

OPEN CABINET MEETING

Wednesday, July 18, 2001

Hon. G. Campbell: Good morning, everybody. This is the second open cabinet meeting that we've had. Again, I just would like to remind people that this is an effort to allow people to see cabinet and the cabinet decision-making process. We intend to have an open cabinet meeting every month where we will discuss a number of issues.

Today there are a number of issues on the agenda that we will be covering: the waste-buster web site; I'm going to talk about the establishment of the new Progress Board; there will be an overview of the provincial economic situation; we'll have a review from the Minister of Health Services and the Minister of Health Planning on the health situation in the province. We will also have an issue that we have to deal with in regard to the Nisga'a Agreement; there will be some recommendations coming forward on open tendering from Minister Santori; and some comments on the 2010 Olympics.

Before we begin with that agenda, I would like to lay out for the cabinet and the public the calendar that will take us through the next year. We had said during the campaign that we would have fixed budget dates, and that we would establish a legislative calendar so people can plan out there their time and their work as representatives of their constituencies. We've said in the New Era Document we would eliminate special warrants. We said that we wanted to be sure that the public had an opportunity to review contentious legislation, and this is an effort to move us down the road in that direction.

As you know, the first session of this Parliament will prorogue at 10 a.m. on next Tuesday, July the 24th. The second session of the 37th parliament will commence at 2:00 p.m. next Tuesday, July the 24th. That will be when the Throne Speech will be read. We will have an economic and fiscal update presented to the Legislature at 2:30 on Monday, July the 30th of this year. The Legislature will sit regular hours Monday to Thursday each week. Friday will be set aside to allow MLAs to work in their constituencies. As well, we are announcing today that evening sessions will commence on Monday, August 20, 2001. Evening sessions are scheduled for 6:30 to 9:00 p.m. every Monday, Tuesday and Wednesday. The summer session – this session that starts next Tuesday – will end once the Legislature completes its business, and I can't tell you what that date will be, but it will end sometime – I'm sure. I'm confident of that. That's the only thing I'm confident of, actually.

The Legislature will reconvene on Tuesday, February the 12th, 2002, and at that time the second session will be prorogued. The third session of the 37th Parliament will commence at 2:00 p.m. on Tuesday, February the 12th in 2002. It is our intention to have the Throne Speech the second Tuesday in February of each year. We'll go through a traditional proroguing of the Legislature in a Throne Speech on that day.

We also committed during the campaign to a fixed budget date. It is important not just for the staff but for the literally dozens of agencies that depend on the provincial government to have a budget date when they know the budget will be presented, when they know they can plan for their future, when they know the resources that will be available to them. We have planned three-year rolling budgets for a number of ministries and important services. Education, our school boards, our health authorities are all going to have to have an understanding of the resources that are available to them so that they can in fact plan the best use of those resources to meet their objectives. So the budget date will be fixed in legislation. The first complete budget of this government will be presented on Tuesday, February the 19th, 2002, and subsequent budgets will be presented on the third Tuesday of February.

The Legislature will be in session from February 12th until May the 30th, 2002, and it will reconvene on October 7th, 2002 until November 28th, 2002. The purpose of doing that is that we will clearly have to deal with budget estimates. If there are major bills that are brought forward, we may table them in the House and expose them so that the public has an opportunity to review them prior to consideration and discussion in the Legislature in the fall of 2002, or we may bring a bill forward to the Legislature, it may go through second reading, which is the principles of the bill, and then maybe wait for committee stage until the public again has had an opportunity to review the bill and look at how it works. That too will be presented in the fall for discussion and decision by the Legislature.

The Legislature will not be in session for a number of weeks so that people can actually spend some time in their constituencies, as is done in other jurisdictions. During the weeks of March the 25th, April the 22nd, May the 20th, October the 14th, and November 11, members of the Legislature will be in their constituencies.

Now I know that's a lot of information and dates for everybody here at once. I've asked the House Leader to circulate a memo with a calendar to all MLAs. That will be made available as well to the media and to the public on the web site, and we intend to use the web site as a way of keeping up-to-date our legislative calendar and important dates that we have. There are a number of organized activities that will be taking place over the next year. The public should know when they plug into our web site that they can find out when the Legislature's in session, and what it's doing. We now know what we're going to be doing over the next 18 months, and my expectation is that by May 30, 2002 – by the end of the spring session in 2002 – the House Leader will lay out the next eighteen months. So we will always be 18 months ahead.

The next item on the agenda – this is the first time at an open cabinet meeting that we have had a presentation from a government caucus committee. Just so people understand how the government caucus committees work, all members of cabinet and all members of the government caucus sit on one of five government caucus committees. There's a government caucus committee on health, one on the economy, one on natural resources, one on government operations, and one on communities and safety. The government caucus committees are responsible for reviewing planned legislation, policies and programs, and they make recommendations to cabinet on proposals that cabinet may be considering. Ministers may come forward to a government caucus committee with some suggestions, the government

caucus committee will give some input, and the minister may or may not take that input into consideration as they submit their reports to cabinet.

Today, we are joined by Ida Chong, who is the chair of the Government Caucus Committee on Government Operations. She will be making a report to us on two items on the agenda today. One is the waste-buster web site, and the other is the open and fair procurement policy. Just so everyone understands, the way the government caucus reports work is the chair reports them to cabinet, and then cabinet, having heard that, ask questions, if there are any, of the government caucus committee chair, and then they deal with the reports as they're laid out in the agenda. We'll now hear from Ida Chong.

Hon. I. Chong: Thank you and good morning, Mr. Premier, Ministers, ladies and gentlemen. As Chair of the Government Caucus Committee on Government Operations, as indicated I am here to report to cabinet on the results of our committee's deliberation at our meeting of July 3.

At that meeting our committee considered two matters, the first one being a proposal from the Ministry of Management Services to implement the 90-day commitment to establish a waste-buster web site. After reviewing the proposal, our committee did recommend that this initiative proceed and in fact proceed as quickly as possible so that the benefits of identifying waste be realized sooner. Also, to measure the effectiveness and full cost of this initiative our committee recommended that every suggestion received in fact be tracked. As well, in keeping with this government's commitment to reduce advertising expenditures, our committee recommended that the proposed communications strategy not proceed, but rather that the ministry implement other strategies which do not include additional financial expenditures.

The second matter that our committee considered was also a 90-day item, and that is the open tendering on government contracts. Again, our committee reviewed the proposal submitted by the Ministry of Management Services and recommends that this initiative proceed to cabinet. Our committee acknowledged that there are several processes required to implement this initiative, and we are confident they can be achieved. On this initiative, our recommendation to cabinet includes the repeal of two pieces of legislation and two accords; as well, that a directive be issued to Crown corporations and to the MASSH sectors, which are the municipalities, academic institutions, schools, social service agencies, and health groups, and that this directive indicate to them that they will be subject to the procurement provisions of the AIT, the Agreement on Internal Trade. Finally, our recommendation also requires that the ministry immediately develop benchmarks for measuring success and compliance, and also immediately identify the required training and education for employees.

Mr. Premier, ministers, on behalf of the Government Caucus Committee on Government Operations, that is my report to this cabinet.

Hon. G. Campbell: Thank you. Any questions? Gary?

Hon. G. Collins: Yeah, I've got one item. Did you identify what those benchmarks might be on the open tendering? Did the committee discuss what those benchmarks might be?

Hon. I. Chong: The committee did discuss the fact that the benchmarks were necessary, but in fact left that to the ministry staff to develop those because of the number of processes involved, in addition to the compliance that would be required and the MASSH sectors to be involved as well. But we did consider it, and that's why we indicated that it was definitely immediately necessary to develop those to allow this to proceed.

Hon. G. Collins: Okay. The communications plan for the waste-busters web site – do you know how much that was supposed to cost? Is there a....

Hon. I. Chong: That information wasn't requested of the ministry at the time. Basically, after discussion and deliberations in our committee, we had determined that it wasn't in keeping with our commitment to reduce advertising costs, so rather than asking the ministry to find that out for us, we just indicated to him that we did not want that to proceed.

Hon. G. Campbell: Any questions? Okay. Thanks, Ida.

Hon. I. Chong: Thank you very much, Mr. Premier.

Hon. G. Campbell: Okay, the next item on the agenda is the report on the waste-buster web site from Minister Santori. Sandy?

Hon. S. Santori: Thank you, Mr. Premier. First of all, I'd like to begin by saying that this administration is committed to open, accountable government and sound fiscal management. To help us accomplish this, we need to invite all British Columbians to assist us in identifying waste, unnecessary spending and duplication. As promised, I'm today seeking cabinet approval to establish a waste-busters web site to be used by the taxpayers as a vehicle to help identify, report and stamp out government waste. It is my intention to have this site fully operative by August 15, and in anticipation of approval being granted by cabinet we have already reserved the URL, www.wastebuster.gov.bc.ca.

