. G. Campbell:** Judith and then John.

**Hon. J. Reid:** Geoff, I had a question with regard to the strategy again, the litigation against the province. Is there a trend there, in that increasing litigation, that we should be aware of? Are there some identifiable trends that can be categorized as either common to B.C. or different to B.C.? Or is it the same across Canada with regard to that increasing litigation?

**Hon. G. Plant:** There are trends. Broadly speaking, the trend is that there is more litigation and it's becoming more expensive. That trend is not unique to British Columbia. People are, of course, fond of saying that we are a more litigious province than other provinces. I don't know whether the

statistics would bear that out. I do know the statistics make it clear that over the course of the last decade, both the volume of cases against the province and the dollar cost associated with those have grown enormously. That is partly a result of deliberate decisions made by government. The class proceedings legislation enacted by the former government has clearly opened the door to a new category of litigation.

[9:35]

I think it deserves to be said that class proceedings legislation has a very laudable goal. It means that cases that individually might not be affordable as lawsuits can, when aggregated together based on their common circumstances, become a lawsuit that does make sense and, if successful, will seek a measure of justice on behalf of plaintiffs that would not otherwise be achievable.

We do need to be fair. When I say fair, we need to be fair and recognize that access to justice does involve making sure that tools like class action legislation are looked at. At the same time, we need to be honest about the consequences and realize that those things aren't free. They come at a price, and the taxpayers of British Columbia, as the people who pay for judgments against the province, and the people who own the businesses or the taxpayers in municipalities are all carrying an increasing load to respond to this growth in litigation.

**Hon. G. Campbell:** John, followed by Sandy.

**Hon. J. van Dongen:** Thank you Premier.

Geoff, you know that I have an interest in family law and share the view that a lot of people have that the adversarial nature of the court system is not only costly but can also be very detrimental to families, and particularly to children. There has been a trend to more mediation. Do you see any model where mediation could evolve into an arbitration process, as a continuum and outside the court system completely, to help resolve the major percentage of family disputes?

**Hon. G. Plant:** That may be a model. One of the issues - this is as real a question in family law as anywhere else - is to be mindful of the fact that one size doesn't fit all, that old saying.

Interjection.

**Hon. G. Plant:** Well, it's not that old a saying.

There may be some family law cases that are destined for adjudication in a trial courtroom. What we need to do is try to find a way to steer out of the courtroom the cases that don't belong there. I think you ultimately do that with a combination of carrots and sticks. You create incentives, but also, in appropriate places you may erect something like obstacles that say that you must attempt mediation before you go further.

What you have to do in the family law context when you start talking about that, though, is be mindful of the fact - I'm not overemphasizing it and I'm not underemphasizing it - that in some cases, the power imbalance in a family relationship is a real thing. You don't want to have to put a couple of people in a room and say, "Go solve your problems," when the whole reason they're in the room is because they haven't been able to solve their problems during their marriage. What's ultimately required is a variety of tools.

**Hon. J. van Dongen:** Just one other comment. Certainly, I agree that there are situations where it simply won't work. In my observation of these cases, you see lots of situations where they are repetitively in court. I'm not so sure that the Crown shouldn't be trying to not just look at it as a one-time thing but trying to develop some kind of a case management model, possibly using, say, a lawyer in the private sector named by a court to be responsible for the day-to-day management, if it's required by the parties. Is that something you might also consider?

**Hon. G. Plant:** That's right. You and I have talked about that idea before, and I think it's an idea worth exploring. Whether you call the person a monitor or an arbitrator-mediator, I'm not sure. The idea is that someone would have an ongoing responsibility to help make sure, whatever the separation and custody and access arrangements are, that if the partners - the former husband and the former wife - have an issue, instead of having to go to court to have it resolved, they could go to some individual who would be more accessible, more informal and, perhaps, more effective in a short time frame in just saying: "Look, can we get over this problem this way? Have you thought about that?" That's an idea that needs to be pursued.

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

[9:40]

**Hon. S. Santori:** A question regarding the youth justice system, Geoff. We've discussed this before. I'm just wondering if there is any opportunity to enhance the mechanisms that we currently have for those in small communities to deal with first-time offenders - also in large communities, as a matter of fact - in terms of the amount of increased vandalism and malicious damage by really young children. Currently the system does allow for a community-driven youth justice system, but it really doesn't have a lot of teeth, because it's a voluntary mechanism where the parents want their children to go through that process.

In an effort to reduce cost and to reduce the number of repeat offenders, can we strengthen the mechanisms that are there so that it does not become a voluntary participation in the youth justice system? Can those children who are eight and nine years old that offend for the first time go before their mayor and council or a local committee, to ensure that they don't become repeat offenders and, obviously, to get them off the wrong track - and, secondly, at tremendous cost to the system? Is there a way that we can do it?

**Hon. G. Plant:** I think some of those mechanisms exist. Your comments suggest that we could improve them, and I agree with that. There's more work to be done. One additional element of the equation, if you will, that I think we can't forget is that ideas of community accountability and ideas of restorative justice do depend on a willingness on the part of the offender to acknowledge some element of wrongdoing. If you don't get that, then the process isn't working for them, and that process won't provide the solution that it should provide. I think there's more we can do to encourage that, but at the end of the day there will always be a bit of a limit on how far you can go down some of those paths. If you meet with the recalcitrant 13-year-old who simply says, "I don't acknowledge that I did it," then no amount of community accountability or restorative justice is going to take the place of, in the appropriate case, some measure of response by something that looks more like the traditional justice system.

**Hon. G. Campbell:** Any questions? So Geoff has asked for approval of the shifts in the strategies, and, seeing no further comments, they're approved. Thank you very much.

### **Ministry of Public Safety and Solicitor General - Strategic Shifts**

**Hon. G. Campbell:** Next is the Minister of Public Safety and Solicitor General.

**Hon. R. Coleman:** Thank you, Premier, and good morning. This government has promised safer streets and safer schools in every community. My ministry's job is to make sure that that commitment is honoured by making sure the laws of this province are enforced and by supporting and developing effective public safety programs. With this in mind, we have been working on our core review exercise for the past few months, and I must tell you that it has been a worthwhile exercise for my ministry.

We wanted to take a close look at our public policy objectives, law enforcement, public safety, community protection and the creation of a sound regulatory framework. We wanted to make sure that the programs and services provided by this ministry supported and enhanced these objectives. Out of this core review we've developed a strategy to bring greater accountability, community ownership, program rationalization and deregulation to the delivery of public safety.

Before I talk about how we're strategically going to reform the Solicitor General's ministry, I wanted to talk about its general function and structure. The Solicitor General is responsible for public safety and community protection. Programs to support this mandate include policing; corrections, which includes secure detention of adult offenders in custody and supervision of adults not in custody - that's probation; crime prevention; support to victims; a range of regulatory programs, like consumer protection, that give British Columbians a level of security when they buy goods and services; liquor licensing and control; gaming policy and enforcement; other public and personal safety programs like the provincial emergency program, which helps communities manage and recover from natural disasters; and along with that, criminal record checks for people who work with children.

Of course, we don't work in a vacuum. Our role in preserving public safety and community security is shared to a great extent with both the Ministry of Attorney General and, with respect to youth, the Ministry of Children and Family Development.

[9:45]



In determining what is core, we had to come up with our guiding principles. I instructed my staff to keep four guiding principles in mind. First is that public safety and community protection are paramount. As I've said all along, we will provide more effective and efficient policing, correctional services and crime prevention programs without undermining public safety. The second guiding principle is that we have to get back to basics. In the face of shrinking resources, I've asked my staff to look at ways of integrating existing programs to reduce overlap and duplication. Waste is not an option. Third, I'm a firm believer in personal responsibility and accountability. That is why I want to make sure that communities are allowed to take control over community-based programs. We must value our volunteers in crime prevention and victim programs to be successful. Finally, I want to see us move, wherever possible, to less government. In the area of consumer protection, we need to get beyond the notion of regulation being the only answer. We need to balance consumer protection with economic viability.

I would like to talk in more detail about our core services. I will begin by explaining where we dedicate our resources. We have an overall budget of just under \$500 million and a staff of just under 3,000 people. This does not include the bingo top-up or the direct access grant of over \$100 million, which is the subject of a separate review.

Most of our resources go directly to law enforcement programs. Corrections alone accounts for 44 percent of our budget and two-thirds of our staff. Policing takes up another significant portion of expenses, at 34 percent of our budget. Community justice programs, like consumer services, landlord and tenant dispute resolution, crime prevention and victim services account for 6 percent of our spending.

The remaining portion of our budget goes to regulatory and security programs like the provincial emergency program, gaming audit and investigation and the Coroners Service. It also includes our agency boards and commissions, gaming policy and enforcement, and liquor control and licensing. We do indeed provide many services and programs within our budget.

Core services - policing. I want to talk about some of these program areas separately, starting with the front line of law enforcement in policing. The Solicitor General is responsible for supervising policing in British Columbia. I've already shown that policing takes up a significant portion of our budget, more than \$170 million annually. Other communities also contribute to their own policing in addition to that. The funding helps to cover direct costs and indirect costs of 124 RCMP police units, three first nation forces and coordinated operations such as the organized crime unit of British Columbia. Municipalities with populations over 5,000 pay for their own policing in 59 RCMP municipal forces and 12 independent city police forces.

Corrections, as I mentioned before, accounts for the largest portion of our ministry's resources - over \$200 million. The corrections branch operates 20 correctional centres, or prisons, and is responsible for supervising offenders in communities throughout the province. Last fiscal year the number of inmates in custody on any given day was about 2,485 people, a drop of 3 percent from the previous year. The number of people being supervised in the community was 22,736, which is down 1 percent from the year before. We have a highly professional group of people, men and women, in our corrections branch and in our probation section. An independent parole board makes decisions regarding the release of adult inmates from provincial institutions into the community.

Public safety and community protection. The ministry supports crime prevention programs to help build and maintain safe communities. We work with community groups, schools, youth groups, businesses, service organizations, police and all levels of government. We fund police community-based victim services programs, women's sexual assault centres and a 1-800 victim information line. We administer programs which direct the provision of benefits for victims and their families.

[9:50]

The ministry is responsible for the regulation and control of liquor in the province of British Columbia, which can have tremendous public safety implications. As well, we provide such victim and community safety-related services as the community notification program and the criminal records review program. These programs coordinate information for law enforcement agencies, victims and others.

Finally, we support the B.C. Coroners Service, which investigates sudden and unexpected deaths to make sure that no death is overlooked, concealed or ignored and that similar deaths can be prevented in the future.

We're also responsible for government services that ensure an orderly and just society, such as regulation of the private security industry, people like security guards, alarm companies and private investigators; the film classification office, which classifies and regulates the distribution of films; consumer services, which enforces consumer legislation to ensure a fair and equitable marketplace and to protect consumers from fraud and dishonest and deceptive acts; the residential tenancy office, which provides information, mediation and arbitration services to landlords and tenants; and the gaming enforcement branch of the ministry, which sets policy, standards and regulation and issues licences and is responsible for enforcement of the gaming industry.

