TRANSCRIPT OF THE OPEN CABINET MEETING

February 7, 2003

Province of British Columbia

EXECUTIVE COUNCIL

Premier and President of the Executive Council	Hon. Gordon Campbell
Minister of State for Intergovernmental Relations	Hon. Greg Halsey-Brandt
Deputy Premier and Minister of Education	Hon. Christy Clark
Minister of Advanced Education	Hon. Shirley Bond
Minister of Agriculture, Food and Fisheries	Hon. John van Dongen
Attorney General and Minister Responsible for Treaty Negotiations	Hon. Geoff Plant
Minister of Children and Family Development	Hon. Gordon Hogg
Minister of State for Early Childhood Development	Hon. Linda Reid
Minister of Community, Aboriginal and Women's Services	Hon. George Abbott
Minister of State for Community Charter	Hon. Ted Nebbeling
Minister of State for Women's Equality	Hon. Lynn Stephens
Minister of Competition, Science and Enterprise	Hon. Rick Thorpe
Minister of State for Deregulation	Hon. Kevin Falcon
Minister of Energy and Mines	Hon. Richard Neufeld
Minister of Finance	Hon. Gary Collins
Minister of Forests	Hon. Michael de Jong

Minister of Health Planning	Hon. Sindi Hawkins
Minister of Health Services	Hon. Colin Hansen
Minister of State for Mental Health	Hon. Gulzar S. Cheema
Minister of State for Intermediate, Long Term and Home Care	Hon. Katherine Whittred
Minister of Human Resources	Hon. Murray Coell
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Minister of Provincial Revenue	Hon. Bill Barisoff
Minister of Public Safety and Solicitor General	Hon. Rich Coleman
Minister of Skills Development and Labour	Hon. Graham P. Bruce
Minister of Sustainable Resource Management	Hon. Stan Hagen
Minister of Transportation	Hon. Judith Reid
Minister of Water, Land and Air Protection	Hon. Joyce Murray

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FRIDAY, FEBRUARY 7, 2003

The cabinet met at 11:04 a.m.

Opening Remarks

Hon. G. Campbell: Welcome. This is the commencement, obviously, of this open cabinet meeting. We're going to be talking about a number of things today. First, I'm going to give you an update on what took place with regard to the first ministers' meeting on health. It was an important meeting, and I'd like you all to understand what did and what did not happen. Also, we're going to hear with regard to our child and youth mental health plan, and we're going to have a report from Rick with regard to the fees and licences review that's been going on.

[11:05]

For Information: Health Update

Hon. G. Campbell: Let me start with the issue of the new first ministers' arrangement on health. It's an important step, and I think that for all the discussion that's taken place around it, it's important for us to understand what it does mean and what it doesn't mean, what we think it might be able to help us with and what it won't help us with.

It's very important, first of all, to recognize that all this discussion about numbers is, I

guess, good media, but it's not really doing much to help patients, whether they're in British Columbia or Nova Scotia. The escalating health costs in our country are increasing at between 7 percent and 8 percent a year. That's something that we were trying to get the federal government to understand. The issue of sustainability in health care is just as important as the issue of reform in health care. They have to walk down the street together. They can't be done one or the other. I think, in fact, we saw in the past where words of reform led to real problems with sustainability, real problems with delivery, and reform never really took place.

Part of the challenge we have in dealing with trying to create a new federal-provincial partnership is, frankly, for the federal government to understand what's taking place in terms of delivery of health care across the country. It's difficult. These are complex and difficult problems that we face, which, taken together, have an enormous impact on all provincial budgets across this country. In British Columbia we have about 41 cents out of every dollar going to health care today. In Ontario about 47 cents of every dollar are going to health care today.

Let me just put this in context for you. Since 1994, when the federal government changed the CHST - the funding arrangements for health care - you can see from this graph what's happened to provincial health and social transfer costs. They have gone up substantially. You can also see from this graph that federal transfers have stayed virtually the same. Even with the reform funding that Mr. Romanow called for, which was $15 billion over three years for health reform, that blue line barely budges.

The federal government, in their background paper, has pointed out that they're expecting to spend $71 billion on health over the next eight years. I want to put that in context for you. The provinces in Canada will spend over $568 billion in the same period. Over half a trillion dollars are going to be spent by provincial governments on trying to provide a health care system that meets the needs of our patients. That's important because what you recognize, then, is that the costs of sustaining the system are going up at 7 percent to 8 percent. The costs of reform are added on top of that. The federal contributions that we are suggesting right now have increased by 2 percent. Whereas prior to the first ministers' meeting the federal government was paying about 14 percent of each health care dollar, today, after those discussions, they are paying about 16 percent.

What did the Premiers ask for? We asked for the federal government to move back to the level of funding that they had - 18 percent of the health care costs. That was the level of funding they had in 1994. The federal position was this: we don't want to go into deficit. The Premiers' position was this: we don't want you to go into deficit. We believe

the program we offered the federal government was in fact a program that would be done within the deficits. They would still be able to balance the budget of the federal government, but they would be putting the surplus - the dollars they take out of Canadians' pockets - towards Canadians' top priority, which is the delivery of health care.

With the Premiers' accord that we signed in Toronto two weeks ago, we had called for the move to 18 percent this year and an escalator to 25 percent over the next seven to eight years - an escalator at 1 percent a year over the next eight years. That escalator would provide the resources we need to carry out the reforms that are necessary.

[11:10]

When we met with the Prime Minister, he was not willing to go to that extent, so we are faced with some choices in this context. You'll see here what's taken place with the federal health transfer. Here's health spending. In British Columbia you'll see that we're paying 41 cents on every dollar. The national average is 36 percent for all provinces. That's with our 41 percent included in the national average. The federal government contributes 9 percent of its budget. We were asking them to shift the federal budget - to shift their priorities to take out of their surplus an increase of approximately 3 percent of their contribution. It'd be 3 percent of their budget, so it would require some changes perhaps. It does require them to dedicate their surpluses as we go forward.

I don't know what the federal surplus will be. Right now we're hearing, after the three quarters, $8.7 billion or $8.8 billion from some quarters, rising over the next four to five to six years because their income sources are higher than ours and their commitments are not the same kind of growing commitments that we've got.

The reason we've said quite clearly… At the end of the day we said yes, we're going to take this money because we think it's important for patients that if we can get back any additional resources - any more of their dollars that they send to you and the federal government, right down to the bedside where it gives patients the kind of care they need - we want to do that. The reason we point out that it's not adequate - and I do want British Columbians to understand that, and I hope everyone in the cabinet will understand that…

Here are just a couple of statistics. Since 1994 our costs for these health and social programs have increased by $32.5 billion. That's what the provinces have picked up. The federal government's contribution to the same programs has gone up by $400 million. What does that mean in terms of people? In the provinces our per-capita

funding for those social programs since 1994 has gone up by $767 per citizen. Since 1994 the federal contribution to those same critical programs has dropped by $36 - has gone down.

While there was no second-guessing of the federal government on the disciplines they had to put in place through the nineties to try and get their budget balanced, to try and get their financial house in order, what we were saying was: "Now that you've done that, doesn't it make sense to take some of that surplus that you're generating out of Canadians' pockets and put it back to Canadians' number one priority, which is the delivery of accessible, timely, affordable, sustainable health care?" Unfortunately, the feds didn't see it that way.

As we went through the meeting, we were clear that we thought the minimum target that should be set for reform would be the Romanow target of $15 billion. I want to underline: that was not what the Premiers thought was necessary for sustainability and reform to take place at the same time. I think one of the challenges we all have is to move outside of this who-won-and-who-lost kind of discussion that takes place, because it wasn't the federal government or the provincial government that won or lost. It was patients that were in the centre of this. We decided as Premiers that it was important that we take whatever resources we could to try and improve the care for patients.