Hon. G. Campbell: Catchy.

Hon. S. Santori: The waste-buster web site is also a major initiative to cut government red tape. The primary goals of the waste-buster are to identify unwarranted and unnecessary spending of provincial government funds, to reduce waste and/or duplication, to identify improper activities and processes, and the elimination of unnecessary and outdated regulations. Our waste-buster web site will be the primary way for the public, as well as government employees, to provide input about government spending practices and procedures. A key component of implementing this web site will be to raise the profile of government's overall efforts to combat mismanagement, and make the public our partner in our campaign against government waste.

The web site will provide different ways in which the public can report wasteful practices or the misuse of taxpayer money. Members of the public will be able to report their concerns and offer suggestions by filling in an electronic form on the web site and submitting it simply by the click of their mouse. Initially, waste-busters will apply to government ministries, but will be

expanded to cover broader public sector organizations, such as Crown corporations, government agencies, boards and commissions.

In terms of how the program will work, it will be similar to those that have been used in other jurisdictions, like the Red Tape Commission in Ontario, the Red Tape Reduction Initiative in Nova Scotia, web sites and hotlines for whistle blowers in Oregon and California, and the United States Office of the House Majority Leader, which sponsors a waste watch "waste-o-meter" initiative. That's a mouthful.

People will make their submissions to the waste-buster web site, after which they will get an automatic response. Submissions using the web site's standard form will be anonymous by default, but there will be an option for people to request a direct response if they voluntarily provide personal information and give permission for this information to be shared amongst the different ministries. All submissions will be handled in the same way as previous correspondence and tracked through the system using standard records management software. If appropriate, submissions will be routed to accountable ministries. If not, they will be routed to the most appropriate ministry for a response. Once action has been taken on a submission, the contributor will be informed of what has taken place. Success stories and the inventory of recommendations, suggestions, responses, and results will be posted on a regular basis on the site.

Cost estimates for the program are based on similar programs in other jurisdictions. The program will require \$108,000 of additional funding to establish; however, this will be provided by the existing envelope within the Ministry of Management Services. The bulk of the cost of implementing the program will be funded through existing ministry envelopes across the government, so we are not requesting any new funding for this program. Based on experience elsewhere, costs will be more than offset by the savings generated by the program. Program staffing in the Ministry of Management Services will consist of one part-time director and one program administrator.

Like a lot of initiatives, however, there will be some potential issues which we must be cognizant of and keep a close eye on, and I would like to share some of them with you. One is the possibility that the site may not always be used in good faith by taxpayers. Even though we expect that many government employees will participate and add value to identifying waste, there may be some negative perceptions that the waste-buster is a defacto condemnation of their work, and that's not what this is intended to do.... Ensuring that government employees don't feel that they become whistle blowers and fear reprisal if they report waste or inefficiencies, ensuring that ministries adequately respond to valid submissions while continuing to carry on with ministry responsibilities and manage change within their current capacities, ensuring government rises to the challenge of coordinating responses to submissions requiring action by more than one ministry.

In terms of benefits, we feel that the web site will have significant potential that will lead to increased efficiency and reduced operating costs, It will promote improved performance and service, and it will improve government accountability and increase public confidence.

In closing, based on the experience of other jurisdictions and our own Employee Recognition and Suggestions Program, significant cost savings to government are anticipated as a direct result of identifying and eliminating any processes or activities that lead to mismanagement or waste of public funds or other resources. In closing, I would just like to say to cabinet that we owe this to British Columbians, that they have their fair say in assisting us not only in identifying waste, but sharing their ideas that we can take into action in order to eliminate waste and reduction. Thank you.

Hon. G. Campbell: So your recommendation?

Hon. S. Santori: I'm recommending that the cabinet accept the proposal as presented.

Hon. G. Campbell: So the proposal is what you've just said – for it to be in place by August 15?

Hon. S. Santori: Yes.

Hon. G. Campbell: Kevin?

Hon. K. Falcon: Premier, to Minister Santori, I think one of the most critical recommendations made by Ida Chong and her caucus committee was the question of a time line for response. In looking at other jurisdictions around the globe, it's clear that unless there is a prompt response from the respective ministries, this kind of process can fall short. So I just want to encourage all of us, as colleagues, to make sure that when we do get a recommendation or a suggestion from the Waste Buster web site, that we must respond to it in a very set, determined period of time. I would like to recommend no more than thirty days, but I'm wondering, Sandy, if you can comment on that a bit further, because I think it is a really key component about ultimately whether this effort will be successful.

Hon. S. Santori: As I'd indicated earlier, this is a program that will only work through the cooperation of all of the ministers and their staff, and I would like to think that maybe thirty days may be pushing it. We'll try to strive for a quicker response time. I'm very confident that my colleagues will respond accordingly and recognize the importance of this program, and that it will take somewhat of a priority with their day-to-day activities in terms of getting answers back to the general public.

Hon. G. Campbell: In other places I think there's a lot of suggestions that are made that actually don't come to fruition. It is important, I think, that we set some deadlines on response. Even if we set the deadline and then we find that we can't make it, at least we can report why we're not making it to people. I think it's kind of like room service: if you're told you're going to get it in three hours you can decide whether you want to wait or not. If you think you're getting it in fifteen minutes and you get it in three hours, you wonder what on earth is going on. So why don't we set a response time on this...? I think thirty days is a reasonable response time. And we can, as you set up the site [indicate] when you get the recommendation, where it's gone, what the

[Interjection]

Hon. G. Campbell: ...No, the response time in thirty days, so we have that in. If it's early, that's fine, and then a fourth column can be, you know, issues that are being dealt with or something like that. I think that we should try and set some standards for ourselves, and if we can't make them, we should be up front with people and tell them why. We may get inundated; we may not. Lynn?

Hon. L. Stephens: Sandy, I just wanted to say it's great that you have acted so quickly on getting this program together, and I have a question about the whistle blowers. You did mention that. I know people are concerned about bringing forward suggestions, and if they will be subject to reprisals or anything like that. Have you given consideration to whistle blower protection legislation or a policy of some kind? How do you plan to make people feel comfortable that they'll be able to come forward?

Hon. S. Santori: I believe that those type of things happening are inevitable, and we are addressing it in terms of.... Submissions will be screened. It's not our intent to use it as a whistle-blowing function, so I would assume that the administrator of the system will only forward those suggestions or reports of waste or appropriate use of government funds to those ministries and not in the intent of trying to label somebody of doing something wrong. So I think the administrator will filter those.

Hon. G. Campbell: There's two things there. Are we saying that submissions will be kept confidential?

Hon. S. Santori: Anonymous.

Hon. G. Campbell: So that's one thing. If they're not, it may well be that we want to have the Attorney General report back to us on whistle blower protection legislation. That is something that is available in other jurisdictions, so that's another option that we have in front of us. But the first point is to say to people we are aware of freedom of information and privacy constraints, that we are going to protect their... That these are going to be confidential submissions. The ideas will be brought forward and the ideas will be reported on, but we may want the Attorney General to report back. Gary, Richard, Graham, Rich and Joyce.

Hon. G. Collins: I asked a similar question to Ida when she presented. When this draft was first put together, was there a draft budget for the communications side at all? Because I understand the recommendation from the committee was not to proceed with the communications portion of it, and I don't see it in your submission, so I'm assuming that you decided not to do that. Is that....

Hon. S. Santori: I don't believe that the actual – the number that you're requesting, Mr. Collins, was \$450,000, but it was not part of the proposal. It was a means to communicate if we chose to do so. It was not paramount in the program continuing forward. So the intent of bringing up the \$450,000 was not part and parcel of the proposal. But with the input of the government caucus committee, they made it very clear that we will stick to our mandate of not

spending money on advertising, and therefore was not included in this submission.

Hon. G. Collins: Thanks.

Hon. G. Campbell: Richard?

Hon. R. Neufeld: Thank you, Mr. Premier. Just briefly, and I think it's good too, Minister Santori, what you've put forward. Should there, once it goes to the ministry, and I believe there should be a timeframe too, but there will be some issues that are much more difficult than others. Is there intended response from the ministry? Like if it comes, if there's something that's filtered through the web site and it comes to my ministry, there should be a response immediately to whoever that person was saying, we have, we've received your input, and we will get back to you with a, you know, and could give an estimated time of thirty days. That way that person knows that you have received it; you've communicated with them. In most cases, that sets their mind at ease. Because if they wait thirty days, they'll be in the coffee shop saying "well, yeah, I sent something in but I still haven't heard anything." So I think it's imperative that we give communication back as quickly as possible with some kind of a timeframe in when we can actually solve the problem.