We have some trends that affect our ministry. I'd like to talk about them a little bit, as they are affecting our core services. The nature of public safety is changing. While the overall crime rate is decreasing, British Columbia continues to have one of the highest crime rates in Canada. We have the highest property crime rate in the country.

An economic decline or rise in unemployment could result in the crime rate either stabilizing or rising slightly. Public expectations for community protection and public safety are increasing. Communities are demanding more police resources. Although the crime rate has been dropping in recent years, criminal investigations are becoming much more complex.

The nature of crime is changing. It is becoming more complex and more violent. Today's police officer has to deal with Internet crimes such as scams and luring and pornography. They have to deal with organized crime, international fraud and acts of hate and terrorism. Meanwhile, on the regulatory front, business and industry have been inundated with legislation and regulation. Too often in the past, government's response to any given problem was to create a new set of rules and a new layer of bureaucracy.

Now to my strategic shifts in policing, first of all. In the last couple of minutes, we've looked at where we are and some of the forces that have been influencing my ministry over the past decade. Now I want to move on to where we're going. After carefully evaluating programs and services, we've developed a strategic vision to take us into the next decade. Our plan for policing will increase accountability and coordination.

Right now my ministry is working on a detailed plan to restructure police financing. The plan should be ready by the new year and will reduce and then eliminate inequities in police services. We are also developing a five-year plan for policing to deal with the issues that policing will have to address in the future.

A key element of the plan will be to address policing in major urban areas and to implement standard technologies and communications systems. It will also be to integrate regionalized services such as forensic guidance, serious crime teams, etc., across British Columbia. We also intend to enhance first nations policing. B.C. chiefs of police, the RCMP and municipalities will all be part of this process and are part of it already today.

I realize the plan may cause some concerns for some. For example, a new funding model will mean that some communities that now receive policing at no cost will have to pay. There are approximately 80 municipalities in the province under 5,000 people, with a population of 184,000 people, and there are 540,000 people in unorganized or regional district areas of the province that pay little or no policing costs. That is over 700,000 people.

My ministry is developing a new funding formula for policing. It will be fair, it will be equitable, and it will be phased in so communities can adjust. Funds realized will be reinvested to ensure that our police are equipped and trained and informed to do their jobs in the twenty-first century. The net result will be a fairer, more accountable and more effective system of policing across the province.

[9:55]

In corrections we are moving toward a new supervision model, one that is directly linked to the risk that an offender poses to the public. This means that we can target our resources where they're most needed: managing high-risk offenders and ensuring the maximum level of protection to the public. We also plan to use rehabilitation programs that have been proven to be effective. These programs will be evaluated, measured and adapted as needed.

At the same time, I am encouraging my staff to look for new models, to look outside the box, particularly when it comes to our big-ticket items like correctional centres. We will look at consolidating some adult correctional centres, starting in the year 2002.

Victim services are another key area of my ministry. While these programs are important, over the last decade overlap and other inefficiencies have developed. The issue isn't whether or not these programs are needed. We're committed to providing first-rate services to victims. The issue is that we want to make sure the services we are providing are doing the job and reaching the people who need them the most.

Already I have started to transfer the criminal injury compensation program from the Workers Compensation Board to my ministry under the Crime Victim Assistance Act. This will ensure that victims of crime get services they need from a system with a victim services mandate. As well, we will be moving the victim notification unit, which is now with the corrections branch, into the victim services division.

As the Premier has asked us, we will be reviewing other victims programs in all other ministries. We will work with other ministries to streamline services in victim services programs, consolidate service delivery and encourage community ownership of community-based programs. We have given ourselves a maximum of six months to accomplish that goal. I will review the effectiveness of crime prevention programs and encourage communities to assume greater ownership over these programs.

Finally, we will be taking steps to address the number and complexity of regulations in my ministry. I believe the area of regulation is one where our core services review may have its greatest impact. The tendency in this area has been towards more government control rather than more creative solutions. All too often government's response to problems in the marketplace has been to regulate business and industry. We have 8,637 regulations in this ministry. I resolve to follow through on our government's new-era commitment to reduce this burden by one-third within three years. We've already begun the process of cutting red tape.

We intend to streamline and modernize liquor control regulations by reducing the number of licence categories and to introduce a system that is more efficient and less costly for business and that will allow for greater input by local government.

We will shortly announce changes for our community groups in gaming so that they can give to their communities the charity dollars they raise in a more seamless manner.

I intend to introduce legislation to reform the private security industry, encouraging this industry to move towards greater self-regulation while reducing licensing requirements and fees.

We will draft a new, comprehensive consumer protection act and update the Residential Tenancy Act, making it easier for landlords and tenants to understand it. The Residential Tenancy Act, as it stands today, has been drafted. Again, it's in plain language. I emphasize that it's a draft. Today it will be put on the Internet for public input. That public consultation will take place until the end of January 2002. The act will then come out of that, back to the Legislative Assembly, as a new residential tenancy act to be introduced into the Legislature in 2002. This will complete our new-era commitment to modernize the act to properly protect renters and landlords in language everyone can understand.

We have removed unnecessary licensing requirements with respect to direct sellers and credit reporters. We are moving from ten different consumer protection statutes with six different regulatory regimes to one statute with an integrated regulatory regime.

[10:00]

In gaming we have already moved to consolidate the number of agencies regulating this industry from four to two. We have transferred the responsibility for the conduct and management of commercial bingo and horse racing to the B.C. Lottery Corporation. We are proposing a major overhaul of the gaming industry to consolidate policy, standards, regulation, licensing, registration and enforcement activities. We will streamline the distribution of the gaming proceeds and simplify the regulatory requirements.

The core services process has been very productive for my ministry. It has been one that we've enjoyed, one that's challenged us and one that certainly has put us to work. By taking a good, hard look at the way we are approaching public safety, we think we can come up with a long-term plan that meets our objectives and provides some real public benefit. As recent events have shown, ideas of public safety and community protection can seem at times overwhelming and difficult to put into practice. I have the confidence that we have the people and the resources in this province to accomplish that goal.

Our commitment to the people of this province is our promise to enhance public safety and provide safer streets and schools in every community. We will take it seriously, we will implement it, and we will get it done. We are going to allow communities - with measurements - to have more control when it comes to issues like crime prevention and victim services. I am a firm believer in personal responsibility and accountability. That is why I want to make sure that communities are more involved in community-based programs. We will get back to the basics. This core review has identified some areas of duplication and possibilities for integration. We will continue to look for opportunities to streamline service and make sure the programs we deliver target the areas of greatest need.

Finally, I want to see us move, wherever possible, to less government with more individual and community participation. We need to get beyond the notion of regulation being the only answer. Through it all, the emphasis on public safety and community protection will remain absolutely paramount, and we will succeed at that goal. With the support of cabinet today, I would like to move forward to make our vision a reality.

**Hon. G. Campbell:** Thanks, Rich.

Rick.

**Hon. R. Thorpe:** Thank you, Rich. As you know, I represent an area of British Columbia that has a community of less than 5,000 and the largest unincorporated area of British Columbia - Westside. With respect to your approach to a new funding formula for policing, when do you expect to have something out there where communities will be able to enter into dialogue with you?

**Hon. R. Coleman:** Our goal is to have it ready this month, Rick. I think we're going to achieve the first draft of that. The communities will get an opportunity to look at it. It will be a phased plan, as I've said before. I know we've had that discussion before. We don't want to just all of a sudden change the rules and have a tax burden on communities. There will be notice, and there will be a phase-in, but everybody should understand that there will be a new formula.

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

**Hon. G. Campbell:** I should just point out that at the UBCM I met with maybe 15 or 16 municipalities under 5,000 who were asking for a new formula. Policing is an issue that has been out there for some time. There's the RCMP detachments as well as the independent police boards. There has been real discrepancy and disparity in how we've funded police in the past.

I've got Lynn, then Richard, then Christy.

**Hon. L. Stephens:** Rich, you talked about support to victims. You know that in Langley this week there was a horrific act of violence. A lot of the members of the community witnessed it. You talked about police-based victim services and how you want to enhance those services for communities, and you committed to provide those first-rate services. You mentioned victim notification as one of the changes. What are some of the other examples or some of the other ways that communities will be able to enhance those kinds of police-based victim services?

**Hon. R. Coleman:** First of all, Lynn, back to my community, my sympathies go out to the people who were victims of that tragedy. I think what that tragedy shows us is how we have to move relative to our integration of information. The Attorney General has a computer system that they're working on called JUSTIN which would allow for us to download in real time, once we get the right computer system in a police car, the real information as to protection orders and those sorts of things so that we'd be on line all the time for police agencies. That's part of the goal of the five-year plan - to get to that level of data.

[10:05]

Violence will always exist in our communities, and these tragedies will take place. Our job will be to make sure that the information is in the hands of our law enforcement and our victims agencies so that they will be able to reduce that type of activity in our communities. I think we can get there, but we can only get there by proper integration and real-time information being in the hands of the people that need it. We're going to move towards that goal.

**Hon. L. Stephens:** In terms of the police-based victim services, you know that when acts like this occur, it's those individuals - and they're usually volunteers in the community - that are the first people called to go out to assist these victims. Will there be some resources for police to enhance

their training programs or to try to encourage more volunteers to come forward and work in this really very important area?

**Hon. R. Coleman:** As I said earlier in my presentation, I think the enhancement of the volunteers and our commitment to them and what they do in victim services in the community has to be very, very important to this process. In addition to that, the whole exercise that we're going through is relative to how we did the Criminal Injury Compensation Act, how we had our victims programs taking place so that we delivered to the community rather than to an infrastructure that doesn't deliver services.

That's the reason the Premier has asked us to look at the victim services programs in all other ministries, with a view to making sure that what we have in resources is actually getting directly down to the victim programs in the communities. When I talk about community responsibility and accountability, that's what I mean. We want to get the dollars and cents to the people in the front line that can help the victims of crime immediately, as best they can, not to have them tied up where they're not getting to them. The people that do the police victims programs in this province do an outstanding job. The ones that we have are very well trained. Frankly, on a volunteer basis, they should be applauded for what they do for their communities.

**Hon. L. Stephens:** Thanks.

**Hon. G. Campbell:** I think it's not just in Rich's ministry but in George's and in Gordie's, etc., that one of the things we're trying to do is rebuild the bridge between volunteer service agencies and the communities they're in. There was a lot done that actually worked to the detriment of volunteers - you know, the Kiwanis, the service clubs, etc. - over the last little while. Part of our goal is to try and give them a little bit of revitalization, because there are a lot of people that want to serve their communities in whatever way they want. Victim services is just one of those.

I've got Richard, Colin and Mike.

**Hon. R. Neufeld:** Thank you, Rich. That was a good presentation, and I know that you're facing many of the same decisions that all of us are, about how you provide services with a shrinking dollar. I just want to ask about probation. I've got two questions: probation and policing. One is probation.

I understand that sometimes what happens now in communities in the north that are over 5,000 is that there aren't enough probation officers to go around. I'll use Fort Nelson for an example. If there's no one to go on the day that the probation officer goes to Fort Nelson, they post a note on the courthouse door, and those people that are on probation get to sign on to the sheet and leave. It's not been a very effective way of dealing with probation and those people that are on probation. I wonder if there's anything you're looking at where we can actually improve that service to some of those communities. I'm sure that's not the only one. It's just because I know of that. There must be other small communities in the north that have that same problem.