Clearly, the money is not going to be enough. We are going to have to continue to work to build a federal understanding of the challenges that are faced by Canadian citizens from Newfoundland to Nunavut, from Alberta to Prince Edward Island. If we don't, we're going to watch the continued undermining of our health care system, which is something we don't want to have happen, and I don't believe, at the end of the day, the federal government wants it to happen.

The next point I'd like to make is that we argued strongly for sustainability funding. In fact, when you look at the way the numbers break down here when we're finished, Mr. Romanow had recommended $15 billion over three years on top of the 2000 agreement that was made between the Premiers and the federal government. The position the federal government took was that the dollars that were supposed to flow, which would be "new federal dollars" this year and next year, were actually… The old agreement was null and void. They were now going to be included in their summations. This is where some of the confusion comes on the costs.

[11:15]

What we have is a situation where the former agreement was put aside and a new agreement was put in place. But in putting aside the former agreement, we actually lost - or in terms of the dollars, we actually lose - about $3 billion.

Now, again, let me just go back and remind everyone: a billion dollars is a lot of money. There's no one in this room that doesn't think a billion dollars is a lot of money. But in terms of our health care system, an addition of $1 billion generates about $130 million into B.C.'s health funding, which is a little more than 1/10 of what the health care funding increase was between 2001 and 2002-03. So although it sounds like a lot, it doesn't flow through to huge amounts of money that are suddenly there for us to put at the call of patients in British Columbia.

We ended up dividing the revenue streams over the next three years into, effectively, two streams. One stream is what, for want of a better term, I'll call the Canadian health and social transfer stream. The Canadian health and social transfer stream is for us to invest as we see fit across the system. Really, it is effectively, totally flexible in terms of where we focus that. The total of that over the next three years, which we can count on, is $3.5 billion. There is an additional $1 billion - or an additional $130 million to put it in B.C.'s context - that is available for that if there is a federal surplus next year. The Prime Minister has committed an additional $2 billion from next year's federal surplus if there is one. Of that, $1 billion would go to the Canadian health and social transfer fund for us to spend as we saw fit over the three-year period. So the $3.5 billion in Canadian health and transfer funds is available over the three-year period.

We have some direct work that our Minister of Finance has got to do with the federal Minister of Finance to make sure that it fits in with our auditor general's requirements. I should tell you our auditor general is the only person in the country that we know who has these requirements. We're going to try and meet the concerns that our auditor general may have, because we want those dollars to flow in a relatively even way over that three-year period, depending on what Colin and Sindi and Gulzar and Katherine recommend to us. But I think it would be relatively even and moving up at the end as opposed to up at the front and down at the end, because those dollars will be part of the long-term sustainability fund that we'll put in place.

The second line, if you want, is the Canadian health reform fund. The dollars we know for certain are $6.5 billion in the Canadian health reform fund. They are distributed over the next three years. Again, if there is a federal surplus next year, there is an additional $1 billion that will be placed into the Canadian health reform fund, which we can deal with over the time as we see fit.

There was a lot of work done on the words, if you want - the arrangements, words, what we were trying to do, what we were trying to accomplish. That will be available on our website today for anyone who's interested in seeing it.

We've reiterated our commitment to the Canada Health Act. We've reiterated our commitment to the five founding principles of that act: universality, accessibility, portability, comprehensiveness and public administration. There is not one Premier who is not committed to the Canada Health Act and the principles it reflects.

We have said that there are three key areas that we want to try and create reform in. I know this is sometimes difficult for people to understand, but believe it or not, the words I'm about to use have different meanings in different provinces. The definitions of these words have different meanings in different provinces. The programmatic response to these words have different meanings in different provinces. We've set the goals for ourselves now, but we wanted to be sure in terms of drafting the discussion paper with the Prime Minister, setting our mutually agreed goals with the Prime Minister, that there was flexibility and that British Columbia didn't have to suddenly adopt the home care definitions of Quebec, Quebec didn't have to adopt the pharmaceutical definitions of Alberta and Saskatchewan didn't have to adopt the primary care definitions of British Columbia.

[11:20]

That, again, is difficult. I think we have to remember there are actually 11 jurisdictions that deliver health care. There are the ten provinces. There are the federal responsibilities for aboriginal and territorial health, and don't let me forget at the end to talk to you briefly about the territorial health situation.

What we wanted to try and do was make sure that, yes, the goals we have make sense. We wanted to be sure the dollars that were set there actually flowed through to the provinces so we could use them on behalf of patients. We were very clear that we didn't want to end up with the kind of rigid system we've had, which has seen over the last two years $700 million supposedly dedicated to primary care in the federal budgets and only about $9 million able to be accessed because of all the rules, regulations, bureaucracy, etc. You know that British Columbia has had a strong initiative with regard to primary care. In spite of that fact, the work it's taken to get the dollars out of the federal government has been phenomenal, and so far we've been able to get only $500,000.

We didn't want to fall into that trap. I want to be fair to the federal government. They actually took a lot of steps to try and open up the flexibility in this agreement. Is it

exactly what we wanted? No, it's not, but we are confident that we can use the flexibility measures that are built into this agreement to make sure that we actually can deliver those dollars as rapidly as possible, as sensibly as possibly, as cost effectively as possible to the bedside, where people need it - to patients who need it most.

When we looked at this, we thought it was important to deal explicitly with some of these issues. Primary care is one of the areas we're dealing with. Primary care is clearly provided as a way. Telehealth may be one way that we're providing primary care. There are other mechanisms that will be in place. You know that we've already opened some new programs out of the Royal Inland Hospital in Kamloops, which is touching into smaller hospitals and smaller communities that provide, frankly, substantially better service to patients in those communities.

We agreed with the definitions that were there. The idea of primary care is to find a way we can bring together nurses, physicians, physiotherapists, midwives, pharmacists and others into teams - effectively, health service teams - so that when a patient comes, they have a comprehensive kind of holistic approach to their health needs and we're not having treatments that are contradicting one another or maybe acting as opposed to one another. We want to try to bring those together.

There were some goals that the federal government had set up, and we pointed out the difficulty in some of their goals. One of the goals was that there would be 50 percent of all British Columbians who'd have access to primary care facilities within five years. It is not sort of reasonably attainable as a goal. There is an attainability to make sure that British Columbians have access to care, have access to those kinds of professional care teams, but it's not something we can manage, and we didn't want to set ourselves up for failure early.

Let me put that in context for you. Out of 4,000 doctors that we have at work in British Columbia today, 100 are today actively involved in what we would define as sort of a comprehensive primary care model. It is very difficult for governments to make professionals act the way we want. It is even more difficult for government to make people act the way we want. We have to be aware of that as we start to move towards the reforms that are critical in the years ahead.

Part of the health reform package is revolving around what we call catastrophic drug coverage. That is, drugs obviously play a key role in improving the quality of life of many patients across the province. We want to ensure that patients in B.C. do have a predictable limit on what they face in terms of drug costs. That was recommended by Senator Kirby in his report. I think Senator Kirby recommended a limit of $5,000 as a

maximum; Mr. Romanow recommended, I think, $1,500 as a maximum. There is, again, no common ground in terms of how those drug programs are operated across the country.

[11:25]

We are working now, as provinces, to look at how we add additional drugs, new drugs to our provincial formularies. We're working together to see that we are actually making sure the drugs that are added to formularies are cost effective, that they work and that we're not paying huge extra sums of money for drugs that really, frankly, don't provide any additional benefit to patients. We're working together as provinces and territories across the country to do that. That's another area where clearly the costs of drugs… The increased costs of drugs are estimated between 14 and 15 percent over the years ahead, not just in British Columbia but in every other jurisdiction. There's no one that reviews drug costs that doesn't say it's a challenge. It's a challenge in England. It's a challenge in Australia. It's a challenge in the United States. It's a challenge in Canada. It's a challenge because we have an aging population, and we know that an aging population has a greater draw on our pharmaceutical regimes than a younger population.