Hon. S. Santori: If I may respond to that. We do anticipate that there will be some requests and suggestions that are going to be significantly more complex than others. It will be incumbent upon the minister at that time to make the person who has submitted the suggestion aware of the complexity and of the timeframe that it will take to be able to give them an answer. But I think the general public would expect at least a response of receipt and that action has started with some time lines. But I don't think the intent was on all the issues that they will actually be addressed and resolved within the thirty-day time frame. It's the response within thirty days, with some indication as to how long the process will be in order to get back to them.

Hon. G. Campbell: Just so I'm clear on that. When a submission is made, there will be some way of informing the person that the idea, the person who generated the idea, thank you, we've got your submission, we've sent it to X. Is that correct?

Hon. S. Santori: Yes, and if possible, if we know the complexity of the issue or the suggestion, if we know that it's going to take forty-five days or sixty days to do a proper job in dealing with it, that we at least let the person that submitted it know that it's going to take that long, and then ensure that there's a follow-up so that you do follow up in that prescribed time that you've committed to.

Hon. G. Campbell: My point is when it comes to the web, it's going to go somewhere. Right?

Hon. S. Santori: Yes.

Hon. G. Campbell: So when it goes, you can say we've sent it.

Hon. S. Santori: Within the thirty days.

Hon. G. Campbell: Yeah. Well I think it could be quicker than that. When you send, you send them a note that says we've sent it...

Hon. S. Santori: Yeah.

Hon. G. Campbell: ...and where you've sent it.

Hon. S. Santori: But it's automatically generated, Mr. Premier.

Hon. G. Campbell: Right. So that happens...

Hon. S. Santori: Instantaneously.

Hon. G. Campbell: And then the person, the administrator in the ministry or the person who's managing this in the ministry gets it and gives a response in more detail to the person: and says "we've dealt with this or we haven't dealt with it, you'll get a response. So that you end up with a situation where you're actually generating information to the person, and if it takes longer then you can report why it takes longer.

Hon. S. Santori: That's fine.

Hon. G. Campbell: Okay. Graham?

Hon. G. Bruce: Premier, Sandy, the Employment Recognition Program, just for a point of clarification. This will continue as part of but not rolled into. Is that right, or is that....

Hon. S. Santori: No, the Employee Recognition Program will continue. It's been extremely beneficial. If I may just pass this information on. The cost of the program is approximately \$568,000, give or take a few thousand dollars, and the actual payback on that investment was approximately \$6.8m in savings. So that program will continue.

Hon. G. Campbell: Okay. Rich, then Joyce.

Hon. R. Coleman: Sandy, during your presentation you used the term 'confidentiality by default'. I wonder if you could just explain that a little bit further.

Hon. S. Santori: Did I?

Hon. G. Campbell: You may not have, but you certainly should have.

Hon. R. Coleman: In your presentation you referred to it as 'anonymous by default', but I'm assuming it has something to do with the fact that nobody has to always give their name and there's a confidentiality built right into the system relative to the earlier questions about people's names and information being protected. But I wonder if you could just expand on that a little.

Hon. S. Santori: You don't have to submit a name in order to get a response. If you do submit a name, that will be kept in confidence, and a personal response will be given back.

Hon. R. Coleman: Okay.

Hon. G. Campbell: Joyce.

Hon. J. Murray: Sandy, the waste-buster web site, it seems to me that the intent is to continuously improve the quality of, of government service and how we're using taxpayers' dollars. In private industry, the successful continuous quality improvement programs that, that I'm familiar with have a very clear focus on improving the process. So it's not about the people, it's about the process. So the theory there is that people are doing their best with the tools at hand, and it's usually when things aren't working it's because the process is in the way, whether there's gaps or duplications or the process is out of date. So I think, my concern is around the issues of employees perceiving the web site to be a judgement on their work and on the whistle blower issues. I think that would be alleviated if the focus on the communication around this and what the intent is to improve the processes. It's not to pass judgement on people. I mean, my experience is that really good people can, can do their jobs with a poor process for only so long and then they burn out, and, and if the focus is on improving the process you get people to, you know, come on board and work with you to improve it. If the focus is on people and they're not doing good work, you get resistance and it's not as successful an approach. So that would be my recommendation....

Hon. S. Santori: No, I agree, and I think it's imperative that through our, that through the, the Deputy Ministers, throughout all of their staff, that they communicate what the intent of the program is. And you're absolutely right, that the employee sometimes, in most cases fall victim of the processes and regulations that have been imposed by government and they're just carrying out their direction, and that is what the focus will be.

Hon. J. Murray: Well I'd like to just request that when, when you put up the web site, that your text on the site makes it clear as well. I mean, if you agree with me on this issue that...

Hon. S. Santori: I do.

Hon. J. Murray: ...we put that right up front there that this is about improving the processes. And not only that, it's about opportunities for continuous improvement. So if there's an improvement suggestion, it doesn't mean necessarily that it was bad. It just means we need to keep raising the bar and the standard on what we're delivering continuously and this is one of the ways we're doing that.

Hon. S. Santori: Okay, thank you.

Hon. G. Campbell: Shirley?

Hon. S. Bond: Thank you, Premier. I just wanted to check with you, if you could explain to me,

minister, just the process for expanding to include public sector things such as Crown corporations and government agencies, because initially taxpayers will just send us ideas about everything? And while the initial focus is on ministries, can you just explain to me how you're going to deal with the fact that a lot of those suggestions will come in initially as well?

Hon. S. Santori: In terms of the technical way in which it will be done, I'm not sure and I would have to talk to the technical people. But my understanding is that all of those requests will come to a central administrator, at which time they will then be forwarded to the respective Crown, agencies, and boards, which they in turn will then relay to their appropriate departments that are being affected or where suggestions are being made and they will be asked to respond in a similar fashion that the ministry is being asked to do at this end.

Hon. S. Bond: I appreciate hearing that, because it sounds like it was something that was going to happen further down the road. It talked about expanding to include those. So I'm assuming that in the initial onslaught, and the numbers are quite significant in other jurisdictions – as many as 2,000 submissions in the first two weeks. And many of those will include those organizations, so I just didn't want them sort of sitting somewhere waiting for some other process to begin.

Hon. S. Santori: They're not going to sit, but I think we need at least a little bit of time, and I'll make the commitment that within thirty days we will communicate with those, with the commissions, boards, and agencies and advise them of what is coming down the pipe and to be prepared to, to respond to any suggestions or recommendations by the general public.

Hon. S. Bond: Great, thank you.

Hon. G. Campbell: We should also remember that the vast majority of agencies, boards and commissions are under the auspices of a ministry, so there will be – as I understand this report – a program administrator who will man it and make sure the web site's properly managed. Information will be put out to the ministries where within their ministries they will be charged with responding to those things in a constructive and timely way. That report will be made back on the web site. So whether you submit a report or not, you can see what's taking place. I think one of the challenges is to create that feedback loop and that we shouldn't underestimate that challenge. But if there's no further discussions about this, I'd just say that I, I think it's clear and I want to make sure the cabinet's clear on this, we basically, we fundamentally approve option three, which is we implement the full Waste Buster Program as outlined by August 15, that we make a point in the initial, I guess the, the home page of the WasteBuster web site that this is about processes and it's not passing a judgment on the people within the system, it's about passing a judgment on the system and how we can make it better, how we can make it work more effectively, and I think it would be worthwhile to ask the Attorney General to report back to us on the need for whistle blower protection legislation under this, this proposal and other proposals that maybe come forward in the future. Does anyone have any trouble with that? Okay. Thank you very much, Sandy.

The next item is, I'd like to inform the cabinet that I have established a BC Progress Board. One of the things that's very important in terms of establishing the public accountability of this

government is for us to have standards set for ourselves. The Progress Board, I hope, will allow us to fuel economic activity and growth by setting performance benchmarks for the provincial economy.

Mr. David Emerson, the CEO of CanFor, a man with a vast background of public service, a former Deputy Minister of Finance, a former Deputy Minister of the Premier, the former President and CEO of the Vancouver Airport Authority, President of the BC Trade Development Corporation, has agreed to sit as the chair of the Progress Board. He will be joined by a number of eminent British Columbians in volunteering their time. All of the members of the Progress Board will volunteer their time. They will set benchmarks and standards for us, not just in terms of our economic expectations and performance measures but also in terms of health, education, and environmental standards, all of which are fundamental components of how we progress as a province and move forward. The members of the board will include Kathryn Adrian who is the President of Please, Mum. It's a children's wear manufacturer which was founded in 1986 and employs 800 people across the country; Lawrence Bates who's the President and Chief Executive Officer of Sun-Rype Products Limited; Alex Campbell, who's the President and Co-Founder of Thrifty Foods; Pat Corbett who's the President of the Hills Health Ranch Resort and a former Chair of Tourism BC; Herman Driediger who is the CEO of Eze Rent-It Centre and Past President of the BC Egg Producers, the BC Agricultural Research Council, the BC Broiler Growers Association; Don Gould who is the President and CEO of The Pas Lumber Company Ltd. in Prince George; Norman Keevil is the President and CEO of Teck Corporation and effective this August will become the Chairman of the merged Teck-Cominco Limited; Derek Lee who's the President of Prospero International Realty, Inc., an integrated property management house that manages \$400m in portfolio; Jim Pattison who's the Chairman and Chief Executive Officer and the sole owner of the Pattison Group; Michael Phelps who is the Chairman and Chief Executive Officer of West Coast Energy Inc.; Martha Piper, who is the President and Vice-Chancellor of the University of BC; Stephanie Sharp who is the Managing Director of Corporate Finance at Arthur Anderson LLP; Ken Shields who is the President and Chief Executive Officer of Raymond James Ltd.; Mark Shuparski who is the President and CEO of the Bentall Corporation; and Gerri Sinclair who is the Founder and the Former President and CEO of Encompass Labs which is an Internet software company that was recently acquired by Microsoft. Dr. Sinclair was the Founding Director of the Excite Lab at the Simon Fraser University.