**Hon. R. Coleman:** Yes, Richard, you're right. With over 20,000 people under some form of supervision, it's a challenge for our probation officers out there. We are looking at how we can integrate some of that relationship between probation and law enforcement in the communities to have reporting available at other levels so that we can integrate our services. We'll continue to do that. We're in the stages, as we go into our five-year plan, where those are the types of issues that we're going to deal with. That's important, because none of these things can operate in a vacuum. One of the mistakes that's been made, both in law enforcement and in some of the other integration services, is that everybody has a territory and says: "My territory is this." In reality, we can do a better job by having these things work together.

**Hon. R. Neufeld:** Thank you. I'm appreciative that you're looking into that. I know it's not an easy situation. I don't expect an answer right away, but it's something I thought I'd bring to your attention.

[10:10]

The second one is policing. I've also heard from a lot of the smaller communities that they want a different formula. I know that and I appreciate that. I'm just wondering how you plan to provide the services. Once you start taxing those people.... There are some, as Rick pointed out, that are already receiving those services and not paying for them - specifically, in rural B.C. I don't know where, but I know that in my constituency there are some places that are maybe 80 miles from town and never see a police car. They're fair-sized little communities - 800 people, 500 people. When they start paying for police services, will that mean that there will actually be police service provided to

them? Or is this a way to gather some money and actually be able to pay for the service that we already have?

**Hon. R. Coleman:** The answer to the second part of your question is no, it's not a way of getting money to pay for the services we already have. It is about balancing the model, balancing the service of policing across the province. If a community is paying for policing, then they will be allowed to have expectations that their policing will be provided.

I had a meeting for two hours with the commissioner of the RCMP last week in Toronto when I was back there, and I've been looking at regional policing models across North America. We have to take our policing and move some of our silos out of the way so the global policing takes place in the communities versus saying: "You can only work in this particular bordered area, because I'm paying for you."

We have to move beyond that so we can actually give the service of policing to all our citizens. I won't underestimate the challenge, but I also don't underestimate that the challenge is worth taking. If we don't do it, we're not serving our communities correctly in policing. I have the commitment from all the major stakeholders in this that we're going to make this work, so I think we'll get there.

**Hon. R. Neufeld:** Okay, good. Thank you.

**Hon. G. Campbell:** I don't want to underestimate the challenge that Rich has taken on with regard to this formula. There are different formulas between the Victoria police department and an RCMP detachment here in the southern part of Vancouver Island. There's a difference between Vancouver and Burnaby, and there's a difference, probably, between Fruitvale and Trail. That's what the municipal leaders were telling us about. They were concerned about that as well.

This is a framework, but it's a framework that's built from the ground up. That's what the challenge is that we face.

**Hon. R. Coleman:** If I might add, I've met with the safety committee of the UBCM, and I was at the same meeting of the UBCM as the Premier. They have made it pretty clear that they want us to move on something that is fair and equitable for all their communities. I think it's important that we do that.

**Hon. G. Campbell:** I missed one. I've got Christy and then Colin and then Mike.

**Hon. C. Clark:** Thanks, Premier.

Rich, as I think someone has pointed out, some communities are less expensive to police because they're in close proximity to a larger community that would have a station and a base there. It's reasonably cheap to be able to police those communities, as opposed to a community that isn't in close proximity to a larger community and would have to have more of an infrastructure locally in order to support that.

I'm wondering if your formula will reflect the real cost of providing the police services.

**Hon. R. Coleman:** My formula will reflect a global five-year plan for policing in British Columbia. One of the challenges, even as you make that description in policing, is just that challenge. If a small community that had a small mounted police agency servicing it had a major crime take place or required forensic identification or DNA or whatever the case may be, those services, just like in health care, would have to be in a position where they can be brought in for that individual case. In their global dollar they're going to be paying to help support that infrastructure should they need it, because that's how you're going to integrate and regionalize and improve policing across the province.

At times it may look like some communities are cheaper than others to police, but in actual fact, policing doesn't stop at the border of Coquitlam over to Anmore or Belcarra or wherever it goes. Criminals don't know borders. They don't say: "Gee, we're in nicer place in West Vancouver or North Vancouver or Richmond, and there's not as much crime here." They will move the goods, services, crime, information and data back and forth across boundaries. That's my first objective: to remove the silo thinking in policing so that we realize this whole thing has to be integrated.

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

[10:15]

**Hon. C. Hansen:** Thank you, Premier.

I wanted to raise the issue of gambling addiction in the context of the shifts that you had talked about. I think that it's an area that we have paid far too little attention to over the last number of years. I think the previous government seemed to be more obsessed with creating more gambling opportunities in the province and increasing the number of British Columbians who were gaming rather than what I think is a more appropriate approach, and that's to provide regulation.

I take it from the shifts that you've outlined that you see government's role as one of providing a regulatory framework rather than one of increasing the supply of gaming activity in the province. I just wanted to verify that and, I guess, secondly, whether or not that kind of shift might mean a difference in the kind of approach we see around something like B.C. Lottery advertising in the future.

**Hon. R. Coleman:** There are two questions there. One is that B.C. Lottery is a Crown corporation, Colin, and they have to perform back to government based on a business plan and core review that they're going through themselves. As a minister basically responsible for that Crown corporation, I get reported to, but frankly, just like any other Crown corp, that corp was going to go through its process and its business plan, etc.

The issue in and around problem gambling is that there is pretty well a standard percentage of population within every jurisdiction that are problem gamblers. Statistics don't necessarily show us that the access to gaming in a particular sector either increases or reduces the percentage of problem gaming in any jurisdiction. The problem gambler will find Internet gambling or opportunities to gamble other than what you have just in your own specific infrastructure.

On the first part of your question, we ran on no expansion of gaming. It has not been the mandate of my ministry to go out and look for expansion opportunities in gaming. We have some definitions with regards to our infrastructure that we will bring forward to cabinet for discussion under a separate presentation at a point in time.

**Hon. G. Campbell:** Mike.

**Hon. M. de Jong:** Rich, did the core review question the existing relationship between the province and the RCMP as the agent for the delivery of policing in the province?

**Hon. R. Coleman:** Yes, Mike, it actually did. We looked at the impacts of having the RCMP as our provincial police force, which it is today. They provide provincial, federal and municipal policing in this province to probably about 85 percent of our citizens. We looked at our relationship there, and my initial discussions with the RCMP were mainly around their financing as far as their financial accountability back to the ministry. I was concerned about how we handled capital, how we could long-term plan the capital improvements to policing. We're working through those issues.

We also looked at what the cost was of replacing them with a provincial force, because there have been those studies done. I can tell you that the cost is substantial, that the infrastructure in paying for policing and the financial relationship with the federal government is to the benefit of us rather than having a provincial force.

Frankly, after going through that review, I like the ability to have - and I think September 11 showed me this more than anything else - a national police force that's integrated with the provincial and municipal force so that within seconds we can have the data, the intelligence and the ability to work together and move resources within an infrastructure rather than having one more infrastructure in place that really doesn't.... I don't, frankly, see the benefit today of changing the RCMP versus a provincial police force. I don't see it economically, I don't see it policing-wise, and I don't see it on the goals of reaching integration in police services across the province. After our core review I came to the conclusion that what we had to do was build on that professional relationship with the RCMP.

Tomorrow a deputy commissioner, Bev Busson, will be made the commander in British Columbia. The transition will take place. Bev is a very competent officer who will be our chief of police, for lack of a better description, for the province. I have utmost confidence in her and in Commissioner Zaccardelli.

**Hon. G. Campbell:** Gordie.

**Hon. G. Hogg:** Rich, I thought I heard reference in your presentation to some utilization of the private sector in terms of the issue of corrections. I wonder if the strategic shifts which you're

recommending include the possibility of private jails being built by the private sector and/or perhaps leased back or as an extension of that. Is it something that you've looked at which is happening at some other jurisdictions, where we'll be looking at jails that might be contracted in terms of their utilization as well?

[10:20]

**Hon. R. Coleman:** I'll answer that this way. Last week I actually toured the new prison in Ontario, built in Penetanguishene, that is going to be run by a private operator, although it was built and funded by the province of Ontario. I've looked at their per-diem costs for prisoners and then compared them to our system, and there's not a marked difference, when you move away the clouds, as to what is being paid for. That goes back to Geoff's comment relative to BCBC.

**Hon. G. Hogg:** That's what motivated my question.

**Hon. G. Campbell:** Did you hear that, Sandy?

**Hon. R. Coleman:** What they've done, when they advertise the dollar....

A Voice: Maybe we'll just put up a little slide that says that.

**Hon. R. Coleman:** Thanks for the opening.

The challenge that we're looking at.... They built a \$90 million to \$100 million prison, and they're delivering on a per-diem rate that looks pretty economical, but in the per-diem rate for the private operator, they're not having to pay amortization or mortgage on the land or the building. When you start to factor that back into some of our facilities.... Actually, if we weren't in that situation, we'd be somewhat competitive. When we're thinking outside the box, we're not putting that off to the side - that we're not interested - but certainly, so far we've found our efficiencies internally to our system. I'm satisfied with that.

The other difficulty is that they are warehousing people in Penetanguishene. They're putting 1,250 prisoners into one location. Two hundred of them will be remand. The balance of them will be prisoner stays in a maximum security facility. The design of the prison is such that there is not going to be the on-wing communication between the guard and the prisoner, which I would have some concern about. The model leads me to some concerns as to public safety and how we would manage our prisoners and to the programming we should be giving them.

I have to balance all that as I look at any model. What happens is that everybody says, "Oh, you should do this," and then when you start pulling back the veils or the pieces, you find out there's a number of things that aren't factored into the cost.

If you looked at 1,250 prisoners in B.C., it's 50 percent of the entire population of people in our corrections facilities. You're talking about a whole different model for a larger population. I think we just have to continue to do our research, and we'll do that. Frankly, we're going to work through that.

**Hon. G. Campbell:** The strategic shifts have been outlined. I think there's certainly movement in the direction that we wanted to go. They're approved.

Any other questions? Geoff.

**Hon. G. Plant:** I just wanted to maybe take advantage of the opportunity presented by the conclusion of Rich's comments to point out that under the former government there was one Ministry of Attorney General that had responsibility for much of what is now divided across two ministries.

The larger goals of, for example, the integration of information sharing across the justice system as a whole are goals that Rich and I are still working towards. He talked about JUSTIN as a computer program, an information technology service inside the Ministry of Attorney General that provides case tracking once the case has reached the point of a report to Crown counsel. There is an urgent need to ensure that we expand the information chain to include, eventually, the input provided by police themselves when they show up on the scene. Rich and I are working together to make that so.

While we have, I think, achieved some efficiencies in terms of getting two people now focused on the justice system, it's not happening at the price of a larger commitment to ensuring that the system works together. I just thought that point needed to be made.

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



The next item is the Ministry of Water, Land and Air Protection - an order-in-council. Joyce.