We also know we want to keep our population as healthy as possible as long as possible. We think there are opportunities there, but again, we shouldn't be under any illusions that the challenges we face in Pharmacare are now past us because of the agreement that was reached this week.

A third area for comprehensive reform is home care. You in this room know, and I think people across the province know, that what we are trying to do is create a continuum of care - for independent people living at home alone when not in need of any necessary support, staying in their home as long as they can; moving to independent-living opportunities, where they may have a little more support than they would get in their normal home or apartment, wherever they're living; and moving as a last stage to the hospital when acute care is necessary. There is no question that we can find savings as we move through that in terms of delivery of services. We can find improved quality of service. We can find improved quality of life for the people of British Columbia and for patients generally across the country by allowing them to stay at home as independent as possible for as long as possible. We are looking at that as a major area of reform, but that also will be one of the major areas that all the provinces will be working on.

Palliative care is part of that. Palliative care is, you know… We are looking at making sure we can provide short-term palliative medical care for people who need it at home.

This is an opportunity for us to create that opportunity so that in the last days of their lives, people can be where they are most comfortable. Their families can be where they're most comfortable, where they can have the kind of support they need to move through that obviously difficult time for everybody. We are looking to try and make sure that is available.

Finally, in terms of home care, we are also… We were adamant in British Columbia that mental health community care be part of that program. We know from experience - not just clinical experience but from reviews that have been done - that if we can provide people with mental illnesses with support in, again, a stable home environment, we actually relieve an awful lot of pressure on the entire system. That's another area of reform that we're looking at.

In looking at all of these reforms, one of the things that we were driven by is this fact. In the province, 126,000 British Columbians out of 4.2 million account for one-third of all doctors visits and two-thirds of all hospital costs. What we want to try and do as we look at these reforms is find ways that we can provide unified health services to those 126,000 British Columbians. We think that in the long term, that provides significant opportunities for us to improve the access to health care for the other four million Canadians, whether they're young people or old people, whether they're folks that need to have a procedure done or not. That's a very important part of that health care reform fund.

Sorry this is taking so long.

Another area, where the federal government has set aside $1.5 billion which they're taking out of this year's budget - again, we have asked them to ensure that we can use those dollars in a cost-effective and thoughtful way - has to do with new medical diagnostic equipment and training and those sorts of things. I advocated very strongly - British Columbia did, as did other provinces - that this should not be just for diagnostic equipment; it should be for diagnostic services. We couldn't convince the federal government of that. The dollars are now available for diagnostic equipment and training.

[11:30]

The reason we took the position we did is that we have diagnostic equipment today that is not being used. We have patients that are kept on waiting lists because we don't have the people or don't have the operating resources to make sure the equipment is being used.

I think it's important for us to continue down the track of trying to think about services as opposed to stuff or equipment. We have MRIs; we have CAT scans. We may be able to use more, but you don't want to buy a whole bunch of MRIs because the money is there and then not be able to use them. It's a false pretence to tell patients: "We've now bought a bunch of MRIs, and therefore you're going to do better."

One of the critical parts of this, I can tell you from all of the Premiers, was that we didn't want to establish false expectations. There is a tendency when we have these first ministers' meetings to say that everything's solved. I can tell you here today that everything is not solved. We have some resources. The $1.5 billion for diagnostic equipment and training is to be spent over the next three years.

Again, if I can go back and summarize some of those points for you just briefly. In terms of the dollars that may be available to us, it is important for us to note that we may get on the order of an additional $500 million a year over the next three years. We know this in this room, and I'd like British Columbians to know this. We have already identified health pressures in excess of that with the system that we have, let alone with the system we're trying to move to, so this is not a day for us to move off the track we've set of focusing resources on patients.

We should recognize that those dollars will help. You know, you can't say to the federal government that they've done nothing. They have done something. They have provided some resources. We have taken a small step down the road to health reform and health sustainability. We have not yet reached Mr. Romanow's recommendations, and Mr. Romanow's recommendations were far lower than our recommendations. We are here on the ground working with patients, trying to focus resources on patients, and frankly, we've got some way to go.

So whether it's Colin or Sindi or Katherine or Gulzar or whether it's me, I can tell you that health care remains on our provincial agenda in terms of building a long-term, truly Canadian partnership between the federal government and how they spend taxpayers' dollars and the provincial government and how we spend those same taxpayers' dollars. These are not federal or provincial dollars. They are taxpayers' dollars that we're trying to focus on health care.

I want to touch quickly on the territories. Part of our package we recommended to the Prime Minister was a $75 million-per-year allocation, over the next three years, to the territories. We concurred with the territories that they needed those resources because of the vast distances they cover and because of the small populations that are there. Now, the territories will get today, for example, on the order of $200 to $300 for a

service that costs them on the order of $10,000 to provide because of the costs of air ambulances and getting patients from where they are to where they can get the services.

We said to the Prime Minister… In the federal communiqué, they have actually explicitly identified dealing with those territorial issues as an additional issue. The Prime Minister's position was: "I'm dealing with the provinces today, and I'll deal with the territories tomorrow." We felt it was important that we deal with the territories and the provinces at the same time.

We think that the Premiers of the territories… We know the Premiers of the territories have acted with us throughout this in the spirit of cooperation and in the spirit of understanding, recognizing, for example, that Prince Edward Island may have different challenges than Nunavut does, but they have been there at the table with us. Frankly, we would have far preferred for the Prime Minister to add on top of this package the extra $225 million that was required and that would have met the requests of the territorial leaders. We will continue to pursue that as well.

I think it's fair to say that there was progress made at the meeting. We made progress in terms of building the right kind of flexibility into the arrangement. We made progress in terms of accountability. I should just touch briefly on accountability. We have, as you know, probably the most rigorous accountability mechanisms in the country - not just the accountability documents that we are having our health authorities sign with us, the accountability reports that we make available to British Columbians.

[11:35]

In September 2002 we submitted a full range of accountability documents to the public. There could be a legitimate argument that says we'd like that to be made more user-friendly. We'd like the public to understand more its impacts on what they're doing.

The federal government has agreed to look at additional accountability measures in concert with our health ministers. We have recommended that the PIRC regulations that are there, which are really dealing with outcomes and results far more than with means… One of the federal government's measures is that they want to make sure how many more people have access to doctors, how many CAT scans you have. How many machines you have is not relevant. The kind of service you deliver and the kind of patient outcomes you get are what we've said are relevant.

We are going to work with the federal government. I think this is a chance for us to build

both understanding and a cooperative, collaborative model with the federal government so that they can report to Canadians.

There has been some discussion about the makeup of this review panel that the federal government wants to put in place. To be blunt, the federal government can put in place any panels that they want. That's their choice. We agreed that we would work with them to create a panel for Canadians. They will not be second-guessing the provinces. They will not be second-guessing the territories. They will not be second-guessing the federal government. They will simply be working to understand what's taking place. The idea is for a very, very small group.

One of the things I advocated was that we not have what are generally identified as stakeholders in that group. Stakeholders tend to think about stakeholders instead of the public. I think we should have - it's perfectly legitimate to have - a public body of eminent Canadians looking at what's taking place in health care and giving us their comments. They won't be guiding us. They will be looking and reporting on us. That is something we agreed to. I'm hopeful the federal government will work in cooperation and in partnership with us in doing that.

I think it was a worthwhile couple of days. The process is often intense. It's always frustrating, because often words that are used may have different meanings for different people. Often there are things other than what's going on with patients that seem to get in the way of some of the discussions.

I do think I can tell you this on behalf of my colleagues and, I think, on behalf of the Prime Minister: we worked hard to make the progress we've made. We are trying to learn from one another. We are trying to focus on the needs of Canadians. We are trying to protect public health care. I think we took some small steps to do that over the last few days.

That's my report - a pretty long one. I apologize. Greg.

Hon. G. Halsey-Brandt: Thank you, Premier. I just had a couple of quick questions that perhaps you might enlighten us on.