All of those people have agreed to volunteer their time to the BC Progress Board. They will meet twice annually with myself as Premier, once for the summer planning schedule and once for the budget cycle to make sure that they have not just identified the standards we're making but they are going to actually measure where we're going, and what we're doing, and the progress that we're making in, in reaching those goals and objectives. They will be served by an executive director reporting to the board chair. His name is Tim McEwan. He was formerly with the Business Council of BC

The purpose of this board is to create benchmarks that we can pursue as a government. I have told all the members of the board that they are invited to hold us to account in the true meaning of that word. If we are not performing well, they should let us know. If we're

performing well, they should let us know. If they think we can do better, they should let us know. I can't tell the cabinet how often they will be meeting. They may well meet four times a year. I can tell them they will certainly be meeting with me at least twice a year, and their report to me will be made public so the public can see as well how we're doing. I think it's an exceptional group of British Columbians. It shows their commitment to the province that they've agreed to volunteer their time, and I think it will be a very good tool for us as we move forward in the years ahead. Does anyone have any questions about it? Concerns? Okay.

The next item on the agenda will be the overview of the provincial economic situation, and Gary's going to take us through that. Gary?

Hon. G. Collins: Thank you, Premier. At the last open cabinet meeting I spoke to you about our fiscal situation, sort of what the challenges were that we were facing. We talked about some of the pressures that you as Ministers discovered upon taking office that were within your Ministries and, and for those of you who came to Treasury Board found that there's a pretty significant desire to get those under control and deal with them in a meaningful way. So what I tried to do last time was outline for those of you who hadn't had that chance yet to come to Treasury Board to, to get a sense of what we were facing across Ministries and how, how significant the challenges were. BC has a problem, a long-term problem. One of them or one side of it is our spending issues and how we're going to contain our spending and keep it within our ability to afford. The other side is growing the economy so that we have the revenues in place in order to make sure we can pay for a good healthcare system, a good education system, and the other services that the people of BC rely upon. And I wanted to give everybody a bit of a sense where we've come in the last decade or so because it's been a pretty difficult time for the province, the economy of BC in the last decade. All the information, the statistics that are contained in this document are Statistics Canada information. They're not, they're not from somewhere else, they're information that the federal government puts together through Statistics Canada. And I just want to outline for everybody sort of the environment we've been in for the last decade, and where we are today.

We had a mini recession in 1998 for, for a little bit of time here in BC. Our growth was certainly flat. It hasn't, we, our economy hasn't recovered in any sort of meaningful way. We had a bit of a boost in the last fiscal year as a result of high energy prices which helped to, to boost our economy, but with the softening of the, the US economy and the continued flatness of the Asian economy, particularly the ongoing problems in Japan, that has softened somewhat BC's economic outlook for the year coming at us now.

We have as a government, a Budget Transparency and Accountability Act, an economic forecast council that reports to the Minister of Finance generally on an annual basis. They made their report for the budget that the previous government brought in on March 15th, and they at that time were forecasting 2.4% growth in GDP for BC. When we took over the reins of, of government in June or prior to that rather, in preparation for the transition, the Ministry of Finance asked the, asked that panel to give us some input on what, what the economic forecast might be in light of some of the softening economy, and, and they came back with a forecast that was 2% growth per GDP. We've canvassed some of them again, post the

transition and post the swearing in of the new government, and more importantly post the significant personal income tax reduction that the Premier announced on the, on the day after we were sworn in. That has boosted the GDP growth a little bit for this year, there's not a lot left in this fiscal year, to 2.1%, but next year the forecast is to go from 2.9% to 3.2%, and with some of the other things that the government is planning on doing and that will be contained as well in the, in the economic and fiscal update that I present next or sorry, Monday the 30th, we expect that that figure will be, will be higher, and I fully expect it could be, could be a fair bit higher if things go well for us in the next year. But it's pretty clear that the tax cuts will have an impact. It's also pretty clear that we have to do something if we, if we're going to get our economy going again. It's sort of the key thing that we were elected to, to do.

I want you to just turn to page 2 of the, of the submission that we have here. This is a, a chart which I think just shows the real problems that we've had here in BC in the last decade. This is a real GDP per person, so that's how much, how much wealth or how much activity our economy generates relative to the number of people that live here, and it's a good measure to get a sense of, of how, of whether or not the, your province is progressing or declining. And if you look at the, at the figure, at the chart here, there are three lines on it. One of them is a dotted line, which is Alberta, and you can see that they've had fairly substantial growth in their economy over the last decade. And it hasn't just been in the last few years, it started in about 1993 and has ramped up pretty steadily since then. So it's not just as a result of high energy prices or gas prices in the last couple of years. They've set a, an investment climate and a business climate that has helped to generate economic activity in a fairly significant way over the last decade. Ontario, which started out about at the same level as Alberta in 1990 saw a decline in the early part of the 1990s. There was a, an election in 1995 in Ontario. Their economy had started to recover a bit before that, and has really ramped up since 1996 and has done extremely well since then. The, on average the Canadian economy has grown pretty, a little more flatly than those two provinces, but on average has grown fairly well over the last decade. And then you can see the dashed line at the bottom which is BC, and our growth has been pretty much flat over the last decade in GDP per person. And you can see that that sort of hides a bit of a problem.

If you look at the next graph or next chart that we have, this is the percentage of change in the, in the economy, the growth in the economy relative to the numbers of people that live here. So it gives you a sense of how we've done relative to the other provinces, the other ten provinces in Canada. And if you notice that the largest growth of GDP per capita has actually been in Newfoundland, which is interesting. They've had Hibernia kicking in and some other things happening in Newfoundland which has helped to raise their average in....

[Interjection]

Hon. G. Collins: Well they've tried some other things too. They, they had a growth rate of about 24% over the decade in GDP per capita. Mind you, they were starting at a, a lower level, but that's pretty substantial growth in a decade. Saskatchewan and Alberta were sort of in second spot, pretty much tied for second spot in the low twenties, 21-22% growth of GDP per capita, so even with the challenges they face in Saskatchewan they were able to increase their economic activity by taking a different, a different status and a different approach to investment

than I think was taken here in BC. And if you look, the, the second slowest growth rate in the country was Manitoba, and that was about 11% growth in GDP per capita in the last decade. 11%, that was the second lowest. BC was the lowest. Our growth rate per capita over the last decade was less than one-third of 1%. That is not good news, or that just shows you what the problem has been. And as our spending has risen over the last number of years and government has, the previous government tried to accommodate that with increased taxes and, and tried to push to balance the budget without growing the economy in any meaningful way, government started to take up a larger part of the economy and that as well started to deter investment, as well as some of the policy changes.

An economy isn't important just for numbers that I'm talking about here. The economy is what gives people good family-supporting jobs. It's also what makes sure that our communities remain healthy right across this province. The economy is more than just numbers, it's about making sure our society is healthy, making sure our communities are healthy, making sure our young people can stay here and plan for their future, and it also means generating the revenues to pay for the health care, the doctors, the nurses, paying for education, the teachers, the support workers in that system as well. So the economy is really the foundation of how we manage our society and how we're able to afford to improve it over time.

The next chart on page 4 is where it really sort of hits the pocketbook. This is personal disposable income per person, so that's after you've paid your taxes and all those sorts of things, what you have left in your pocket as a British Columbian to take home to support your family. And this chart is one of, I think, the most astounding of the ones that are in here because this is again over a decade, from 1990 to 1999, and if you look at Ontario, they started out having the highest disposable income in the country, they dropped pretty significantly down to 1995 and into 1996, and then have seen a fairly steady increase since then, but they're still earning a little bit less than they were initially. If you look at the national average it's been pretty much flat over the last decade, but if you look at the line that's BC, again the dashed line, personal disposable income started at about \$20,400 in 1990 and has declined to \$18,771. So after working for a decade, British Columbians now take home less than they did ten years ago, on average. That's a pretty astounding figure. That's what shows us.... We started to be, at the beginning of the decade BC was one of the really have provinces in the, in the country. People in BC took on, took home on average about \$886 more per person than the national average, and after a decade of struggling, as we have for the last decade, we now take home almost \$600 less than the national average. We're the only province that's really shown that kind of a decline.