### **National Park Order-in-Council**

**Hon. J. Murray:** Thank you, Mr. Premier.

You'll recall that I made a presentation at our first open cabinet meeting, and I sought permission to negotiate a national park establishment agreement with the federal government to create a new national park in the southern Gulf Islands. I'm here today to ask for approval for the province to conclude this agreement with the federal government based on the negotiations in the last few months.

[10:25]

Before I speak directly to this, I just want to go back and touch on the history of this national park establishment agreement. In 1995 the province and the federal government signed an agreement to establish some provincial protected areas and a national park area in the southern Gulf Islands. Each party was to put forward \$30 million. The federal government did spend their \$30 million, and the provincial government did not. They spent a fraction of that. In March of 2001, before the election, the provincial government went back to discussions with the federal government, and they signed a new agreement which locked in federal funds to match the province's funds for purchasing Burns Bog. That was to be in exchange for the province living up to the original agreement on the Gulf Islands national and provincial park system.

That was the status when we were elected. In July I requested and received approval for us to make good on that March 2001 agreement, for several reasons. First is to improve our relationship with the federal government by following through on a longstanding agreement that the province had made and not kept. Second is because I think we appreciate and agree that it's important to preserve some of the vulnerable and rare ecosystems in the southern Gulf Islands. And there are tourism and economic opportunities out of creating those parks. Third is because it was a way to access 50 percent funding for an important new-era promise, which was to preserve and protect Burns Bog.

That's the background. Because of those factors, we agreed in cabinet that we would proceed with the national park establishment agreement discussions. Those have reached a conclusion, and so I'm now looking for approval to sign, along with Minister Hagen, this agreement with the federal government, probably in January.

The key components of the agreement are in the briefing notes that are in your cabinet binders. Basically, there's a commitment by British Columbia to transfer some provincial Crown land to Canada for the park and to provide \$5 million to Canada for the acquisition of more land for that national park area. It confirms the province's commitment to the provincial protected area assembly of lands. Actually, the Texada land acquisition on Saltspring Island that was in the papers around the end of last month is part of that provincial park assembly that's covered by this agreement. Canada commits to spend an additional \$10 million to acquire land to add to the national park and to spend \$16 million over the next five years on the operation of the park and the development of an interpretive centre. The discussions included the Islands Trust, so local communities were part of identifying their concerns and what they wanted to have included in this agreement. I think that's basically it.

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

Judith.

**Hon. J. Reid:** I have a question on the wording with regards to what the federal government is spending and putting in - the \$16 million. It reads: "Towards the development and operation over the next five years." My question is: what happens after that five years with regards to the operating costs of this reserve?

**Hon. J. Murray:** It's a national park, and it will be the federal government's responsibility to operate it.

**Hon. J. Reid:** Right. Okay.

**Hon. G. Campbell:** Linda, Greg and Richard.

**Hon. L. Reid:** I simply wanted to extend my heartfelt thanks for the work that I know has gone into crafting this agreement and certainly to acknowledge how important I think it is that we live up to our

agreements between our province and the federal government. I thank you both most sincerely.

**Hon. G. Campbell:** Greg.

**Hon. G. Halsey-Brandt:** Joyce, two questions. The Burns Bog option is still there, and that's being pursued. Is that correct?

[10:30]

**Hon. J. Murray:** Yes, that's correct. Negotiations are underway, and I'm optimistic. As you know, we won't pay more than fair market value, so this negotiation may take some time, but our intent is to pursue it until we're successful.

**Hon. G. Halsey-Brandt:** Okay. The other question is on the marine parks which exist in the Gulf Islands, which are part of this transfer, as I understand it. I guess this comes out of Judith's question. They, again, will continue to be operated. Prices aren't going to go up or go through the roof or anything like this? There'll be a seamless transfer of those facilities?

**Hon. J. Murray:** My understanding is that during the transition period, until they are formally national park areas, the cost structure or the price to the visitor will remain as it is now. When the federal government takes over, there will be some consultation before fees are set.

**Hon. G. Halsey-Brandt:** Do you know how long that period likely is, though? Is it two years? Five years?

**Hon. J. Murray:** My understanding is that there are some treaty negotiations that need to move forward before this can formally be a national park. Until then, it will be considered national reserve lands. I can't tell you what that time frame would be.

**Hon. G. Halsey-Brandt:** Thank you very much.

**Hon. G. Campbell:** Richard and Murray.

**Hon. R. Neufeld:** That leads into my question. Will some of that land be used in treaty purposes, or is it actually going to all be in park, regardless, once the treaties are done?

**Hon. J. Murray:** This land is for a national park.

**Hon. R. Neufeld:** Guaranteed a national park. It won't be in the treaty process.

A Voice: It's a park.

**Hon. R. Neufeld:** Okay. That's good.

The second question is.... I see in the next paragraph its public consultation was conducted in 2000 on the Gulf Islands, on Saanich Peninsula and in Vancouver, and there was overwhelming support. Briefly, can you tell me what kind of public consultation took place? And is that a process we use across British Columbia for the creation of parks?

**Hon. J. Murray:** That public consultation took place before we were elected, and I don't have the details of how that occurred.

Murray, you may have some idea. You were quite involved during that time period.

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

**Hon. M. Coell:** Consultation was done mostly on the Gulf Islands and the peninsula on the acceptability of a national park and the effects it would have on the local community. Some was done in Vancouver, because there are a lot of property owners on the Gulf Islands who live in the Vancouver area. Overwhelming support. Maybe I could just continue.

It's a longstanding idea of having a national park in that area. It's not something that just happened in the last five or ten years; it goes back many years. The partners in this. You had the Capital Regional District, the Islands Trust. We had corporate individual donors.

Joyce and staff have done an excellent job, over the years, of holding it together when the former government negated any of the promises they made until our June decision. I think that the staff,

both at the federal and provincial levels, held something together that was falling apart for many years. There's a broad acceptance, and a lot of people are looking forward to the benefits of tourism and job creation that are going to come with a national park of this kind. It's new to British Columbia to have a park that's separated by islands and a park that will have marine aspects to it as well. Joyce has done an excellent job of putting this all together.

**Hon. R. Neufeld:** Further to that - and I don't have any problem with the park and the way it's been put together and everything - I was interested in the public consultation part of it. That was the question.

Is that how we are now determining some of the new parks that we're putting in place? We do a public consultation in that particular area and create parks with just that input? If they're going to create a park in the Kootenays, let's say, are they just going to deal within the Kootenays, and if those people say we should have a park, it's okay, and if they say, "No, we don't want a park," then it won't go? Or is this a federal way of going about it?

**Hon. J. Murray:** This specific package is a longstanding federal and provincial discussion, so I don't think we can extrapolate from this to park creation in British Columbia, where, in my understanding, foremost is part of the land use planning process.

I don't know if that answers your question.

**Hon. R. Neufeld:** No. Anyhow, I'm done.

[10:35]

**Hon. G. Campbell:** Okay. Any other questions about this? I think this is actually putting into effect the policy decision we made in June or July. I think we should move forward with it. No comments? No concerns? Okay, fine. Consider it approved.

The next item on the agenda is the core services review report from the Minister of Management Services. Sandy.

### **Minister of Management Services - Strategic Shifts**

**Hon. S. Santori:** Thank you, Premier.

I would like to begin my presentation of our core service review with our ministry vision, and that is to enable your ministries and the broader public sector organizations to deliver their core programs more efficiently to the taxpayers of this province. Basically, our goal in British Columbia and as a ministry is to have the most cost-effective, innovative and responsive support services in this country for the delivering of government services.

In order to achieve our goal, we need to change our culture. We need to change the way government has done business in the past. I think each and every one of you will agree that managing and the way business has been done has changed dramatically over the last 20 years. Unfortunately, government hasn't kept pace with that change. We've fallen behind in terms of taking advantage of technology and taking advantage of sharing services with each of the ministries. I think I could say, without too much fear of contradiction, that the taxpayers have been very clear. They want our resources, both human and financial, to be focused on the delivery of services and programs and not on the internal delivery of services to government.

The status quo is not an option if we want to meet our commitment of eliminating duplication, eliminating ineffective processes and unnecessary costs, and at the same time increasing efficiencies. Taxpayers have made it very clear that they want more services for less dollars. I believe that my ministry, through the implementation of a shared-service model, will do exactly that and allow each and every one of you in your respective ministries to face your challenges and to put your attention on your core services - delivering those programs and services within the ministry.

In order to do that, two things need to happen. First and foremost, my ministry needs the commitment of each and every one of you around this table. If we expect the broader public sector and other organizations that are providing services of government to become more efficient and more cost-effective, I'm suggesting that we as government here in Victoria need to be more cost-effective and take the lead in showing the broader public sector how things should be done and how it's paramount that we change the way we do business. We have to convince our staff that they have to get out of the comfort zone they've been used to for the past 25 years.

Rather than provide you with an illustration of the current structure of government, I'm going to try to do it by using an example, if I may, of a homebuilding supply centre. If you could, imagine going into a paint department, whereby they have their own payroll department, their own accounts receivable, their own accounts payable, their own marketing and advertising department and their own inventory control automated system. Then we move into the building supply yard, and they have exactly the same thing for their department. The electrical department has exactly the same. I could go on and on. I think I've made my point. I think each and every one of you will agree that this is not a cost-effective way of doing business. If one did do business that way, they would be broke in a hurry.

Unfortunately, for the most part, that's exactly the way this government and governments over the last 50 years have been operating. I think it's time to change. Once again, I'm suggesting that we take the leadership role as ministers in order to see this through. Quite simply, the current system is not efficient.

[10:40]

At this time I just want to give you the current status of the Ministry of Management Services. There are currently 1,500 employees, with a gross operating budget of \$682 million, of which \$618 million is cost recovered through charges back for those services provided.

We have a capital budget of \$34 million, of which 94 percent is made up of information and technology. We have four divisions within the ministry, one being information and technology services procurement and supply management, and corporate programs and centralized services such as B.C. Archives, freedom of information and protection of privacy, B.C. Stats and Enquiry B.C. We also provide administrative and professional support services to three ministries and to other organizations and offices within government.

As our ministry and all of our ministries move on with our challenges, it's important that we understand what the public expects from us. I don't think it's any different in my ministry than it is within your own ministry. The elimination or the reduction of red tape is essential. The public wants more efficiency from government. Without question, we've all been told a million times that they want less bureaucracy and they want their dollars to go more towards the delivery of services and not to the internal operations of government.

The public cares more about results. They want more things like open and fair tendering. They want those things to be upfront and prominent. They expect us to deliver an uninterrupted supply of information and access. Shared services, particularly in the area of information technology, provide a common, reliable foundation for the expansion of e-government.

There are two major strategic shifts. The first one, as I indicated earlier with the example of the building supply yard, is going from multiple-service provider to one-service provider. I guess I'm here today to make you an offer that you can't refuse. That offer is: allow yourself to get on with doing what is core to your business, and let our ministry take care of those other support services that are critical to your ministry but not necessary that you do them yourselves. I challenge....

Interjection.

**Hon. S. Santori:** You're having a good laugh over there, aren't you, George? Oh, dear.

We also want to move from central agencies which are currently setting standards and also delivering those support services. We want to separate the functions into the rule-setting and control-setting function and that of delivering the service. Far too often, I think you'll all agree, we're too hung up on the rules and the regulations, and we lose sight of what we're there for - and that's to deliver the service.