One is around: when does the money start to flow? You mentioned the two streams. One's the sustainability part, and the other's the primary and Pharmacare. I take it those parts will probably require some work with the health ministers. I wonder if you could tell us if some of it's going to flow this April 2003 or whether it's April 2004.

The other question is around the transferability. You mentioned the Pharmacare and the home care. For example, in Pharmacare, if we're the highest in Canada - which I believe we are - does it allow for some transferability if we want to move some of that money to, perhaps, home care?

Hon. G. Campbell: The short answer is yes. Let me try and answer both of those questions.

In terms of what will flow this year, what we know will flow this year is… Well, there is $2.5 billion that the federal government is taking out of its surplus from this year, which will be made available over the next three years, to be spent at whatever time in whatever way we see fit in our provinces. To put that in context, that's $295 million that will be made available under the CHST.

I want to highlight this for you. There are some significant accounting problems for that. The federal Deputy Minister of Finance and our Deputy Minister of Finance are working now. What the federal government agreed was to have that structured so that it would be available to us to meet those earlier criteria and the criteria set by our auditor general. That's going to take some work. I don't want to pretend it's easy. That will take some work. It's not a problem in other provinces, as I said, but it evidently is a problem in British Columbia. That's going to take some work. We're going to go to work at it.

[11:40]

There will be an additional $1 billion available next year for CHST if there is a federal surplus. In terms of the health reform fund, there is $6.5 billion that we know is available. There is a spending schedule for that, which the federal government has in place, but it is block funding. The health reform fund is block funding. It's got to go to home care, primary care, catastrophic pharmaceutical costs. They have said they'll be very flexible in how we use that. They just want to be sure it's going there.

There was an issue a little bit beforehand about whether we wanted any strings attached. We were fine with attaching all the strings they wanted, to say: "This has got to be spent on health care." We were pretty flexible ourselves in saying we just need the flexibility in these reform areas to make sure we're getting those dollars down to the patient, down to the bedside. That's where we wanted them to go.

Hon. G. Halsey-Brandt: They've agreed to that flexibility.

Hon. G. Campbell: They've agreed to that. Yes.

Hon. G. Halsey-Brandt: We can move it between those three.

Hon. G. Campbell: Often the devil is in the details, but I can tell you, as we said to the Prime Minister… Around the table there was no question about agreement to that. Now it's up to Colin and the deputy Health ministers to keep track of the spirit of that agreement and not get it tied up and tied down and lose, you know, sort of the potency of those dollars because we've got some bureaucratic mess going on behind us.

Hon. G. Halsey-Brandt: Thank you.

Hon. G. Campbell: Any other questions?

Colin, anything you'd like to say?

Hon. C. Hansen: I've got a couple of short remarks to complement what you've already said. I think to put this in a broader context, too, certainly over the last seven years that I've been a member of this Legislature, we've heard from British Columbians that they didn't feel the health care system was working particularly well for them and their families. I think we heard this throughout the Romanow discussions and the Kirby discussions across Canada, but we also heard it in our own standing committee hearings that were held around British Columbia.

The message was that the status quo simply was not an option for us, that we had to initiate some fundamental change. In British Columbia we've already started that change. The change that's been talked about in Kirby and in Romanow and generally across Canada - we're already down that path to a greater extent than, I think, any other province is.

I, quite frankly, Premier, was astonished yesterday to hear two union leaders in British Columbia coming out and saying that this little bit of increased federal funding should be used to turn back the clock on some of the progressive changes we've already started. In fact, one of the union leaders who represents the support workers in our health care facilities, workers who are getting wage rates now that are 30 percent higher than the Canadian average, basically said yesterday: "Give us $70 million of that increased money." I, quite frankly, think they just don't get it. This is not about turning the clock back to a status quo that British Columbians had already indicated was not acceptable.

We're also facing some big challenges, and I think we have these big challenges to meet with this small amount of increased moneys. As you said, Premier, this is not a

panacea to our health care challenges. Just to put that in perspective, by the year 2010 there is going to be an increase of 22 percent in the number of seniors in British Columbia. When we're hosting the Winter Olympic Games in 2010, we will have an additional 120,000 seniors in this province. It's a community the size of Abbotsford that we will have to ensure we can provide a stable health care system for.

We inherited a system that really was fraught with waste and duplication throughout the province. Patients in rural areas faced health care that was unstable. We had instability in trying to keep doctors and nurses in many of these communities. There was a very high turnover rate and burnout rate. Quite frankly, we were not providing the good health outcomes that I think you were talking about in your remarks.

The one thing that underscores all of that is we can't solve those problems by simply throwing more money at it. We could throw all of the federal moneys into British Columbia alone, and we would not be able to solve these problems without going through the restructuring and the change we have already initiated.

We are certainly looking to work with our health professionals as we go through this, to make sure they can maintain their skill levels and their expertise. We need to consolidate the way services get provided so there is that stability. We need to make changes that reflect advances in medical practice and those new technologies.

I think there's no question that pharmaceuticals are now playing a much, much bigger role than they would have in decades gone by. Just to go back to the late sixties, when medicare was first established in Canada, there were 638 drugs approved in Canada, and today there are over 21,000. That just sort of gives you the magnitude of the change we have seen.

[11:45]

One of the things that's really key is that we see much shorter hospital stays in British Columbia today. If you go back to 1985 and look at the number of days that patients had to stay overnight in a hospital, sleeping on those plastic-lined mattresses that nobody would like, today the number of days that patients have to stay overnight in a hospital is actually about half of what it was in 1985. What has happened is that there's been a growth in the number of procedures done, the number of surgeries done and diagnostic procedures, but those are increasingly being done on an outpatient basis, so patients can come to the hospital or other facility in the morning and be able to go home and sleep in their own bed that afternoon. That has been a tremendous revolution, but what it means is that we have to change the way we use facilities. Facilities that were

built 20, 30, 50 years ago in this province no longer meet the needs that we have today.

Yesterday I had the privilege of attending the official opening of the new ambulatory care centre at Children's Hospital. Ambulatory care is that out-patient care. A lot of people think it has to do with ambulances, but it has to do with those kinds of day procedures. This is a great facility at Children's Hospital, because it means that we're going to see the wait-lists for children getting access to those procedures go down. There will be fewer cancellations as a direct result. This facility is there to serve children from all over British Columbia. In fact, about two-thirds of the children who are treated at Children's Hospital are actually from outside the Vancouver-Richmond area, so it really is a provincial resource that is there, and great staff are there to meet those needs.

One of the things that we've been doing over this last year and a half is to try to break down the silos of care, and we are really leading the country in this regard - to try to develop that continuum of care from acute care to community care and home care, tied in with good prevention and primary care to keep people out of acute care facilities in the first place. Many provinces are looking at what we have already started to bring better stability across the province, and we're leading in that regard.

I think the federal government needs to recognize - and I was encouraged by the Premier's remarks that perhaps they are to a certain extent - that provinces are at different stages in trying to transform and reform health care delivery, so they can't come in with a prescriptive approach that applies to all provinces equally. It's got to be sensitive to where provinces already are in this changed process. We have no objections to the areas that the federal government has picked as priorities, those being primary care, home care, catastrophic drug coverage, diagnostic equipment and information technologies. Those are areas where we're already starting to make some significant reforms, but I think, as the Premier mentioned, we really need the flexibility to make sure that little bit of increased funding fits in with our programs in ways that allow us to move forward to bringing in a much more stable health care system and to really meet the needs of individual British Columbia families in the years to come.

Thank you.

Hon. G. Campbell: Thanks, Colin.

Gary.

Hon. G. Collins: Thank you, Premier. I just wanted to comment a little bit on how this might affect the budget process that we're nearing the end of as we speak. We have, as

you remember, a legislated budget day. It's a fixed budget day. It's the third Tuesday of every February in every year. I've been suspecting since about November that the federal government was likely to choose that day for its federal budget. Minister Manley confirmed today that in fact he is doing his budget on that day. He'll be doing his budget at about 1 p.m. our time, and we'll be doing ours at about 2 or 2:30 our time, so there will be a bit of information coming out that day, both federally and provincially.