If you look at the next chart, it sort of shows it again in changes in percentage over that period of time. You can see that New Brunswick and Newfoundland had the largest increase in disposable income. The second-worst performance was Manitoba, which had a decline. But BC by far had the largest drop off in personal disposable income over the last decade at a - 8.5%. So after everybody out there in BC working hard for the last decade, we're actually almost 10% worse off than we were ten years ago and that just can't sustain itself. If we continue that way we're going to see a steady erosion in BC's standard of living, a steady erosion and increased pressure on our healthcare system, our education system, and really an inability for people to seek the opportunities here in BC. I moved here twenty years ago from

Saskatchewan because there weren't many opportunities there. I came to BC because that's where young people came to if you lived in Western Canada, and nowadays that's not happening. People are leaving instead of coming here, and this is part of the reason that's happening. It's harder to make a living, it's harder to build a community, it's harder to build your family here in BC than it was previously. And that's why it's important that we do the things that we need to do to make sure that our economy starts to grow again and we start to get back into the league with the other provinces of the country.

If you look at sort of an economic measure of how our economy's been performing for the last six years in a, more of an economic view or business view. You can look at what's happened to our, our productivity, and that's the amount of GDP produced or amount of wealth produced in BC per worker, and you can see that BC has remained essentially flat for a decade. We have not improved our productivity virtually at all for a decade, whereas Alberta and Ontario and Canada on average have seen some pretty substantial increases in productivity. Those increases in productivity, if you're producing more wealth per capita then your average take-home pay goes up and people start to feel that they're getting ahead, and as well your ability to support the health care and education also improves.

So there, there's another underlying problem here, and, and what that says to us when you see that productivity flat line like that for BC, it means that we haven't been investing as much in new technologies in our work sites, we haven't been improving our systems as Joyce talked about earlier on a, on a, on a cross-the-province basis, and that means that we're lagging behind. Certainly if you look at the resource sector, and particularly the forest sector over the last decade, the last sort of boom cycle in prices for the forestry industry was the first part of the decade. We had pretty good prices, there were good profits, but the government at the time started to claw back a lot of those profits for other, with super stumpage and other things, and what happened was that those companies that were making profits weren't reinvesting them here as they traditionally did in good, in good cycles in the forest sector, they weren't investing them here in new plant, new equipment, new technology, better pulp mills, better technology and environmental protection and standards in the pulp mills, better performance and technology in computerization in our sawmills, and as a result of that we are now a decade later and we've lost that edge. We need to be productive in a very, what has become a much more competitive, globally competitive resource environment right across the country and in BC in particular. And so you can see with the flat-lining of that productivity, that's problematic for us. We need to get our businesses, our communities reinvesting back in their plant and equipment, we need to get them investing in new capital so, so we, we become more productive in new technologies, etc. So there is a, a need to do that, and one of the problems that we've had that have, that have sort of stopped companies from doing that in BC has been our taxation structure. We are no longer competitive on the business tax side, and more particularly the investment tax side. Those things that sort of stop people from putting money back into, into their businesses and investing in that capital. For example, in Alberta, they don't have a PST on machinery and equipment or PST at all, so if you're in a company in Alberta and you go to upgrade your technology or your, your plant equipment, you're not paying 6 or 7 or 8 or whatever percent to the provincial government as a tax, and that is a significant deterrent when you're talking about purchases in the millions of dollars. That 6% or 7% or 8% tax that other provinces have is problematic, and here in BC the 7% is obviously a

deterrent as well, and we've heard that. I know you've all heard that from various people around the province and the communities as you've been, as you've been campaigning for the last ten years to try and be in government.

So we acted pretty significantly, pretty quickly on the personal income tax side. Our New Era Document and the Premier spoke about the need to make sure BC had a competitive tax regime, and I think it's important that we talk about that and we, I intend to when I bring in the economic and fiscal update on July 30th, to lay out where, how we're going to deal with our competitive tax issues on the business side over the next numbers of years. So that will be part of what is in the budget, the economic and fiscal update, the mini budget at the end of the month. So I just wanted to let you know that we see the need and want to try and, and start to address that in a meaningful way. And I think we're, I think we have the support to do that. We now have people earning \$60,000 and below paying the lowest personal income tax rates in Canada, and I think that gives us some ability to move on some of the competitiveness issues to make sure that we start to grow our economy again and don't let it lag behind.

The next slide on page 8 outlines for you what would have happened, and this is one I find really interesting because it's what would have happened to BC's government revenue if... This talks about GDP per person. It's the same sort of graph, but in the little shaded area is what the revenue to government would have been if we had only grown at the national average. So not the same as Alberta or not the same as Ontario or Newfoundland, but if BC had grown at the national average over the period where we started to lag behind we would have an additional \$2 to \$4b in revenue, in provincial revenue, to be able to put into social programs, health care, education, or other things, or tax cuts, further tax reduction, or paying off debt, or not borrowing. So you start to lose your choices when your economy doesn't perform. When you don't get your spending under control you lose choices. When your economy doesn't perform you lose the ability to make the choices and, and decide where you want to take your province. And you can see the real impact there, the real challenge that we face is trying to recoup some of those revenues that are there that we would have in our pockets as a government to be able to put into programs, or tax cuts, or deficit reduction if we, if our economy only grew at the national average. If we grew better than the national average, then, you know, it creates all sorts of opportunities to do things. And, and, you know, I know we're having this discussion at Treasury Board over the last little while, how does a province that has the worst performing economy afford the best social programs in the country, and a lot of our programs are the best in the country. They're the richest in the country, and we're grappling with how we try and maintain the richest programs with the poorest performing economy, and we've got to sort of balance those things.

You know, we had a choice as a government too when we were elected, and I think when we, during the campaign we could have said, you know, we're just going to try and get our spending under control and that's it, and we're going to try and balance the budget that way and build our province just by managing our, by managing our spending and perhaps cutting here, cutting there, trying to get towards a balanced budget over time. If we took that, that approach, we never would have caught it, we never would have caught up because the economy would have continued to lag behind and the pressures on our, on our social programs would have continued to grow more than we could possibly find savings elsewhere,

and that's why when I spoke last open cabinet meeting I talked about how if we don't manage the healthcare budget in a, in a reasonable way and manage the, the rapid growth in health care, five or six or seven years from now all government will do is health care and a bit of education and there won't be anything left for anything else. So it's important that we deal with this on the spending side, but it's really important we deal with it in the economic side and get ourselves competitive, because if we don't address the competitiveness issues on the economic side we're never going to have the economy in place to fund those programs, and what will happen over time is BC will just wither away and we'll end up being a have-not province. We'll be sort of Nova Scotia on the west coast. And no, no offence to Nova Scotia, it's a great place but I don't think British Columbians want to be a have-not province. I think they want to contribute to equalization, I don't think they want to draw it down, and so that's why it's important that we make a choice now, and I think people made that choice in the election – that they wanted a different direction, they wanted to turn things around, and they wanted to get our economy going again.

That's just sort of, I wanted to lay out for you what, that sort of shows where we're going on the economy and what the, what's driving some of the decisions that we've made, and I think what's driving the, the opinions of British Columbians and the directions, the pretty clear direction and the clear mandate they gave us during the election campaign to deal with this stuff. They don't want BC to lag behind, they want it to lead again, and that's an important component of, of what we're doing.

I also want to just comment briefly on the economic panel, the advisory panel. I will be posting, putting their, releasing their advice to me as Minister of Finance today so people will have a chance to look at what their forecasts are for the upcoming, the upcoming year and the year after that. As I said, it looks like we're going to have a little bit of pressure in this year, but we expect that the personal income tax cuts and some of the other changes that government is going to be making in the near future, and as you work through the regulatory review and the Waste Buster web site and some of the other things, as those things kick in we expect to see significantly higher growth for BC next year and in the years ahead.

So I want to just again refresh your mind, there's some things that are out of our control. Some of the things that happen in the US economy, there's not a lot we can do about that and we are dependent upon the US economy, energy prices are going to be a factor for how, how our GDP grows, and as well the softwood lumber dispute that, that Mike de Jong is grappling with right now are all factors that are beyond our control. But there are some things that we can do and I think we have to do them, and that is to get a competitive investment climate, deal with our deregulation program and try and get that in, under control so that we have proper regulations in place and not ones that just drive and create paperwork without any results, and as well we have to start to restore business and consumer confidence, and I know anecdotally I'm hearing things. We, it's still too early to measure but anecdotally we're hearing housing, housing sales coming up, we expect housing starts to follow, automobile sales we're hearing good things, and restaurateurs and people running and working in restaurants are starting to smile again too, and those are usually some pretty quick indicators that people are feeling better, and I hope that that will help us build BC's economy so that we can lead the country again instead of falling behind. Thank you.