Those are the two major shifts, and they are significant shifts, especially in the area of becoming a one-service provider. This is going to change the way we have done business internally in government over the last 50 years.

In terms of what shared services are, they are client-centred. Our job as a ministry is to ensure that you are getting what you want, when you want it, at a cost that you can afford. We want to be able to standardize and consolidate common services. We want to deliver things on a cost-effective basis and on a cost recovery basis. We must focus our attention on delivering the services that you want. We plan on doing that by entering into service agreements with each and every ministry, no differently than you would do in the private sector, and you would have expectations on performance from your supplier.

The principles behind a shared-services model are leveraging the economies of scale. We don't need ministries working in isolation, doing their own thing. I think you'll all agree that is not the most cost-effective way of doing it. Just as a good example, the number of networks that we have to deliver government services in British Columbia range from as low as four cents a minute to as high as about 14 cents a minute, yet they're all delivering the same service.

There are four typical services that generally fall under the shared-services model: finance, administration, human resources and information and technology. Each one of those is at a particular stage now and ready to proceed in a shared-services model. Some will proceed quicker than others. There are some early implementers that will be ready to go this spring and as early as late this winter, which will create significant savings to government.

[10:45]

The biggest clients at this time will be you, the ministries, and eventually the broader public sector. Once again, we must lead by example if we expect the Crowns and agencies and the broader public sector, whether it be education or health care, to come on board. We must take that lead.

As I said earlier, this will enable each of the ministries to get on with the business of delivering their services and programs within their respective ministries. It will give you an opportunity to make disciplined decisions on spending - how you want to spend your money and on what services, what level of service you want and how much you are prepared to pay for those services.

How will we measure that success? In several ways. One, of course, is the bottom line and, at the end of the day, the savings to government and to the taxpayers of our province. We will measure our success in delivering services by benchmarking and comparing our performance with the private sector to ensure that we are giving you the best service at the best possible price at all times. Of course, at the end of the day, through services agreements, your client satisfaction will determine whether or not we're doing our job.

When I say providing services, those services can be provided from within or can be provided from the private sector, but at the end of the day, the shared services model will be the managers of that service, whether it be done internally or whether it be done externally in the private sector.

Currently, we are undergoing a review of our programs to determine what are core to our ministry and to ensure that we are focusing our attention on what our primary objectives are. That, of course, is the development of a shared service agency to provide these services to the ministry. We are currently in the process of completing the strategic plan for shared services as well as bringing forward an implementation plan.

We see the implementation and the benefits of a shared services model to reap significant benefits to government within a three-year period. Shared service is not thinking out of the box. We are not reinventing the wheel. It has been done through a number of jurisdictions in this province as well as in the private sector. We have had an opportunity to look at both successes and failures of other jurisdictions that have implemented a shared services model, as well as those success stories and failures in the public sector.

We hope that by the end of the day we will take the good and the bad and come up with a formula that is going to be cost-effective and efficient. We believe that it's going to have extremely good benefits to the taxpayers of this province in delivering more efficient service, faster turnaround time and consistent standards - and, of course, doing much more for less.

Premier, that concludes my presentation. The primary focus was on shared services, and I'm asking my colleagues today to support these shifts within the ministry and our objectives. I want to conclude by asking for your commitment to ensure that we can change the way we've done business over the last 50 years. With that, it makes sense to go to a shared services model on the basis of it being more efficient and more affordable, saving money and, at the end of the day, providing better service to our taxpayers.

**Hon. G. Campbell:** Thanks, Sandy. I've got questions from Rick, Geoff and George.

**Hon. R. Thorpe:** Thank you, Premier. Thanks, Sandy.

As you may know, Dick Neufeld and I have shared services right now in our ministries. At Competition, Science and Enterprise, meeting as late as last night with my deputy and assistant deputy responsible, we are committed to shared services. Therefore, we would like to be your first

customer, and we would challenge you and your group to get onside and accelerate the process so that we can move forward. You have your first customer. We look forward to the client satisfaction.

**Hon. S. Santori:** Good. I welcome the challenge.

**Hon. G. Campbell:** Geoff.

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

Actually, Rick, you already do participate in the shared services of government in the form of the insurance services known as the legal services branch of the Ministry of Attorney General. I want to thank you for that. I don't want to ask questions about B.C. Buildings Corporation. Actually, I do.

**Hon. G. Campbell:** Don't tell them. That's right.

[10:50]

**Hon. G. Plant:** I wanted to go to the key shift part of the presentation and ask you a question, Sandy. You talked about the movement from multiple service providers to one service provider. In the market that would be the movement from the market to a monopoly - that is, a situation where we, as service consumers in government, will, by participating in the shared-services model, essentially have no option but to purchase service through the shared-services model, which I think has all kinds of potential savings and advantages along the lines of what you're talking about. There is a risk or a concern. It may be that it's already identified. I just want to understand it a bit more.

The second part of your key shift was moving from a central agency that sets standards and controls and also delivers the service, to a two-part system, where you have the central agency that sets the standards and controls and the shared-service agency that delivers the service. From my perspective, what I'd be concerned about is if we had a situation where the service provider is not only responsible for providing the service but sets the price. One way to do it is to make sure that you have a separate costing agency. At the very least you have to have, I think, strong accountability around costing, so that all of us get some input into making sure that the prices for these services are fair and reasonable, and we don't create an agency that sort of runs away with itself. Is that already implied in this slide?

**Hon. S. Santori:** Let me explain. In terms of the creation of a monopoly and not having control on how much you're going to spend, first of all, the ministries will make up the shared-service agency. We will have a board of directors which is made up of representatives from each of the ministries. They, in fact, will be deciding what services will be done in-house, what's affordable and whether we go to the private sector. In terms of making sure that we are competitive, benchmarking will take place at all times to ensure that we are getting the best value for those ministries.

In terms of monopoly, the fact that we have a shared-service agency does not necessarily mean that we are going to always do the work from within. If we choose to do payroll - and I'm just picking this as an example - payroll may be done by the private sector down the road. We will manage that process, but the private sector will deliver it. I guess the answer to your question is: you will have, or your ministries will have, representation on the board of directors to ensure that those concerns that you just brought up in terms of monopoly and costing are brought to the table and dealt with.

**Hon. G. Plant:** All right. Well, that's the challenge: to make sure that there is some accountability outside the agency itself.

**Hon. S. Santori:** There is. Then there will also be a body or a committee to deal with the governance side. There will be a link in terms of the governance side and the service delivery so that they're not working in isolation.

**Hon. G. Plant:** All right. Thanks.

**Hon. G. Campbell:** George.

**Hon. G. Abbott:** Thank you, Premier.

I wanted to get your thoughts, Sandy, on the provision of e-government. I think the shared-services model that you put forward here makes complete sense, and certainly, we fully support it. In one of your slides you note that there is a public expectation around increased provision of e-service delivery. As a government I think we've made ambitious commitments to enhance e-government across B.C. My sense is that because many families now have an e-connection to the outside world -

the Internet and so on - they think that government is further down the road to e-government than we actually are. Is that your sense as well - that we've got a long way to go? What is the magnitude of costs that we'd be looking at in order to have the kind of e-government that I think the public is looking for in B.C., and what's your sense of how we can get there?

**Hon. S. Santori:** First of all, in response to your first question, yes, we do have a long way to go. Second, I guess I just want to make clear what our role is in management services. The actual lead government initiative - and we will work together with the chief information officer - is driven from the CIO. Our ministry will then provide the hardware and the tools to enable us to do that.

[10:55]

In terms of cost for that initiative, I don't have that for you, George. We are basically working in concert with the CIO to provide the hardware and the mechanism in which to deliver that e-government.

**Hon. G. Abbott:** Thank you.

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

I just wanted to say that with regard to the ministry, the development of the shared services model, as Sandy pointed out, depends on two things. It requires you to be clear about what the services are that you require and to create that part of the communication. It also requires the ministry to deliver that service.

There are enormous savings that have been recognized in other organizations that are this size. I think there is no point in having 20 different human resource programs and 20 different purchasing programs and 20 different procurement programs. I think Sandy has taken a good step down the road. There'll be lots of bumps down this road, as well, but I think it's certainly worth trying to do.

Approve the shifts? Thank you very much.

The next presentation is by one of our favourites, the Minister of Provincial Revenue, Bill Barisoff.

### **Ministry of Provincial Revenue - Strategic Plan**

**Hon. B. Barisoff:** Thank you very much, Premier. It's my pleasure to provide cabinet with an overview of the vision and direction of the new Ministry of Provincial Revenue, which you created to bring focus to this important government activity. My presentation today will cover my vision, describe the ministry and its challenges and set out how we will be moving in a more responsive, results-oriented organization.

Our first job in the Ministry of Provincial Revenue, of course, is to collect taxes and debts to fund services for the citizens of British Columbia. As everybody knows, without collecting the debt and the taxes, we have a hard time funding health care, Education and all the other ministries in government.

Ministry summary. Our expenditures are roughly \$87.3 million. We have over 800 full-time employees. Over the budget of \$23 billion, we in the Ministry of Provincial Revenue collect just over \$10 billion. That's 43 percent of the revenue collected in government. Just under 40 percent is actually collected by the federal government in income taxes, 6 percent by the Crown corporations and 11 percent by the different ministries.

We actually have two service delivery models. One is for debt collection for the different ministries in government. As Mr. Santori was saying, we provide a service for the other ministries, the same as the Attorney General, where we collect the outstanding debt that other ministries haven't been able to collect. The other one, of course, is the collecting of the taxes.

Our vision for the future? We want to be the centre of excellence for revenue and debt collection in government through quality customer service and through new technology so that we can make it a lot easier for people to actually voluntarily comply with us collecting the taxes. That seems like a difficult task, but in excess of 90 percent of the people of British Columbia actually pay their taxes and pay them on time. That's very positive.

What we're looking at is trying to create a level playing field. The other 10 percent that don't pay are actually causing the difficulties we're seeing in government right now with the revenue shortfall we have. Some people don't like the fact that the tax collector comes around, but in all fairness to all business, we're trying to level off the playing field.

Our revenue loss varies anywhere from 0.1 percent to as high as 20 percent, depending on the revenue source. In forestry, we lose anywhere between \$13 million to \$52 million and, in property transfer taxes, anywhere between \$2 million and \$6 million. Of course, the one that bothers me the most is the tobacco loss. That is claimed to be as high as \$200 million.

[11:00]

Surprisingly enough over the last number of months, with the increased security that we've had at our borders, whether provincially or federally, we're actually seeing an increase in revenues. These figures aren't out of line. People think: "How could that possibly be?" We're seeing a real increase in the amount of taxes coming into government in the last little while. That's just through the extra enforcement. I'm sure the Solicitor General, in his job, is making sure that a lot of the enforcement is taking place, and we're doing that. He's looking for money. We're looking for that on our side, too, as an enforcement tool.

We see here that we've actually increased our overdue accounts receivable by 40 percent in the last three years. Now, we feel that some of this is directly due to the lack of attention that's paid to managing our accounts receivable.