That in itself doesn't have a big impact on our budget process. We've been aware of that. We've been working towards that. This year I think it's particularly interesting. It wouldn't matter whether we were on the same day or not. The late date of the agreement between federal and provincial governments on funding for health care will have an impact on the budget process, because we still don't know the exact numbers. We have a pretty good idea of what they are going to be, but until we see Minister Manley's budget, we won't know what those final dollars are. We're working on some general numbers now. I know the Ministry of Health has been working for some time, trying to set some priorities for whatever new federal contributions might be made, to make sure that that fits in with the overall reform we're trying to achieve in the health care system that delivers those dollars to the patients in the most effective way possible.

[11:50]

When we introduce the budget on the third Tuesday of February, a little over a week from now, the way the budget will look, just so people know, is that every ministry will have their new three-year service plans. It rolls over. We always add a new year as we complete one. We'll have their service plans in the budget. The Ministry of Health - because we still have not determined, until now, roughly what the money might be and then where that money will go - will be tabling a status quo service plan based on the numbers that were there last year and the service plan that was there last year. We expect that within a number of weeks after the budget is introduced, we will have some final plans in place by the Ministry of Health. At that time we will introduce an amended service plan for the Ministry of Health as well as some amended budget numbers for the overall budget.

It won't affect the bottom line. Every dollar we receive from the federal government will go to the delivery of health services or to health care in some way or other. We'll get the money, and it will go out. The revenue numbers from the federal government and the expenditure numbers for all of government will change, but the bottom-line deficit number won't change.

I just want people to know that that's how it's going to work - with one big caveat that the Premier alluded to earlier as well. British Columbia has the most open, transparent and accountable budget process since we've come into office. We are also going to be the very first government to move to legislated generally accepted accounting principles for senior governments. That will be in the 2004-05 year, which is part of this three-year block.

The challenge we have with that is that we have some fairly rigid accounting rules in British Columbia in order to make sure that we're transparent and that people know where the dollars are. Our auditor general has obviously also been pretty tough on that as well. The federal government uses a different accounting method than we do - they're slowly moving to our method, but it's different - so we end up with a problem where the federal government has one accounting method and we have a different accounting method. They're trying to push all this money out the door this year because they have a surplus, probably around $10 billion. What we have to negotiate with the federal government is a structure so that their accounting method and our accounting methods can work together for the ultimate goal which is, all the accountants aside, that we get the health care dollars to the patients in a way that makes sense.

We'll continue to work with them on that. The Prime Minister gave the Premier a commitment to do that. We have heard from the deputy minister as well, now the Minister of Finance today, that they will work with us to try and make sure that structure works for British Columbia. We're really the only province in the country - maybe Nova Scotia might have a bit of trouble - that has this challenge in a big way, and we just want to make sure that works.

I just want to give people a sense of how it's going to fit over the next couple of weeks as we bring out the budget so that there aren't any surprises and everybody knows that we're really working hard right now, and have been for some time, to make sure that those dollars get focused down to the patient's benefit as opposed to getting mixed up in some sort of accounting challenges.

Hon. G. Campbell: Any other questions?

Thank you very much.

Next we're going to hear from Gordie and Gulzar on the child and youth mental health plan. Gordie, are you going to start - or Gulzar? Gordie starts.

For Decision: Child and Youth Mental Health Plan

Hon. G. Hogg: Thank you, Premier. Gulzar and I today have the privilege of presenting to you Canada's first comprehensive provincial mental health plan for children and youth.

We are privileged today to have present three of the representatives of our external advisory committee that helped shepherd this through to the process we have today. Present today are Charlotte Waddell, who is a psychiatrist with UBC's mental health evaluation and community consultation unit; Kelli Anderson, who is a parent and a member of FORCE, which is Families Organized for Recognition, Care and Equality; and Jean Moore, who is a past president of the Canadian Mental Health Association.

The other members of the committee were Paul Pallan, who is the child and youth officer; Marlene Moretti, who is a psychologist with the department of psychology at Simon Fraser University; Rick Roger, from the Vancouver Island health authority; Pargat Singh Bhurji, who is a physician in pediatrics and neonatology; Derryck Smith, a psychiatrist at Children's and Women's Health Centre of B.C.; Diana Norgaard, a child and youth mental health clinician; and representatives of the B.C. Youth in Care Network. They were chaired by Jay Yule, who is the assistant superintendent for school district 47.

This is the document, which has been compiled with all its appendices and pieces falling out of it. It is now on the website, so anyone who is interested can find it both on the website of the Ministry of Health as well as on the website of the Ministry of Children and Family Development.

[11:55]

I want to pay particular tribute to the persons we've just named as part of our external advisory committee. They have given of their time, energy, expertise and experience to ensure that this plan is a positive plan that reflects best experience, best practice and best research.

It is perhaps ironic in this day and age, when all of us know how important early childhood development is and how important it is that we identify issues early so that we can have a better chance of success with them, that there has not been a comprehensive provincial child and youth mental health plan yet in Canada. This is, in fact, the first one. It has certainly been our government's commitment to include promises for vulnerable children and their families, commitments made to them to introduce early childhood intervention measures. We in fact have done that with the work of Linda Reid and the appointment of a minister of state responsible for early

childhood development.

What we are presenting to you today is a plan and a strategy - again, the first comprehensive provincial mental health plan - for which we're asking your endorsation and support. Children's mental health services have been significantly underfunded in B.C. when compared to adult mental health systems, and only a small percentage of children and youth with serious mental health disorders can access the specialized mental health services which they indeed need in order to thrive. The majority of children are not being identified, not being assessed; nor do they receive the support and professional services which they need.

Who are these children, and where do they come from? Well, they're children with mental disorders. They come from all parts of our society. They come from every social, cultural and ethnic background and from every income level. Some of them come to our attention through our issues in child welfare, some of them through social justice. In fact, as is shown on the screen here, one in seven, which is about 15 percent of our children, has a mental disorder serious enough to impair their development and their functioning. They live in every community, in every neighbourhood, and they attend every school throughout the province.

Sam is an example. Sam is a 16-year-old former basketball player who has been unable to attend school for over two years. He has an obsessive-compulsive disorder. He's unable to participate in extracurricular activities, and he spends most of his time at home and alone.

Pat is another example. She is a 14-year-old who has developed a severe eating disorder, anorexia nervosa. Her mother is desperate. Without treatment, Pat's condition could deteriorate, and in some instances such incidents result in death.

There are many children like Sam and Pat who struggle with disorders, often unnoticed and often alone. These children struggle through their school years. Too often they drop out. Too often they get involved in drugs and alcohol, and too often they get caught up in violence and crime. Teens with anxiety or depressive disorders are twice as likely as their peers to become addicted to drugs and alcohol. Many children and youth with mental disorders are depressed. They're withdrawn, and they're unable to interact. Their families search for answers. They search for help; they search for ways to work through it.

For these children and their families, we must do a better job of reaching out and helping and of bringing the best knowledge available. We know that finding these

children earlier makes a difference. It makes a great difference. Ninety percent of people with co-occurring mental health and substance abuse problems had first signs of a mental disorder by age 11.

We have just completed a comprehensive consultation process to develop a plan to address these challenges. This plan has been developed with the cooperation, assistance and support of Gulzar and the Ministry of Health. Gulzar's insights as a physician, as a compassionate human being and as the minister responsible for mental health have been an invaluable asset in the development of this process. I'd like Gulzar to add to those comments.

[12:00]

Hon. G. Cheema: Thank you, Gordie.

This government has made a clear commitment to improving mental health services to British Columbians. The Premier's designation of a minister who was solely responsible for mental health was the first important step. We are delivering on our commitment to fund the adult mental health plan. Now we are preparing to do what no provincial government in Canada has done. We are ready to implement a plan focused on the unique mental health needs of British Columbians under the age of 19.