Hon. G. Campbell: I've got a series of questions. First, I just should say that the housing starts I think in the month of May were up 100% in 2001 over 2002, so that's at least a start. Rick?

Hon. R. Thorpe: Thank you, Mr. Premier. Gary, first of all, thank you for the facts. You are going to be making your economic and fiscal statement on Monday, July the 30th. After you've made that statement, will you be coming forward to cabinet and in fact to the people of BC with a plan on which we can demonstrate actionables that we can put into place so that we can get this thing turned around?

Hon. G. Collins: Sure. I mean, there's, there's some of that that, that I'm, I need to do as the Minister of Finance, but they're, and, as I said, I'm going to lay out, you know, on July 30th what our plan is to deal with some of those competitive taxation issues on the, on the business side over the next number of years. So that will be outlined in the fiscal and economic update on the 30th. But there is an awful lot of stuff that you people have to do as well, and I know, you know, in your portfolio you've obviously got a number of things you're dealing with, and it's also messages, you know. It's not just, the impact of the actions that we take, it's also the message it sends to the markets, it's the message it sends to investors. And, you know, we are going to have to make some tough decisions over the next number of years, nobody doubts that. But as we grapple with some of these issues and sort of lay out a plan and people see that we're willing to take tough decisions as a new government and have a mandate from the voters of the province to do just that, that sends a really positive message to investors as well, and they know that BC – and British Columbians, more importantly – are intent on getting their economy going again and want to be part of that.

And so as we make those decisions and put them out there, and that we're going to be responsible, we're going to, you know, get rid of some of the chicanery that went around when the budget day is, for example. We're going to move the budget day up so that, as the Premier said, health agencies and educators in managing the school system get their budget earlier than nine months through the fiscal year. I mean, we have to start to behave responsibly as a government if we expect health people, the people working in health, health care and education to help us manage some of those demands and those costs. So we've done a bunch of things that, that I think will start that along the road, but there's a lot more to come.

Hon. G. Campbell: Richard?

Hon. R. Neufeld: Thank you, Mr. Premier. Gary, I'm pleased to hear some of the things you put forward. I don't recall whether you were able to attend the meeting where the Canadian Association of Petroleum Producers...

Hon. G. Collins: I wasn't.

Hon. R. Neufeld: ...presented to the committee things that they saw in the future of investment in BC. We know that they invest over \$2b a year in assets in BC – the oil and gas industry alone only in northeast BC. This last year was \$1.7b in royalties and lease sales alone, not

anything to do with sales tax or all the other taxes, corporate taxes that go along with it. So the other thing that they brought forward was a gas find just north of Fort St. John which is Ladyfern, which is world class. One of the largest wells, some of the largest wells in, in, in Canada. World class natural gas finds. Huge development plans for those companies to go in there and develop those fields, and obviously will bring huge benefits to the Province of BC to pay for health care and education. In fact, the gentleman that presented to us said if he goes to Houston, New York, Oklahoma, or even into Bay Street to raise money to work in the oil and gas industry in BC, which is the bright spot in Canada, they all know where the Ladyfern find is, but not too many people in BC know that we have a world class find in, in our, and actually North American class find here in BC. They have some serious stuff about or serious concerns about investment, and taxes and those kind of things, and obviously centred in Calgary doesn't help us a lot either because they come with, with that outlook. So I'm pleased to hear that, that you're looking seriously at how we can alleviate some of those problems to encourage more investment and, and the industry actually building more in northeastern BC and BC as a whole so that we can capture our actual potential that we have in BC to provide those services. So I'm pleased to hear that, I know it can't happen right away and everybody understands that, but at least that message, that message that you're talking about getting out there and what you're talking about when you give your fiscal update is a solid message that the industry will be listening to very closely, that we're going to try and address those problems sooner than later.

Hon. G. Collins: I think that that's important, Richard. I didn't attend the meeting that the Canadian Petroleum, the Association of Petroleum Producers presented but I did hear about it from some, some of the other members of caucus. I just, I was in Toronto on Monday and New York on, yesterday to try and brief the rating agencies and give them a sense of where we're headed with the, the, in the next month with the fiscal and economic update, trying to give them a sense of where BC wants to go. And as well, met with a number of the investment banks as well. And I know that businesses here in BC have been getting a big "no" from, from the Bay Street, the Toronto investment bankers, the big banks when they want to invest in BC and they go looking for money, and it's because of the environment we've had here for a period of time. So I know the Premier's been back to tell them in the, in the past what we're intending to do as our mandate, they saw the results of the election, they're very excited about that. And I can tell you the tone and the, and the, I guess the perception of how BC is perceived now in those place where, where the money is offered for investment is a lot different than it was before, and we have to continue to get that message out there so our, our companies can expand when they need to.

Hon. G. Campbell: I want to remind everyone that we have a number of initiatives underway that I think should help deal with some of these issues that Gary identified. The deregulation initiative is important so that we focus on making sure that the regulations we have are indeed providing for public safety, and public health, and public welfare and not just for more paper being pushed around and additional costs being added. Kevin's working on that.

The other thing, thing that I think, there's two things that we know, is the, I think it was seven weeks ago, seven or eight weeks ago that I appointed the Fiscal Review Board, and they have been working and I think that they're scheduled to report out to the public next Monday. So that will lay some foundation. It's also, one of the reasons to go back to the previous item on

the agenda, that the Progress Board is so important, there's a lot of things that we end up thinking about inside. It's important for us to know what's happening outside, what, and to see how our actions are impacting on the goals and objectives that we've set. So it is important for us to remember that there's a whole bunch of things taking place out in the world, outside of government that have a huge impact on our ability to deliver the services that we all commit to doing. So I think that it's important to get this information out.

I should tell everyone that the information, that we will get up Minister Collin's comments as quickly as we can on the web site. Eventually we will get this so that all of these comments are on the web and they're recorded, etc. The graphs that were referred to will be available at the end of this meeting. We are hoping that we will be able to set up a little bit of an infrastructure here so that when those graphs and those presentations are taking place in the future people can actually see them. We're just not quite there yet, so I apologize for those of you who couldn't see the pictures but they certainly speak for themselves. Any other questions to Gary? Okay.

The next item on the agenda is another update. This is from Minister Hanson. Colin Hanson is the Minister of Health Services, and Sindi Hawkins who is the Minister of Health Planning. Colin?

Hon. C. Hansen: Thank you very much, Premier. I wanted to take this opportunity to update cabinet on some of the challenges that we are facing in the Ministry of Health Services. And as you can tell from the background noise, we have the BC Ambulance Service that's heralding in this message here.

As I think most of you know, the, the health budget that was presented prior to the election by the previous government was an increase of almost \$1b over what had been budgeted the year prior, and one of the realities that I was presented with after becoming Minister is not only is our health care system totally eating up that \$1b increase in the health budget, but already, only three months into the fiscal year, the health budget is \$400m over budget. And I'll tell you, that was quite a shock for us when we went through some of those briefings.

I don't believe it is an overstatement to say that our health spending in BC is out of control, and we have a huge challenge to bring it into control in this province. There are lots of places that we can spend more money in health care. Health care I think is a bottomless pit when it comes to good ideas and, and good areas that more dollars can be spent on to, to assist British Columbians. But the sad reality is that we have very few levers at our control as a government to rein in those costs and bring them under control.

In the cabinet binder I've included some graphs that I think demonstrate the challenge that we have before us. In this first graph, which plots the health spending from 1991 forward and it projects it through to the year 2016. But if you go back over this last decade, we, our health budget in BC has doubled since 1990, and if we continue to spend the way we're spending, if we continue with the status quo in terms of health care we will need a health budget by the year 2005 of \$12b and by the year 2010 we will need a budget of \$17b.

If we move on to the next chart, I think all of us appreciate how dramatically government spending has increased in, in, in BC over this past decade. What this next chart shows is the health operating budget as a percentage of that total provincial government operating budget. So we have gone from about 31% of the provincial budget in 1990 to actually about 39% today, if you include the, the budget overage that we're facing, which is a huge increase. And I think as, as Gary was talking about earlier, if we continue on the track we're on we're going to see the, the health budget consuming most if not all of what we have for an available provincial government budget.

This next chart shows a bit more the short-term challenges that we're facing. You will note in the last couple of years that not only has the Health Ministry budget been rising so dramatically, but it has been many years now since that budget has even come in on budget. We have consistently been over budget and the previous government every year has had to rely on special warrants or supplementary estimates to top up that Health Ministry budget to, to meet the dollars that were flowing out the door.

The projection for these next couple of years, these last three columns I think are even, sort of spell it out that we are looking at a, at an additional \$1b a year that are going to be required if we continue on the track we're on. So I think some of the things that we've heard from ministers in the previous government was the status quo was not an option, and I think I heard that from several Health Ministers under the NDP government. And the status quo is not an option, but I guess the difference is, is that in those years there was, there was not much done to change the status quo in a way that would really bring this under control.