One of the examples I'm going to use - and I've talked to Minister Hansen and Minister Hawkins about this - is the Medical Services Plan. The Medical Services Plan actually bills for only four months. After four months, the billing stops to a person in British Columbia. If you didn't pay your Medical Services Plan, you weren't billed, and then in a year's time, the account is turned over to our collection and loan management branch side of it, and we go out to collect it. Once a person pays once, it then reverts back to the Medical Services Plan. This cycle can carry on, and we estimate that it's costing the province quite a substantial amount of money, probably in excess of \$50 million.

What we're looking to do - and I've talked to both Ministers of Health - is to bring the Medical Services Plan over to Provincial Revenue so that we can deal with these kinds of things. When you look at it, it's a lot easier to collect an accounts receivable that's outstanding if you start after the first month, let alone waiting after the first year. A lot of times people have moved, and it's a difficult task to find people. It's a direction we're taking.

Some of the solutions that we think have to take place... We have to have enhanced education to the taxpayers of British Columbia. In essence, when you have in excess of 90 percent of the people paying their taxes, what you want to make sure of is that they understand what they have to pay. I know that our audit teams, when they go out to people now, from my direction, want to make sure that people understand what they have to pay.

There are, of course, the bad apples in the barrel that are trying to beat the tax system and doing whatever they can to do it, but there are a lot that just don't understand which parts of it they have to pay, so we're making sure we're moving in that direction. That, of course, creates the bigger voluntary compliance. Over time, that will make it more efficient for government.

The bigger one - with the accounts receivable, as I just mentioned - is a system that in government, as Minister Santori has indicated, is a shared service that we have to look at. We have in excess of 40 accounts receivable systems in government. That's an undeniably inefficient way of operating government. What we're looking to do in the Ministry of Provincial Revenue is to try and turn this around and bring it down to a manageable amount. If we were in the private sector, we would probably have a maximum of two, and that would be one for the tax side and one for the collection side. That's what we're hoping to get down to over time and to bring all these accounts receivable together.

Of course, the other one is increased enforcement. With increased enforcement, everybody says: "Well, you don't want to be shaking down all the taxpayers of British Columbia." We're not looking to do that. We're looking at trying to level the playing field of British Columbia so that people do pay their fair share of taxes. When you have increased enforcement, you actually have increased voluntary compliance. Over time, that line will go up and level off. Then it should actually start to come down, when people understand that there will be people checking to make sure they are paying their taxes.

We have three strategic shifts that I want to bring to cabinet today. Of course, the first one is to move from the inconsistent administrative policies and practices we've had in the past to the centralized collection of accounts receivable. I've talked about that, because to me, that's probably one of the most important things we can do in this ministry: centralizing those accounts receivable and from two



points of view, so all taxpayers of British Columbia are actually treated fairly and on the same playing field as they were on other things.

[11:05]

The second strategic shift is to move away from the lack of focus on best practices and costs to move to a more effective manner. What we're looking at now is a single-business ID so that we have electronic filing. Somebody can actually put their name or number in and up comes their address and everything else. That does two things: it creates real efficiencies for government, and it also creates real efficiencies for business.

When we talk to the businesses - and I've been working with different groups in the province - and when we look at this, people are saying: "Well, that creates both." It creates the efficiency for business so that they can file on time, and it makes voluntary compliance a lot better than it is today. We'll never get to that magic number of 100 percent, but if we can bring it up 4 or 5 percent, it certainly would make it a lot better for British Columbians.

Our third strategic shift is to move from a spending-focused organization to a performance-focused organization. Mr. Premier, when you look at this, sometimes it takes money to make money. On the revenue side of it, it takes more auditors to make sure we have more voluntary compliance. We don't send the auditors we have only out in British Columbia. We send them off to Calgary and to all parts of Canada. We've actually had some down in Los Angeles who have brought a substantial amount of revenue back. Those are companies that actually do business in British Columbia but are stationed somewhere outside the province. In this case, we have to spend a little bit more money, but it actually brings more revenue into the government coffers.

How do we measure these benefits? The big thing here is that it's measured by the net income that's generated. We look at how much each auditor will bring in and how much we can bring back into government to help health care, Education and the other ministries of government and, of course, to level off the playing field. We want to do it by the effectiveness of voluntary compliance. When we see the numbers we have that are actually brought up - if we're at just over 90 percent, if we can bring that up, like I said, 4 or 5 percent - then that shows we're actually doing what we're supposed to do.

With that, we have to have our administration costs in order. We base that on the revenue collected, but we can't let the administration side get away with it. We make sure we manage both sides of that. Of course, with our overdue accounts going up by 40 percent in the last three years, we're hoping to bring that level back down to a reasonable amount. At the very least, cut that in half and start that trend line coming down so that overdue accounts receivable are back in line with the other things we have to do.

Our vision for the future will be the centre of excellence for revenue and debt collection in government through quality customer service and strategic investments in technology and people. When I talk about quality of service, one of the things we do is actually send out forms for people who have been audited to make sure that the auditors are acting in an efficient, fair and equitable manner - that they're teaching the taxpayers exactly what they have to do - and to make sure we do it in a manner where we're not trying to wring every last dollar out of people.

Of course, Mr. Premier, the most important one is the area of technology. We want to make it more efficient for business and for all people in British Columbia, so they can actually deal with government in a more efficient manner. Technology is moving in such a way now, particularly in my ministry, that it's something we see as a huge benefit for all taxpayers of British Columbia - and particularly business.

If we can start having people pay their social services tax over the Internet, I think we can actually go to a point of having licences - whether it's your fishing licence, hunting licence or whatever - paid into one central location and disbursed to the different ministries that need it. That technology is an area we really want to move toward.

My three strategic shifts are to move from the inconsistent policies to the central collections. This is going to take some time and cost some money, but we feel very strongly that this is an area we have to move into - to move away from the lack of focus we've had in the past to a more effective process and, of course, from the spending-focused organization to a performance-focused organization where we do level the playing field, whether it's in the Peace River or in Cranbrook. Those are the areas where we usually get most of the complaints: that we don't have a level playing field. I'm just getting to Richard before he gets to me.

**Hon. G. Campbell:** Sort of an unlevel road-type field.

[11:10]

**Hon. B. Barisoff:** Yeah, that's right. With that, thank you very much, Mr. Premier.

**Hon. G. Campbell:** Thanks, Bill. That's a request for the three strategic shifts. I've got questions from Rick, George and Colin.

**Hon. R. Thorpe:** On one of your slides, Bill, you show that year over year, your outstanding receivables has gone up \$111 million. Can you give us any reasons or what the key factors have been for that tremendous increase?

**Hon. B. Barisoff:** I think a lot of it has to do with the lack of focus on collection. That's not to blame the other different ministries, but every ministry has its own particular area that it's addressing. Collecting the revenue seems to be the last thing on the totem pole. When it keeps going back down, people keep saying: "Well, I'm not worried about the revenue side. I'm worried about everything else that's happening."

I think that perspective is why we've got to change our accounts receivable system so that we do have one. I think that's why the Premier actually created this ministry. As he said to me, it's as somebody who wakes up in the morning and is thinking about where they're going to collect more revenue for government. That part of it is part of what happens.

**Hon. R. Thorpe:** Do you receive an aging on the accounts receivable? In other words, do you know how much of this - I'll just use this \$698 million number - is outstanding over 120 days?

**Hon. B. Barisoff:** The worst part about it is that probably the entire amount is outstanding over 120 days. That's the time that we get. We don't get those numbers until they've actually reached that stage. I guess that's why my concern is that that should be a minimum. The fact is that after 30 days, we should be going into the collections side of getting that - collections, loans and management branch. In all fairness to some ministries, they're not even sure it might not be higher than that.

**Hon. R. Thorpe:** I guess, quite frankly, that at this point in time, we don't have a real handle on it.

**Hon. B. Barisoff:** In all fairness, that's exactly right. We don't have, but we're certainly working towards that end, to get a handle on it. I think, as I said before, that's the importance of why we have to tie these things together. The other thing about levelling the playing field is that the people that aren't paying are basically getting a free ride. It doesn't matter where it is in government. It varies from all aspects of government. There are a lot of people that aren't paying government what's owed.

**Hon. R. Thorpe:** Under the Medical Services Plan, you highlighted that as an area of concern. How much is outstanding from the Medical Services Plan today?

**Hon. B. Barisoff:** We only get the overdue accounts after one year. Our estimated figure is that we'll be well in excess of \$50 million. I think that's probably the most conservative figure we could use, because I think it's substantially higher than that. That's a very conservative figure.

**Hon. R. Thorpe:** Okay, my last question, then. Obviously, there is some sense of urgency to getting these things under control. You're talking about the shift to going to centralized collections. With no disrespect to the government, if the government develops the system in-house, it seems to take quite a long time. Are you in fact looking at going out to the private sector and bringing in resources to get this project up and going as quickly as possible?

**Hon. B. Barisoff:** Yeah, there's no doubt we're moving in that direction. We have a number of projects on the go, now that we've taken over and become government in the last six months. It's a direction that's almost like what the Minister of Finance was saying. Every time you turn over another rock, you find out there are some more things underneath there that you have to start to address.

It's an area that we're going to take to the private sector. When you have 40 different accounts receivable systems in government right now, to start to bring that down - I think that ultimately, it should be brought down to two - is a difficult task, but it's a task we're going to move towards as quickly as possible.

**Hon. R. Thorpe:** Thanks, Bill.

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

**Hon. C. Hansen:** Thank you. First of all, I guess I can't wait until you can take over the collections side of the Medical Services Plan premiums.

**Hon. G. Campbell:** Neither can the rest of us.

[11:15]

**Hon. C. Hansen:** Certainly, it's an area that has not been dealt with in an adequate way up until now. But that was not the point I wanted to raise.

You didn't directly address the issue of the underground economy, but I know that was sort of implicit in a couple of your comments in your presentation. This is an area that I think has a huge loss of revenue to government. I think that when a lot of people get offered to settle a contract or an invoice for cash and thereby save 7 percent in PST, they don't realize that in the end they're going to wind up paying a heck of a lot more because they're ultimately going to wind up paying somebody else's share of taxes. I'm just wondering if you're looking at any strategies to try to address the underground economy in the province.

**Hon. B. Barisoff:** There's no doubt about it: we have an underground economy group that is working right now at looking at it. I think the directions that I've taken to core review and to Treasury Board in actually getting more auditors....

What we find is that when we do audits on particular businesses, it's not hard to find that, if one particular business is paying X amount of dollars in taxes, and you start to vary that across particular areas, of all the businesses that are there, the ones that aren't. ... Like I said, through electronics you can now easily see what everybody's paying. You quickly realize that if others are not paying similar amounts of taxes, that's how we are actually targeting our enforcement. With that, that's where we're starting to catch the underground economy, and it's huge. It's estimated that in Canada it's in the billions. It's a problem that, through increased enforcement, we will actually address.

**Hon. G. Campbell:** George.

**Hon. G. Abbott:** Thank you, Premier.

A couple of questions for you, Bill, from your "main challenges" page. I want to ask questions on the two that are the largest there. First, the range for forestry is \$13 million to \$52 million. I presume the range is there because it's an estimate. Can you give us some idea of how much of that revenue loss or estimated revenue loss is from companies that have either delayed or have gone into bankruptcy - that kind of predictable side? Is there a portion of this which is an estimate of what the theft is from the Crown forest?