We are proposing to take another important step by focusing on the mental health needs of children and youth, which were not the focus of the adult mental health plan. An external advisory committee was established over a year ago to advise government on key child and youth mental health issues. This included the development of a child and youth mental health plan and an associated resource plan.

In children, mental disorders supersede all other health problems in numbers of children affected and the severity of impairment caused. In British Columbia an estimated 140,000 children and youth experience mental health disorders that cause significant distress and impair their functioning in every aspect of their young lives. That is an average of four to five children in each classroom in this province.

I cannot overemphasize the importance of this issue. Mental health disorders can cripple a child's functioning at home, at school, with peers and in the community. Children with mental disorders have a higher incidence of quitting school. They are more likely to face alcohol and drug addictions. They are more likely to come into conflict with law enforcement. They face social isolation and discrimination, and sadly, many commit suicide as a result of their mental disorder. Can you imagine the impact of

mental illness on an individual? Can you imagine having a mental illness as a youth? Imagine the impact on the families.

I met with a group called FORCE, which is a society that advocates for children, for child and youth mental health services. One of the founding members, Donna Murphy, tragically lost her son Kelly to suicide. Donna works daily, advocating for mental health services for children and youth, because she knows too well the tragic consequences that can result when children don't get the mental health services they need. She knows too well what can happen when our care systems don't work together. Donna brings a picture of Kelly with her to every meeting she attends to remind everyone of Kelly's life.

Children are British Columbia's most important investment in the future, and it's time to make a new commitment to the province's children and families who are struggling with mental disorders. I would like to acknowledge the work of the Ministry of Children and Family Development in developing this plan. Until June 2001 mental health was considered as the orphan of the health care system, and even today child and youth mental health is quite frequently considered to be the orphan of mental health. Well, we are changing that. Our government is giving child and youth mental health the care and the status it deserves.

I would like to thank Alan Markwart's team and Jayne Barker's team from the Ministry of Children and Family Development and Irene Clarkson's team from the Ministry of Health Services for their hard work in developing this plan. I would especially like to thank Minister Hogg for his unfailing support for mental health in this province.

Thank you.

Hon. G. Campbell: Thanks.

We have a recommendation here that we endorse the child and youth mental health plan.

Hon. G. Hogg: Actually, Premier, I have…

Hon. G. Campbell: You have more to say?

Hon. G. Hogg: I have more to say.

Hon. G. Campbell: Oh, good. I was hoping you would. Go ahead.

Hon. G. Hogg: I'm sure you were.

Thanks, Gulzar, and I think as we all know…

Hon. G. Campbell: If I were you, I'd quit while I was ahead.

Hon. G. Hogg: Perhaps I should as well. If you were ready to endorse it right then, maybe I should let go now.

As Gulzar has reminded us many times and certainly in question period has commented many times, we have an adult mental health plan funded and approved. We have been reminded of that… How many times have we been reminded of that?

[12:05]

A Voice: Frequently.

Hon. G. Hogg: Frequently, Gulzar has reminded us of that. We have never had a mental health plan specifically to deal with children and youth, and we all know that children have unique issues that are different from those of adults. Gulzar and I are recommending that we now act to approve this model so that we can actually look at moving towards providing the needed assessment, consultation, support and treatment the children need. We know that individuals, families, communities and governments share a responsibility and accountability for achieving the optimal mental health for all citizens.

The team that has developed this plan recognizes the importance of involving community. Our government has certainly been committed throughout all of our ministries, as a strategy for establishing good services, to moving towards coordinated, community-based mental health services for children and youth and, indeed, for coordinating the integration of all social services in a delivery model that is community-based and responsive at the community level.

The child and youth mental health plan brings together the best national and international research and the best-practice knowledge from practitioners across British Columbia. All across B.C. there have been families, individuals, service providers, partners and educators and public health care professionals who have all been involved in this extensive process of putting together this plan.

The plan which we are tabling with you today has been endorsed by the external

advisory committee, leading experts, advocates, parents and those who have coped with mental disorders with their children in their families. It provides direction to guide a broad range of child-serving ministries and organizations, and it builds upon our commitment to support families and communities. It builds on our commitment to help them develop the capacity to reduce risks. It builds on our initiative to support children suffering with mental disorders, and the plan outlines the need for a coordinated effort between ministries, service providers and communities to build that effective system.

You'll see on the screen the framework in that. The system focuses on four primary areas. Firstly, more timely and effective treatment and support services are needed for children with serious mental health disorders. That is on the left side of the triangle before you. Secondly, programs are needed to reduce risks and prevent and mitigate the effects of mental disorders. Thirdly, new ways are needed to improve family and community capacity to prevent and/or overcome the negative impacts of mental disorders on children. Finally, integrated community systems are needed to coordinate these services, to monitor outcomes and to ensure public accountability for both policies and programs.

Our mental health plan, if approved and endorsed today, will be phased in over a five-year period. It is a complex and challenging task that will require an enduring commitment across the full spectrum of services that support children and families. Once fully implemented, the plan will provide children and their families with access to a continuum of timely, evidence-based mental health consultation, assessment and treatment services across the province. It will facilitate the coordination of services across public health and primary care, early childhood development, school systems, special needs, child protection and addiction services, and will move right into the transitions into adulthood. It will promote evidence-based services as the standard of care backed by training, education and monitoring. It will provide new resources for early intervention programs dealing with serious mental health disorders, and it will reduce children's risk of developing mental disorders through such means as public education and expert involvement across the province. It will build capacity in families and communities so they're better able to prevent and mitigate the potential negative impacts of a child's environment.

The regional governance model that the Ministry of Children and Family Development is moving to will play a critical role in ensuring that this is carried out in the regions of the province. We'll have a close working relationship with the Ministry of Health's health authorities to ensure there is coordination and cooperation in that.

Finally, with respect to funding, the first phase of the plan is being funded through

internal MCFD resources. The child and youth mental health budget has been protected within our service plan. In the first two years $9 million is being set aside to build some key infrastructure needs. Those include the establishment of a provincial children's mental health network to ensure the broad-based planning and coordination of services and initiatives supporting early identification of children and youth with emerging mental disorders. It will include consultation with the aboriginal communities and training of service providers in evidence-based practices in the field of mental health.

[12:10]

Also, the redeployment of some of our existing resources will take place in the first two years of this plan. For example, there's $1 million that is currently allocated to the Maples Adolescent Treatment Centre, which is a residential centre, and those funds will be reallocated to community-based responses, which will allow us to deal with twice as many children and to have more positive, community-based outcomes based on good evidence and practice.

A substantial increase in terms of the overall resources will be required in coming years to meet the needs. Our ministry's service plan, as Gary referenced, will be out on February 18, and it will show the next three years of the commitments that we show in that.

By targeting our resources to treat serious mental health disorders in children and youth, we are making a vital investment in our future, as Gulzar made reference to, and the child and youth mental health plan will begin to relieve some of the burden that mental health and mental disorders have placed on families and children in communities across our province. I think this presents a thoughtful plan of action, and it gives good reason for hope, and Gulzar and I seek your support and endorsation of this plan today. Thank you.

Hon. G. Campbell: Thank you.

Any questions?

I have one question. I understand that your budget is covering this off, and it's part of your '03-04, '04-05 service plans for both you and Gulzar. It's covered off.

Hon. G. Hogg: That's correct. It's in the Ministry of Children and Family Development.

Hon. G. Campbell: Is '05-06 covered off in your future plan?

Hon. G. Hogg: Yes.

Hon. G. Campbell: Any other questions?

Joyce.

Hon. J. Murray: I noticed on page sub-4 here in the plan that your plan talks about environmental factors. What I'd like to propose is that we work together to make sure that some of the potential impacts on children's health of substances in our environment are analyzed and looked at as part of this mental health plan. I believe there are occasions where toxins in the environment are associated with mental health challenges for children. That may be in the plan, but I'd like to suggest that we get together and talk about that.