I know that one of the questions that often gets asked is, is where has the money gone, and we see all this additional money being pumped into the system and, and where does it go, because BC actually ranks near the bottom of all of the provinces when it comes to the confidence that the public have in their health care system. That we have seen for this last decade more dollars being pumped into health care every single year, which is the only province in Canada that has actually increased the health budget every single year, but we are also the province that has seen the most significant deterioration in public confidence in the health care system.

So there's two areas that I wanted to single out in terms of the health budget as the areas that have really driven a significant chunk of that cost, but I don't want to, I don't want to leave you with the impression that these are the only two areas. The dramatic increase in spending has really been across the board in terms of health care, but I'll pick out these two areas just as examples. One of them is the Pharmacare budget, and since 1990 the Pharmacare budget from 1990 until today is two-and-a-half times greater than it was at the start of the decade. And in this graph that you've got before you, you'll see that, that last year's growth was 16%, and in this particular graph, graph what they've done is they've taken last year's growth rate of 16% and, and used that number for the following years. And in fact these numbers have been refined a bit more, additionally looking at some of the demographic factors that are going to drive costs. And the, the correct reflection of the next couple of years is, is an increase in the Pharmacare budget of 16% this year, 17% the year after, and 18% the year after that. That's, again, all things being equal, it's if we continue on the status quo as we have it today.

BC's Pharmacare program is by far the richest and most generous in Canada, and I think Gary was talking about how a province that has had such bad economic performance also tends to have in many cases some of the most generous social programs. In BC, this, this chart that's here, in BC 42% of the drug costs in BC are paid for by the taxpayers, and this chart does not reflect just your prescriptions. This includes prescriptions, it includes over-the-counter and other medications that people can purchase without a prescription. So 42% of those costs in BC are paid for by the BC taxpayers, and I've included the other provinces by comparisons on this chart. You'll see that Alberta is at 29%, Saskatchewan and Manitoba at about 35%, Ontario is at 30% of the drug costs being covered by the taxpayers.

The next area that I wanted to draw your attention to is labour rates in BC, and pretty well across the board in health care, we have the highest if not, close to the highest if not the highest labour rates of any jurisdiction. You will recall last year, I think it was April of 2000, the then Finance Minister brought a report in showing the real cost of the zero-zero-two collective agreement increases that had been negotiated, and what that report showed was that in fact they were not zero, zero and two, there was actually an increase in the labour costs across the provincial government of \$1.3b. Well of that \$1.3b, \$700m was in the health budget alone.

And I have, I've included two charts just to give you some examples of what we're facing, and these are support workers. In, in one chart I've given you the residential care aides and in the other chart I've given you the wage rates for cooks for all provinces across Canada. But just to summarize that, in terms of support workers we are by far the highest in Canada when it comes to our wage rates, and in fact we are 32% higher than the Canadian average. And if you look at the second most generous province, if that's the right word, but the province that has the second highest labour rates for support workers in health care, we are 20% higher than that second province.

So when we start looking at the challenges that are before us, they are really quite huge. In the, the New Era Document that we've all I think tried to memorize verbatim by now, but we made the commitment that we were going to maintain a \$9.3b budget for health and that that budget would increase as the economy grows. What is clear to us is that we cannot continue to have health spending that is out of control and we have to rein that in. Treasury Board has made it very clear to us that we have to bring that health budget into line. And given that it is projected now at \$400m over budget that is not going to be an easy challenge for us, but we are going to live up to our commitments. We are not going to be cutting the health budget, and that's the commitment that we made and we will live up to that commitment, but clearly we cannot continue with business as usual.

The other thing as I mentioned at the start of my remarks is that the challenge is made even greater in that in the short-term there are very few levers at our disposal. When we start talking about this \$9.3b elephant that we have, that trying to bring it into control there are, there are a few very small leashes that we can use. And the ministry is now looking at a range of options that we will have to consider in the days and weeks to come, and we're starting to cost out what some of those changes will be in terms of the savings to this fiscal year's budget.

So I think the, the message that we have to get out is that, is that health spending is very much a zero sum game, so that every new program that we talk about, every additional dollar that's put into a wage rate in BC is a dollar that we have to find in the health budget somewhere else. So it's not a case of some, of some money tree that we can, that we can pick off of to add more dollars into the healthcare budget. The dollars are not there, so if we want the new programs that we want to bring in, some of the cost pressures in terms of wages are dollars that we have to find from within our health budget.

Since becoming a Minister of the Crown, I've been shocked at how little forward planning that has been done in the area of health care in BC, and I think the more we get into this the more I have come to appreciate the wisdom of establishing a separate Ministry of Health Planning because I've certainly come to appreciate how previous Health Ministers in the NDP government got so caught up in the crises of the day without really any ability to look forward and put in place some meaningful planning.

When we went through the restructuring of government a month and a half ago, a month ago, the intention was to take all of the planning functions out of the Ministry of Health Services and transfer those planning functions to the new Ministry of Health Planning. I was quite surprised to be advised by a senior official in the ministry that there was not one senior official in the ministry dedicated to forward planning, and it is no wonder that we have got into the mess that we're in today.

I don't want to leave this discussion in sort of an aura of doom and gloom, because I think with some proper forward planning, I believe that we can and we will deliver the kind of healthcare system that British Columbians expect and deserve, and on that note I'm going to turn this discussion over to Sindi Hawkins who I think hopefully can, can bring a bit more optimism to your day. Sindi?

Hon. G. Campbell: Sindi?

Hon. Sindi Hawkins: Thanks, Premier. Thanks, Colin. Well I think we can all see from Colin's presentation that the underlying pressures in the system didn't happen over night. It was ten years, at least ten years of under planning in health care, and I think after Colin and I have worked together for the last five weeks, and certainly sitting in this Legislature and traveling around the province over the last five years, there's no quick fix. And I think that quick fix approach that we saw over the last ten years doesn't work because it doesn't take into account the challenges, the forward planning, and it doesn't adequately address the pressures in the system. So we know we have to do things differently, and we know that we have to forward plan, and we know that we have to look at priorities. So I guess the good news is Colin and I have identified short-term priorities. The bad news is we have to yet pass them by Treasury Board or find them in our budget, but we do plan to do that.

I think, Premier, when we travelled around the province we saw first hand and we heard first hand what lack of planning was doing in different communities, and, and we heard about the shortages of nurses, doctors, physios, pharmacists, and the like. So what we decided, and we heard you say that the people are our best resource in this province; we heard you say that we

want our healthcare providers to feel good about working in BC, about coming to BC, and staying in BC. So we're committed in our New Era Document to a health human resources plan for ten years, and we've started working on that plan, and the first part of that plan that we identified as a priority is our nursing strategy. And we recognize that both patients and providers are concerned and they're quite frustrated about nursing shortages, so we're working on specific initiatives to provide patients and nurses with some immediate relief. And if you look at page 24 of our New Era Document, those are the benchmarks that we are following.

My ministry is working very hard with the Minister of Advanced Education. Shirley and I have weekly meetings now. Shirley does not like to see me in the hallway anymore, but I catch her. Well, Colin and I are working very closely with Shirley, with George Abbott who's the Minister Responsible for Immigration, and we are hoping to implement some very positive steps in the near future.

One of those steps is certainly over the last few years we've heard nurses tell us that they want to spend more time on patient care and less time on non-nursing duties. So the Minister of Advanced Education is looking at helping me find training spots so we can train some more LPNs, so we can train some more resident care aides. We're looking at adding resources that would give RNs more time at the bedside to do nursing care for more complicated patients so we can retain those nurses in our system. So we want to add more LPNs, we want to add non-nursing support staff like resident care aides, unit clerks, housekeeping aides, equipment aides, porters. These would be based on health authority needs.

Right now in BC we understand we have the lowest LPN, licensed practical nurse ratio to RN in the country, so we think it makes sense to add more LPNs to acute care so they can use their skills to help nurses, and then registered nurses can use their skills more effectively with patients. So that is one of the strategies that we are looking at.

We are also looking at getting those non-practising registered nurses that we know are out there back into the system, and we think that there's about 4,000 non-practising nurses. We don't have an actual number, but we are looking at ways to make it easier for those nurses to come back into the system. So again, I'm working with the Minister of Advanced Education to set up perhaps a bursary program for nurses interested in taking nursing refresher courses to get back in the system. Right now there's 360 spaces, they're fully subscribed, so we're looking at additional seats and we're hoping to get those set up as soon as we can find the money or convince Treasury Board. We know we have a significant shortage....

[Interjection]

Hon. Sindi Hawkins: Gary doesn't like to see me any more in the hallways either.