**Hon. B. Barisoff:** Actually, there's no estimate in theft whatsoever. This is just simply unpaid stumpage. The people that have transferred over from Mike's Ministry of Forests are very concerned about the theft side of it. They feel that that's another portion out there that we haven't even dealt with. This is simply unpaid stumpage that we're not getting for whatever reasons, whether they've gone into bankruptcy or whether.... Sometimes it's actually a horror show how long people haven't even paid stumpage for, and we continue to give them cuts in the forestry.

**Hon. G. Abbott:** The what would the reason be for the range, then, between \$13 million and \$52?

**Hon. B. Barisoff:** We're actually just talking over these things, so we're trying to gather the information.

It's difficult from the point of view that the focus was never on the revenue side of it. Now that we've created a focus, we're starting to get people where they're saying: "Well, yeah, we know there's so much here, and there's so much here." Rather than being so specific as to say, "Here's exactly what we think," it's like Medical Services Plans, where we feel very strongly it's in excess of \$50 million. We know it's in this range, and we're hoping it's not higher, but it could be higher than that too. I think that's why we're keeping the range open.

**Hon. G. Abbott:** Thanks.

The second question I had was around the tobacco tax loss, which we estimated at \$200 million. It kind of goes to Colin's point about the underground economy. My question around tobacco tax loss is this: how much of that, even sort of ideally with the strongest of enforcement, could we deal with, and how much of it is an issue around jurisdiction, which may be rather less easy to resolve?

**Hon. B. Barisoff:** Jurisdiction in what way?

**Hon. G. Abbott:** In the sense of the federal government being involved, first nations on some occasions being involved, the province being involved around the tax. Why we would have a tobacco tax loss of \$200 million is the core question.

[11:20]

**Hon. B. Barisoff:** Okay. The biggest reason we're looking at that kind of tobacco tax loss is the fact that in Ontario and Quebec the cost of cigarettes is, I think, about \$10 a carton less than what it is in British Columbia. The interprovincial transportation of illegal cigarettes is huge. That's why we try to catch them at the border between British Columbia and Alberta. They raised the taxes a month ago in Ontario and Quebec, and of course, that helps. When they lowered theirs, we kept ours the same. Statistically, by how many people smoke, we know by what we're not getting that that's what's happening.

Then, of course, we have on-reserve. That's actually not as big a loss as we think. We want to move into a direction - and I know I've talked to you about that - of making sure that we mark unpaid tobacco in one way and mark tax-paid tobacco in another so that we're not having the cross flow of illegal tobacco going to people that shouldn't be having it.

**Hon. G. Campbell:** Judith.

**Hon. J. Reid:** I guess I just wanted to make a comment about a broader strategic shift that I think is applicable here. That's with regard to the people who haven't been paying their taxes. I think there's something that happens out in society when they're disenchanted with government and with the way government is spending their money. There's a desire to withhold those dollars from government.

As we've made a strategic shift with this government in being very conscious about spending people's tax dollars, I believe we will see an increase in voluntary compliance with people, as they realize that we're going to be trying to work very closely with budgets and with a very conscious understanding of how hard it is for a person to come by a dollar and how precious that dollar is. I know that's probably something you're not going to be able to measure, but I'm hoping that we are going to see that in your trends. The compliance might increase substantially over the next couple of years, and just so it doesn't get confused with your enforcement measures, you might have to throw that other odd bit of information in there.

**Hon. B. Barisoff:** Surprisingly enough, Judith, in talking to the different groups that I talked to about it, that is a really important factor. I've mentioned to the Premier the fact that because of the way the government today is starting to spend the money and the accountability that we're putting in place - whether it's in all the different ministries - people are prepared to pay. They understand that health care and education and the other things in government don't come for free. When they see the two Ministers of Health and the Minister of Education moving in the direction of creating efficiencies in government, people don't mind paying their fair share. As Sandy has said, if we can show the efficiencies to the people out there, then they're prepared to put their money back into government.

We're not going to get it all, and we never will, because there are lots of people that don't believe they should pay any taxes. As long as we can move in a direction of showing the people of British Columbia the efficiencies we're going to do and the efficiencies of the technology of making it easier for them to pay.... We're the only game in town. We're the taxman, and they've got to pay. We really don't have to focus on efficiencies, because they have to come to us. But if we show the business people of British Columbia and the taxpayers that we're creating these efficiencies, then I think you're going to see a huge direction in the fact of the voluntary compliance.

Of course, as I've said before, when that line goes up and across, it should start coming down. It would be nice to think that one day we would be at a point where we wouldn't need nearly as many auditors as we're going to have in the next couple of years.

**Hon. G. Campbell:** Okay. The strategic shifts are approved. Good luck to you, Bill.

The next presentation is the strategic plan from the Minister of Community, Aboriginal and Women's Services. George.

### **Ministry of Community, Aboriginal and Women's Services - Strategic Plan**

**Hon. G. Abbott:** Thank you, Premier.

It's my pleasure today to present for your approval the results of phase 1 of the core services review for the Ministry of Community, Aboriginal and Women's Services. We'll be looking at our mandate, our core functions and our strategic shifts.

[11:25]

I do want to take a moment before settling into the detail here to provide a little context. The ministry, as I'm sure you all know, has three ministers. Lynn is responsible for the women's services side of the ministry. Ted is responsible for the Community Charter and the 2010 Olympics bid, and of course there's myself. What do I do? I do what I have to do.

Just so you know, the ministry was created out of a combination of seven former ministries under the former government. We are responsible for 53 pieces of legislation and 33 agencies, boards and commissions. Among the largest of these, of course, would be the B.C. Housing Management Commission, but there are 32 others as well. We have a current budget of just over half a billion dollars, and we have some 1,200 staff who operate in about 60 locations around the province.

Our program areas. We deliver services through seven different program areas: local government services - which of course was the former Ministry of Municipal Affairs - aboriginal, multiculturalism and immigration; women's equality and social programs; community services, culture, arts, heritage and sports; safety and standards; government agents; and housing and building policy. Those are our seven program areas.

The ministry is, I would say, blessed with 27 new-era and service agreement commitments, which keep us thinking from day to day. As well, the ministry is home to some very ambitious governmentwide initiatives, such as the Vancouver-Whistler bid to host the 2010 Winter Olympic and Paralympic Games. Of course, Ted has been working very, very hard on that, along with the Premier.

There's the community charter and one that we share with Competition, Science and Enterprise - the joint Canada-B.C. Infrastructure Works program. For those who may not be as familiar with it, this is an \$800 million cost-shared program between the federal government, the provincial government and municipalities in British Columbia - the local government of the province, more precisely. Rick's ministry looks at the non-water-and-sewer things, and mine deals with the water-and-sewer applications and recommendations. We hope the program is going to see some substantial infrastructure improvements over the next five years here in British Columbia. The program has not, to date, rolled out as quickly as we'd have liked, for a variety of reasons, but we continue to work on that.

All of the programs and functions in our ministry have a common focus: to enhance the quality of life in British Columbia's communities.

Turning to our mandate, it's pretty simple and straightforward. The mandate of the ministry is to support safe, secure and healthy communities by: first of all, establishing appropriate legislative, regulatory and policy frameworks; promoting and protecting the province's interests; funding performance based services for communities; and delivering innovative services through e-government and third-party service providers. Again, the principal focus here is on policy and governance rather than the direct delivery of programs and services.

Turning to our core functions, which are really central to what we're doing here today, the ministry will focus on four core activity areas. The first, as you'll note, is to enable effective local government, aboriginal and women's services. Here again the emphasis is on policy and governance rather than direct delivery.

The community charter is a key initiative in this area. Ted has been working tirelessly with local government and others in the province to move ahead. He's engaged with the Community Charter Council, and I know they've made a great deal of progress towards the community charter initiative.

The goal of all this is to create more local autonomy in decision-making. Really - and I see it every day - the province needs to get out of the business of second-guessing local decisions. When completed, it's certainly going to mark a new era in the relationship between the province and local government. It will also, and just as importantly, clarify the respective interests, aspirations and roles of local and provincial governments and strike a better balance between those interests.

[11:30]

Our government, as you have stated so often, Premier, is determined to also improve relationships with aboriginal people in British Columbia. Our ministry and the government have advanced some very, very ambitious commitments around aboriginal services. We have committed, for example, to establishing a permanent first citizens forum, which will provide aboriginal people living on and off reserve with a direct means of communicating with their provincial government. In particular, we want to enhance the voices of aboriginal women and aboriginal youth in relation to the government. Those are voices we don't hear often enough or strongly enough, so we want to work on that particularly.

Another way our ministry supports the economic development, education, social and cultural activities for aboriginal citizens is the First Citizens Fund. Again, this is well known to all cabinet members. We made a new-era commitment to double the First Citizens Fund from \$36 million to \$72 million by 2004-05, and we're well on our way now to fulfilling that promise.

The third area I want to highlight around our relationship with aboriginal people is the ministry's role in effective and efficient delivery of provincial services to aboriginal people. We're working with other ministries - Gordie's and the health ministries and so on - and with the federal government to ensure that the services provided by the province to aboriginal people in B.C. are both culturally appropriate and meet the needs of those aboriginal communities in an effective and efficient way.

The second core function, as you can see, is to ensure safety and standards. My ministry does deal with a great many safety issues. One example is the office of the fire commissioner. The commissioner supports a very extensive network of volunteer and professional fire service providers, who conduct fire investigations and promote public education on fire safety and so on. It's a very impressive network that we don't often think about or salute.

We also have a safety group in the ministry responsible for the regulation, inspection, monitoring, licensing and certification in trades and industries - for example: electrical equipment, boiler and pressure vessels, aerial tramways, escalators, gas installations and so on.

As I ride the ski lift at Silver Star on Sundays, looking down from 100 feet to the ground, I like to think of what a good job our inspectors are doing.

Interjections.

**Hon. G. Abbott:** I get to go skiing for two hours on Sunday, between my Sunday morning work on the ministry and my Sunday evening work on the ministry.

A Voice: Just stop your whining, George, would you?

**Hon. G. Abbott:** The third core function, Premier, is to enhance citizen access to government - a very important area. We want to achieve better citizen access to government by providing one-stop access to services for multiple levels of government. Sandy talked about this earlier on. We're also working with the chief information officer on e-government, with other ministries - particularly, Sandy's - with other levels of government and with the business community to find creative and cost-effective ways to give British Columbians access to information, services and the programs they need.

We're looking at this, particularly, through our responsibility for the government agents network. Again, we have government agent offices in 59 communities in British Columbia. They've been there, in some cases, for 140 years. We want to look at offering more ways to access more services and to bring those provincial services to communities, in some cases, through the government agents offices - a key area to bridge the digital divide and get people connecting on-line rather than waiting in line. Again, as Sandy noted, we're early in that game, but it's a very important commitment to get there. We're also exploring providing access to services in other venues, again, in the absence of government agents offices - places like city halls, insurance offices or pharmacies.