Hon. G. Hogg: Thank you. Certainly we'd love to do that, and Gulzar made reference to that in one of the meetings we had in the past. I think it was the provincial medical health officer's report that told us that over the past ten years, across this province, I think there's been about a 59 percent increase in births of children with Down syndrome, cerebral palsy and autism growing out of that. This is happening not just in British Columbia but indeed around the world. There's been a lot of research in California around that. There aren't significant correlates in terms of why that is happening, why we're seeing this increase - whether it's diagnosis, whether there's actually been a dramatic increase in incidents - but certainly we would like to know more about that. We're looking at the international research and would be delighted to work with and coordinate that with you.

Perhaps Gulzar could also comment on that.

Hon. G. Cheema: I think this is something we have talked about. As the plan is going to evolve, I think we need to work with the other ministries to ensure that this is workable.

I think the one fundamental thing for this plan is that this is the first time we're doing it. No provincial government has done it. We need to continue to improve upon this plan. That's what I would say.

Hon. G. Campbell: First, I think that at last we're doing something, which is important. Doing something is a first step. I think as we do something, we've got to find out the other things that we need to know to do, to do better. I think that both through Linda and the early childhood development initiatives we're undertaking through the child and

youth mental health plan, we have a chance to bring - if you want, Joyce - all of the powers of government, all of the observations of government and all the research of government to bear on this challenge.

I agree with what was said earlier. When one out of seven children is suffering with mental health challenges or actually has mental illnesses - some of us are afraid to say the words "mental illness" - it behooves all of us, and I think in the long term it makes nothing but good sense, to deal with that as early as we possibly can to identify the problem, to try and find ways we can deal with it that are constructive and supportive. I think this is at least a step in that direction.

So, Joyce, you can accept that as approved.

Thank you very much, Gordie, and thank you, Gulzar.

Rick.

For Information: Fees and Licences

[12:15]

Hon. R. Thorpe: Thank you, Premier, and good morning.

In the Premier's letter to ministers, our government committed to review all fees and licences. Our goal was to ensure that fee rates were appropriate, reflected the cost of service or product being provided and did not impose competitive barriers on British Columbians. With a great deal of work and cooperation from ministries throughout government, 80 percent of the review has been completed, and 100 percent of the review will be completed by June 30 of this year.

Fees are paid by British Columbians for the use of services or products provided by government. For example, if you want copies of government documents, a fee is charged. If you get a fishing licence, there's a fee. If you want a copy of your birth certificate, there's a fee to obtain that also. When the actual cost does not pay for these services, then the taxpayers are subsidizing the users. On the other hand, when the users are paying more than the cost of services, those users are subsidizing government.

Our goal is to ensure fairness on the fees charged, taking into account our guiding principles, which I will discuss in a moment. An important consideration during the

review, therefore, was to balance the goals of keeping the fee rates at a level where they do not create barriers to individuals or to economic development but, at the same time, cover an appropriate amount of the program costs. In addition, our government wants to ensure that users are not subsidizing government or being subsidized by government.

Our government has created a set of clear principles which were used in the review of fees and licences. Staff applied these principles when doing their reviews. The Government Caucus Committee on Government Operations, chaired by Ida Chong, MLA for Oak Bay-Gordon Head, used the same principles when her committee reviewed each and every fee and then provided their recommendations to cabinet for final decisions.

The principles are:

1. Simplicity. Fees should be easy to understand and applied equitably and consistently.
2. Appropriate rates. Fees should be based on the cost of the service or the product.
3. Consolidation. Similar fees should be consolidated as much as possible to avoid multiple fee levels for the same or similar activities.
4. Competitiveness. The scope and the rate of fees should compare favourably with competitive jurisdictions.

In June of 2001 we started out to review 2,850 fees and licences. Examples of fees charged included a driver's test, visiting a museum, purchasing government publications or performing a lien search on an automobile. There is a wide range of fees charged by governments that are often not apparent or relevant to most British Columbians, such as fees to stake mineral claims, manage waste generated by economic activities, search land titles, raise cattle, obtain a gaming licence for a charity or salvage logs. Therefore, given the breadth and depth of all fees and licences that exist in government, the review has been a major undertaking.

I can advise you today that more than 1,000, or 35 percent of fees in British Columbia, have been eliminated. Approximately 1,300, or 45 percent, have been retained. Finally, 500, or 20 percent, are still undergoing a review, which will be completed by June 30. The eliminated fees mean savings to taxpayers of over $18 million a year when annualized.

Recently cabinet has reviewed and approved changes to 20 fee and licence categories, resulting in an estimated annual increase of approximately $23.3 million. The fees are

the lobbyist registration, the public guardian and estate administration fee, civil court facts filing and civil court electronic filing fees, liquor control and licensing fees schedule, criminal record check fee, provincial nominee program fee, oil and gas levies, driver's licence fee and commercial driver medical exam fee.

[12:20]

Let me just take a moment, if I could, and talk about the driver's licence renewal fee. Currently in British Columbia the fee is $7. That's per year. The national average in Canada is $16.80. The new fee is going to go to $15 per year, or $75. British Columbia will still be 9 percent below the national average on an annualized basis.

It's very interesting when we look at some fees. I know the Solicitor General would be pleased to talk about this in detail later. Quebec has the highest fee, of $43 a year; Saskatchewan, $25 a year; Manitoba, $15 a year. British Columbia is still going to be, after the increase, 9 percent less than the national average.

Other fees that we have reviewed are the well application fee, the forest harvest fee, the Labour Relations Board adjudication and mediation fee and the employment standards branch record search fee. Let me just talk a little bit about that fee and what came forward in a recommendation from there.

We looked at the appropriateness of this fee. Currently, the costs of recovery are about 58 percent of the cost of the program. You know, when you look at this type of program and who is requesting the fee… For instance, if Gerry in Penticton is wanting a search, why should Mary in Williams Lake actually be subsidizing Gerry's request? In that particular case, we have increased the fee to 100 percent of the recovery fee so that one taxpayer is not subsidizing the other taxpayer for the fee.

Other fees that have been reviewed and for which there will be increases are Land and Water British Columbia tenure application fees, fish farm waste permits, park use fees, hunting and angling fees, single business number registration fees, British Columbia archive fees.

Looking to the future, Premier, we are also currently reviewing the possibility of adding two new principles to our criteria. The first one would be: is the cost-based justification the correct place that we're starting and analyzing the costs at and looking at possible increases or decreases in fees? Secondly, the other principle that the government caucus committee is reviewing right now for possible inclusion is: when fee increases go forward, are the taxpayers, are the users, actually receiving an additional benefit?

Those are both currently under review by the committee. We expect to bring forward a recommendation for either acceptance of those new principles to our existing four within the next few weeks…

To summarize, Premier, ministries will have completed the reviews of all remaining fees by June 30 of this year, the result being over 2,850 fees and licences levied by the provincial government being reviewed and over one-third of those being eliminated. The key result of the exercise has been to contribute to the reduction of the regulatory burden on British Columbia's individuals and businesses - this is consistent with our new-era commitment of cutting red tape by one-third - and to ensure, also, that British Columbians are not subsidizing government and that non-users are not subsidizing users.

The Ministry of Competition, Science and Enterprise will aggressively continue to monitor and challenge proposed fee amendments. Together with the Government Caucus Committee on Government Operations, we will ensure that our guiding principles to British Columbians are met. Thank you, Premier.

Hon. G. Campbell: Thank you, Rick.

Any other questions? Greg and then Bill.

Hon. G. Halsey-Brandt: Thank you very much, minister. I was on the GCC, and you're right: over 2,800 fees and licences. It was certainly a long process. Thank you for the report and certainly for the number that have been reduced.

My question. When we went over the fees, what struck me was there were a large number that had not been reviewed for eight, ten, 15 years. Then when you try to look at increases or decreases or whatever is going to happen to them, it was very, very difficult on the consumer, if you will.