[11:35]

The final core function I want to highlight here for a moment is support services for communities and first nations. Here, again, the focus is on the efficient and effective delivery of services and programs. As I'm sure we'd all agree, arts, heritage, culture and sports are all important components in the fabric of community life. That's certainly true whether it's first nations communities, new immigrants to British Columbia or rural or urban British Columbians.

What we need to do - again, this is a theme we have heard earlier from other ministers here today, and very effectively, I think - is to work more closely with volunteer organizations across the province,

with non-profits, with the community clubs and other organizations to ensure that we can enhance and enrich people's lives in areas like sports, culture, arts and heritage.

A good example of services to communities are those to women and children, and I think Lynn has done an excellent job of moving ahead in these areas. Among the programs offered by the ministry are the Stopping the Violence Against Women program and the Children Who Witness Abuse program. We also have service providers who operate transition houses for women fleeing from domestic violence, and we give the early intervention services for children who have witnessed that domestic abuse.

The object, obviously, is to try to stop or reverse some of the sad cycles of abuse we do see in the province. Lynn is working very hard on a framework for delivery of those services. I know she's working particularly with the Solicitor General and the Attorney General on issues relating to domestic violence, violence against women and children who witness such violence.

Child care is another area where we support the delivery of services to communities through third-party contractors. Lynn has been working tirelessly in recent months on developing a child care plan that is, first and foremost, community focused, that's comprehensive, long-term and, very importantly, fiscally sustainable. It's going to be targeted to families who need it. She has undertaken a broad consultation, and we're now focusing on child care policy and development.

That leads us, Premier, to the first strategic shift, and that is the shift from provincial control to local autonomy. If we want to achieve our core functions, these shifts are absolutely necessary. We have talked about the community charter. It is one very important example, but only one example, of what we need to do in our ministry and, by extension, I guess, across government. That is to put decision-making where it's appropriate, back to the local level or to the communities rather than trying to manage all decisions, all programs, all functions out of Victoria. We certainly are not going to do that. We're not going to manage every program out of Victoria. We have to ensure that we develop the capacity to deliver these at the local level.

The second strategic shift is from direct delivery of programs and services by provincial government employees to delivery by communities and third parties. Now, we already deliver some of our programs and services this way. The immigration services function of the ministry, for example, is delivered by non-profits, by universities and colleges and so on. We want that approach, that third-party delivery, to be consistent throughout the ministry.

To do that, we are going to have to more fully engage the non-profit and volunteer sector. I think, and I suspect I wouldn't get much disagreement around the table on this, that we have really lost a lot of ground over the last decade in terms of building relationships with non-profits and volunteer organizations. Certainly, some of that was deliberate on the part of government, and we've worked to try to reverse that. I think we can do much more in terms of providing the maximum value to the taxpayer dollar by restoring some of those critical partnerships with community volunteers and non-profits that have been lost over the last decade.

[11:40]

The third strategic shift, Premier, is from unfocused funding to performance-based funding. What we want to do here is fund activities that deliver results that we identify to meet the mandate of supporting safe, secure and healthy communities. Again, when we look at performance-based funding, this is all about maximizing the value of every taxpayer dollar that we spend. They're not our dollars that we spend; they're the taxpayers' dollars. In this province we can no longer afford to have unfocused funding. We clearly have to have performance-based funding to ensure maximum value to every taxpayer dollar.

The fourth and final strategic shift I want to note here is from provincial regulation to self-regulation and compliance monitoring. There are a lot of different initiatives that we have undertaken in this area. For example, we want to move to unburden clients from heavy or onerous regulations. We want to move to objective-based codes and standards and away from the kind of provincial micromanagement that has sometimes been the case. We're moving to a results-based, objective-based building, plumbing and fire code. That's a big project, but it's underway. We're going to be moving away from a prescriptive approach to a results approach. We believe everyone's going to benefit from that.

One example I'll provide here - and it's one that all members of cabinet will be familiar with from the last legislative session - is the repeal of the Housing Construction (Elderly Citizens) Act. I think this was a particularly onerous and destructive piece of red tape. It was a government act which

unnecessarily and very destructively intruded into the appropriate decision-making realm of non-profit housing societies.

For years the non-profit sector had been calling, under the former government, for the repeal of that piece of legislation. I'm proud to say that our government followed through and did repeal that legislation. Clearly, the result of getting rid of that unnecessary regulation will be lower costs. It'll be more construction. Most importantly, it'll be more housing to people who need it in British Columbia. One non-profit society advised me that the repeal of the Housing Construction (Elderly Citizen) Act in fact allowed them to roll back an anticipated 6 percent rent increase to 2 percent. That's how important just that one unfortunate and unnecessary piece of regulation had to do with what people were paying to get their housing in B.C.

In summary, Premier, benefits to British Columbia. The goal of the ministry is obviously to deliver benefits to British Columbians through more empowered, autonomous local and regional governments. Again, we're working hard on that, through Ted to ensure that the community charter is a great success, through client-centred service delivery, through more effective and accountable service providers, through reduced red tape and regulations and through less provincial, federal and local government overlap.

To conclude, Premier, I request cabinet approval for the ministry mandate, endorsement of our core functions and approval of the ministry's strategic shifts. I thank you, and I would welcome any questions that people may have.

**Hon. G. Campbell:** Okay. Sandy.

[11:45]

**Hon. S. Santori:** George, with respect to strategic shift No. 2, direct delivery of programs and services to delivery by communities and third parties, just a comment. I totally agree that we need to encourage more volunteers in our communities and also to look at alternative means of paying for these services. I guess I have a word of caution or maybe consideration as we develop these programs. With respect to volunteers and smaller communities.... I think you'll all agree that whether it be amateur sport or working in transition homes or providing child care, it's the same volunteers who are working each and every day. We see that today as we directly fund a lot of these projects. I guess my fear is that if more of the responsibility is in the hands of volunteers, we have two problems. One is volunteer burnout in small communities. We don't have the critical mass of numbers like you have in larger centres. With respect to the ability to pay, for those corporate sponsors to deal with child care or delivery of other services, once again, in small communities it's every organization, from sports to social services, that keeps going to those same businesses day in and day out. Sooner or later their ability to pay, like ours, is not going to be there.

So one of my fears is volunteer burnout in smaller communities and the ability to assist in providing those services. The other is the ability of those third parties to have the financial resources to be able to continue to sponsor sporting events, child care services or whatever other suggestions may come forth in delivery of these programs. I hope that consideration is given to those details. We also have an aging population, and there's not a lot of youth in a lot of these resource-based communities. I would suggest that the energy of a lot of the people just might not be there to be able to carry out what we want them to do in communities - a note for consideration when you put together these programs.

**Hon. G. Abbott:** Thanks, Sandy. Certainly, when we talk about empowering volunteers or trying to restore the volunteer ethic, it's not code for trying to take costs of the province and shuffle them onto volunteers. Rather, I think it is, again, a matter of trying to celebrate and encourage in every way we can the volunteer ethic across the province. I think that one of the tragedies in the last decade - and there's no shortage of them - is that we in fact saw, sometimes even at the legislative level, the government actively discouraging volunteers and volunteer societies and so on. That was completely the wrong direction. It's a fact that our province, without volunteers and without the volunteer ethic, would come to a grinding halt.

There are hundreds of thousands of British Columbians, maybe millions of British Columbians, who volunteer on a sometimes daily, weekly, monthly basis in a host of different ways. Frequently, they never even think of themselves as volunteers. I spent ten years as a minor hockey coach because I liked it. It was fun. My kids were doing it, and it was a chance to connect with them. I never thought of myself as a volunteer, but I guess that's what I was. And probably, given the quality of the coaching that might have.... [Laughter.]



A Voice: I think they'd rather you didn't volunteer. [Laughter.]

**Hon. G. Abbott:** Yeah, there wasn't a long lineup of successors, I can tell you. But I do think we have to celebrate the volunteer sector, and we have to encourage it in as many ways as people volunteer. I think we can restore it, because it's already there. We just have to get government away from the business of discouraging people from doing these things.

**Hon. G. Campbell:** Well, certainly, George, with your hockey and your skiing background, we're glad you're involved with the Olympics. [Laughter.]

**Hon. G. Abbott:** Perhaps not as a participant.

**Hon. G. Campbell:** Joyce.

**Hon. J. Murray:** I'm really pleased to hear your comments about celebrating and encouraging volunteers. My constituency, New Westminster, is one that really has a lot of volunteer participation and activities. What I'd like to know is: are you working with the Solicitor General and the gaming policies to make sure that any changes to gaming policies, like bingo, are not going to negatively impact volunteers?

I don't know the details, and I do need to find out more about it, but I understand there may be some policy changes that are affecting charity bingos. In New Westminster there are apparently between 40 and 50 small organizations that had seed funding from charity bingo that will no longer be receiving it. I'm concerned that we not, on the one hand, have a commitment to encouraging volunteers and volunteer organizations and, on the other hand, have some unintended consequences of our gaming policy that withdraw the funding from those groups.

You're in communication and will....

[11:50]

**Hon. G. Abbott:** Sure. Let me say this about that, as Richard Nixon used to say. One of the differences between the way in which the current ministry is structured and the way former NDP ministries were structured was that the NDP actually had a ministry which specifically included volunteers. I don't think - and this is very much something we thought of in the core review.... We don't believe that volunteers are commodities that need to be regulated or managed. The volunteer ethic is something that exists and that we encourage, but it doesn't have to be a commodity that government manages.

I don't believe that I have any sort of special advocacy on the part of volunteerism. I think that advocacy exists across government. The Solicitor General and I are certainly in discussions on a regular basis on a range of issues. I think that probably the concern you have is more directed to the Solicitor General than to me. Certainly, we are in discussion around this area and will continue to do that.

**Hon. G. Campbell:** Rich.

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

I don't think I should probably get into the bingo situation in New Westminster, except to say that it wasn't the gaming policy and enforcement branch that actually asked for the group to shut down a bingo over there. They actually asked us if they could shut it down. They came to us. Obviously, we're not going to tell them to run a business if they don't think it's viable.

Going back to Sandy's comment, unfortunately, you have to understand what a volunteer is. The volunteer base exists in British Columbia. What George is trying to do and what I am trying to do is, for example - I'll give you one - by enhancing the volunteer.... There are over 70,000 people that are involved in Block Parents in British Columbia. We give them \$15,000 a year to help them to do programs in their communities. We used to spend hundreds of thousands of dollars, if not a couple million, above it to administer to get the \$15,000 down to the Block Parents or the British Columbia Crime Prevention Association, to which we give \$60,000 of their \$490,000 budget.

When we talk about enhancing the volunteer or getting the resources down to the community, we're talking about actually getting the people that are delivering the programs and volunteering in the community the help that is presently too difficult financially to get to them because of some of the infrastructures above it as far as being able to deliver the funds. I think that's more what we're talking about, George. We're not saying we're going to move services away from anybody. What we're

saying is that we recognize that we have a huge core of fantastic volunteers in the province and that we think we should get some of our resources to them at the front line.

**Hon. G. Campbell:** Okay. Approval of the strategic shifts?

Thank you very much, George.

We're adjourned.

The cabinet adjourned at 11:53 a.m.

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