[12:25]

I don't know if your ministry is going to change the policy or whatever or set up an interministry committee to sort of look at them on an annual or biannual basis, so that if there are going to be increases, the person who deals with that service - do you know what I mean? - can build it into their business plan, and it has some better rationale to it.

Hon. R. Thorpe: Yes, and perhaps even the Solicitor General would comment that driver's licence fees… I don't believe they'd been reviewed since 1996. One of the

things that we are committed to doing as soon as this is completed on June 30, as part of an annual service plan review of all ministries and working together with Treasury Board, is making sure that fees and licences - proposals that are coming forward - will be reviewed on a timely basis and as part of service plans as we go forward in British Columbia.

Hon. G. Halsey-Brandt: Thank you.

Hon. G. Campbell: In fact, one of the reasons for doing that on a policy basis is it eliminates a whole bunch of, frankly, extra stuff that goes on which costs money that doesn't get you anywhere. So if we can have a long-term policy basis where it just happens automatically, I think everyone's better off.

Bill.

Hon. B. Barisoff: Thank you, Premier.

Rick, could you just explain the provincial nominee program?

Hon. R. Thorpe: The provincial nominee program? Sure. That's a program that falls under my ministry, and it has to do with business immigrants that we're trying to attract to British Columbia - people that basically… It's a pilot project we entered into starting last September, and it will run for two years. It's based on trying to attract individuals to British Columbia who bring business skills and a net worth of $2 million and who have $1 million that they are prepared to invest in a business and create five new jobs. We've put in place processing fees of about $3,000 for the business applicant, because it's generally supported by a business, and also $1,000 per individual. Those are very competitive.

Currently, we are targeting on this pilot project 50 of these individuals over the two-year period. We are currently reviewing 32 individuals with different business skills related to seven projects, and these potential folks who may move to British Columbia are coming from China, United Kingdom, Mexico, United States, Singapore, Indonesia and one from Africa. It's a pilot project. We're working hand in hand with the federal government to attract investors and highly skilled individuals to British Columbia.

Hon. G. Campbell: Any other questions? Recommendations that these changes be approved and we move forward with them?

Okay, thank you very much.

Avalanche Bulletins

Hon. G. Campbell: You'll all know that over the last few weeks we've had two very serious - indeed fatal - accidents in the eastern part of our province, in the back country around Revelstoke, as a result of avalanches. The Solicitor General has been working to help alleviate some of the challenges that are faced there, and I wanted to have the Solicitor General give you some background and the steps that we are taking now. There may be more in the future, but we are taking these steps today.

Rich.

Hon. R. Coleman: Well, thank you, Premier.

First of all, Premier, I would like to say, for those families that have been affected by avalanches in our province, my heart and my prayers go out to the families and those people that have been hurt by the loss of a loved one. It is a tragedy when we have an accident in our back country for a number of reasons. First of all, it makes those families suffer that have had that loss in their family. In addition to that, with the two avalanches in and around Revelstoke, it also brings to a level concerns of people with regards to how we react, how we educate and how we tell people about the dangers that are in the back country. At the same time, when we do that, we want people to actually pay attention to what we're telling them so that they will know the risk when they go into the back country in our province.

Just a little bit of a background. On December 31 the coroner of this province issued a warning to people that this particular winter the back country and the snowcap were particularly dangerous as a result of a review of an avalanche that happened earlier in December. The avalanche bulletin and the Weather Network and snow tests on site and what have you have all indicated that we have considerable risk in our snow mix in the back country today. In spite of all that and signage and education, people will still take risks.

[12:30]

We have decided that in order to enhance some of our education, we are going to do some things with the avalanche bulletin to enhance its publication and its exposure to the people that would want to use our back country safely. We would advise them to pay attention to this, and hopefully they can use our back country. The value of tourism and the people whose jobs are involved in the back country can be protected by us

having safe activities in our wilderness.

The Canadian avalanche bulletin is presently published three times a week during the winter and two times a week during the balance of the season. If the avalanche dangers dramatically increase on the days the bulletin is not published, an extraordinary risk advisory bulletin is now going to be issued. The conditions that will lead to that extraordinary risk avalanche bulletin being issued include things such as temperature inversions where we have a warm-cold, warm-cold effect on the snowcap that makes the snowpack unstable, severe weather conditions that have changed how we've actually seen avalanches and increased avalanche activity in any given area.

We have made a decision to produce such a bulletin whenever the risk is high or considerable in the province of B.C. That bulletin will be done by the Canadian Avalanche Association in conjunction with the provincial emergency program. The entire process, when that risk is high and has been determined by the back country, will take no more than three to four hours. Each extraordinary bulletin will be funded by the provincial emergency program, while both production and distribution will be the responsibility of the Canadian Avalanche Association. Given that portions of the province are now in a period of high-risk avalanche, these new procedures are going into effect immediately.

Over 400,000 people actually accessed this service and information last year, and in spite of that, we still have accidents in the back country. In moving forward with this initiative with the Canadian Avalanche Association and the communities who have given me input, I would be remiss if I didn't actually thank two of our MLAs who have been very helpful in giving me input from their communities with regards to avalanche - those being Wendy McMahon, the MLA for Columbia River-Revelstoke, and Blair Suffredine, the MLA for Nelson-Creston. Other MLAs have been very helpful as well, but those two have taken some time to do some research and feed us some input.

I think this is a good first step, Premier. We will always be looking at how we can further educate the people in our back country so we can have a healthy back-country tourism environment that is safe for people to use.

Hon. G. Campbell: Thanks, Rich.

As Rich said, this is a step that we're taking today. I know all of our hearts and prayers go out to the families that have been directly impacted by this. We should understand, also, that the community of Revelstoke has been just in a state of shock as a result of this. We know that the school communities of the young people that were lost were

devastated by this. We know that, indeed, some great athletes were lost during these two tragic accidents.

Our goal and job is to try to ensure that people understand the challenges and that we understand as best we can when these avalanches may take place and how we can prevent people from using the areas where it is most dangerous. I do want to underline that I think both the back-country operators and the heli-ski operators themselves have responded with concern for the families and concern for how they operate in a way that's, frankly, nothing but responsible. We're going to work in partnership with them, the communities involved and the people involved to make sure our back country is a safe place for everyone.

I want to thank you for doing that, Rich.

We have one more item today. Rick has a brief announcement to make.

Rick.

New Call Centre

Hon. R. Thorpe Thank you, Premier.

I am very pleased to announce another new investment in British Columbia today. West Corp. of Omaha, Nebraska, has selected greater Victoria as the location for their first Canadian customer contact centre. This investment will bring as many as 800 new jobs to the Victoria area. The customer contact centre will have a total annual payroll of $18 million, creating an estimated economic impact of more than $24 million for the province of British Columbia.

[12:35]

West Corp.'s decision to locate their operations in British Columbia represents another vote of confidence in our province. Moreover, it is a strong endorsement of British Columbia as one of North America's most competitive jurisdictions. Minister Murray Coell is attending the official announcement of the new contact centre in Central Saanich as we speak. He's accompanied by MLAs Susan Brice, Jeff Bray and Sheila Orr.

I would like to thank all of those who have worked so very, very hard in bringing West Corp. to British Columbia, including Brian Krieger of the Linx British Columbia office;

also, Hope Burns and Mayor Allison Habkirk and her staff with the district of Central Saanich; and Maria Miller, Dennis Carlsen and Mayor Alan Lowe and their staff from the city of Victoria.

I would like to welcome and thank West Corp. for choosing British Columbia as the place to locate their first Canadian customer contact centre and wish them every success.

Thank you, Premier.

Hon. G. Campbell: That's definitely a step in the right direction. Last year 81,000 new jobs, the third-highest in Canada. Let's go for number one this year. That's a good start.

Thank you all very much. We're adjourned.

The cabinet adjourned at 12:35 p.m.