We're looking at specialty trained nurses as well. We know we have a significant shortage of critical-care trained nurses. Those are the ones that are working in emergencies, ICUs, operating rooms, labour and delivery, and the like. We know that 40% of our overtime is clocked in those areas. So again, we're looking at ways to fill some of those pressure gaps in those areas. I'm working with George Abbott, who is the Minister Responsible for Immigration.

We're seriously looking at offshore recruitment with our efforts focussed at recruiting nurses with those specialized skills.

We also know that we have to provide opportunities for our own nursing graduates and our own nurses to get those skills, and we know that recruiters from other countries – Americans – use that as a lure to, to get our nurses or attract our nurses to their countries. They say we will train you in ICU, or emergency, or those specialty areas, so we know that we have to offer those as well. Again, working with George and Shirley to try and provide incentives and programs to get those nurses trained.

Our goal, Premier, in the short-term is to provide support for patient care, to RNs working in acute care, so we will add non-nursing support staff like the LPNs. Well LPNs are licensed practical nurses. We'll add those. Non-nursing support staff would be the aides, the unit clerks, the porters. We want to provide opportunities for non-nursing or non-practising nurses to get back in the system. We will actively recruit offshore specialty nurses, and we are working with Shirley's ministry and George's ministry to, to do those things, to offer educational opportunity for specialty trained nurses so we can retain our registered nurses. And the nursing strategy is just a portion of what we're working at. We're also looking at some of the other areas where we're short. Certainly a physicians' strategy is underway. We're also looking at some of the other health professionals that we're short in. But these are straight out of the commitments we made, that we campaigned on, and that we have a mandate to fulfill. So that's what we're doing. Hopefully there is some silver lining in that dark cloud we had earlier.

Hon. G. Campbell: I've got a number of questions. I should just say that when we did the dialogue on healthcare tour around the province, it is amazing how standard the message was. Whether you lived in Cranbrook, or Terrace, or Fort St. John, or Burnaby, everyone said there was no health plan. There was no plan for human resources, there was no plan for capital plant, there was no plan for upgrading equipment. In fact, what we've discovered since is the plan was not to upgrade equipment. There was no plan for providing the technological opportunities that are there for tele-medicine to, to close the gap between where people are and where the service and expert providers were. So it is a, I mean, I think it's clear it is a staggering task that we have before us.

What I do think is important for everyone to note, that the immensity of that burden is not just shared in BC. This is a task that is across the country. It is a major, major problem we face. I think if you said to Canadians what's the most important service that we can provide to you, they would pick health care. The second might be education. They might reverse them in some cases, but those are two critical ones. The capacity of the federal government to raise dollars far outstrips the provincial government's ability to fund to raise dollars. So we've got this dislocation that's taking place between where the resources are and when the services, where the services are needed, and it's going to be a major, major thrust, I think, in strengthening not just the country but the healthcare system that we reallocate some of those resources to where people need them as patients. It's a challenge we face in BC, and I think if we can do it well here and set some examples here there may be other provinces that will follow suit and maybe we'll work with them. Pharmacare is a major issue in every province in the country. We're going to look at trying to combine those resources to make sure that we can hopefully

administer it far more effectively and cost-effectively for the patients that need it. I have a number of questions. Linda, Bill, Gordon Hogg, Gulzar, Sandy, and Lynn. Linda.

Hon. L. Reid: Thank you, Premier. Certainly the discussion of Gary Collins around the worst performing economy in the country, and I note from the charts that were presented that certainly we are, have some of the largest wage rates in the country. I would assume it follows that we also have some of the largest benefit packages in the country. So we can have that information provided to us in terms of at least the two categories you've presented, which are support staff and, and residential care aides, because I think that would figure into the discussion.

Hon. C. Hansen: Yes.

Hon. L. Reid: And my second comment is around providing choice to British Columbians, and certainly one of the avenues that has been slow to be pursued in this province has been around the issue of palliative care, yet the cost savings are enormous in terms of someone in a hospital bed point, Minister, you could provide us with some background as to how that might figure for both of you in, in the planning in terms of better choices for British Columbians, I would appreciate that.

Hon. C. Hansen: Maybe I'll speak quickly to the benefits issue, and then Sindi may want to address the, the issues of, of changes in terms of cost effectiveness in the future. But benefits, our benefit rates for healthcare workers in BC are, are the highest in Canada, and it's even in things like this, the nurses dispute that's going on now. They will typically focus in perhaps on the hourly wage where there might be a couple of cents variation with say Alberta, but I don't hear nurses in BC saying they would like to trade their benefit package in BC that's on the table today for the benefit package that's on the table in Alberta. So certainly, but certainly I'll get you more detail.

Hon. G. Campbell: Bill?

Hon. B. Barisoff: My question is the same as Linda's. Just basically on the same thing as the benefit package that, Colin, my concern is that might be an area that maybe the Ministry of Health will have to look at to find savings or whatever because you're right, when you look at the, the numbers of the, the \$35 an hour and \$32 an hour and pennies difference here and there, I think we have to have the comparison of what we're looking at with these benefit packages because in some cases I'm sure they're quite substantial.

Hon. C. Hansen: Yes, and I think we also have to be, recognize that these are collective agreements that are in place, and when I talk about the limited number of levers that we have at our disposal to rein in costs one of the, what we're faced with, one of the givens are the collective agreements that have already been signed. So we don't have much discretion in terms of, of how we can approach those challenges.

Hon. G. Campbell: Gordon Hogg.

Hon. G. Hogg: Thank you, Premier. Colin, there was reference made to the federal context, and we know that the federal government is entering into an elongated process to look at health care across the country. And in Gary's presentation earlier he made reference to the, to a number of provinces in terms of how we're performing with those other provinces, and you've highlighted the disparity with respect to wages. Has there also been an evaluation done of the percentage of spending in health care in other provinces as opposed to this province so we have another context to look at the delivery of healthcare services in as well as within the, the overall context federally? So that we, we hear these criticisms, the federal government pulled back and, in terms of the healthcare funding, and I'm wondering how much of this, this projection on this graph is reflective of perhaps federal participation and how we compare with other provinces when we tie that in. So you've, you've highlighted one of those which is the wages disparity. I'm wondering if there are others within that where we would see, when we compare ourselves to other provinces and federally, to see ourselves differently.

Hon. C. Hansen: I believe, and I, I don't have those numbers with me today, but I have seen comparisons with other provinces in terms of the percentage of the health budget or the percentage of the budget spent on health, and BC is, may be the highest in, with that 39%. If not, it's certainly close to it. I think it is the highest. But the other number that I do know is that BC, when you start looking at spending per capita on, public spending per capita on health care, BC now ranks about number three in, across Canada. But I think when you start looking at the, the ability of the province to, to actually deliver good patient care, certainly the dollars spent do not reflect the service that's provided, that simply not enough dollars are getting to enhancing patient care out of these increasing budgets.

Hon. G. Campbell: Gordon?

Hon. G. Hogg: I just want to follow up on that, Colin. Is, is there any way that, that is seen as a, as a, a systematic way of looking at how, how the dollars actually reach what you're referring to in terms of patient care? Is there any kind of system of saying yes, here's what percentage makes it or here's what is focussed actually on patient care? Is that type of analysis done, and how do we compare that way?

Hon. C. Hansen: It, there is a lot of work being done. In fact, Sindi may want to comment on this particular aspect of it because there is a lot of focus across Canada on outcomes and, and health indicators. You know, basically in Canada we have a very good healthcare system, and in BC we have a good healthcare system when you get into it. Like we have huge challenges when it comes to accessing the system, and I think we hear about those every day on the six o'clock news. But if you start looking at life expectancy, for example, you know, Canada fairs very well and BC fairs better than average in Canada. But Sindi, you may want to comment on that aspect of, of looking at sort of outcome measures, because I know that's stuff you're working on.

Hon. S. Hawkins: Yeah, that's definitely stuff we're working on. That's, we will put in measures, Gordy, in our directions when we set up our instructions to the regional authorities

and how they measure outcomes that we will be looking at where they're targeting the spending. I think the other interesting thing maybe you didn't ask is when we look across other provinces, like we can look at, at per patient spending but it would be interesting to see how, where they put the money and how they break it out. What are labour costs, what are acute care costs, what are, I mean, that would be interesting to me because the numbers that Colin gave us are just astounding, what we spend just on labour in our healthcare budget. And when I'm looking at programs to try and address some of the challenges there are fixed costs that we have absolutely no flexibility in. We, if we want to add these other positions, we still have to address that labour cost attached to it, and again it puts pressure on the budget again. So we are looking at those numbers, and we will try and find ways to see that or to measure that the services and the money are actually targeting patient services.

Hon. G. Campbell: I want to be careful here. There are other areas as well as labour that are extensive costs. The way we've managed our capital plan in health care is nothing, well, you can't even describe it. It is such, it's so wasteful and so incredibly thoughtless that it makes me upset. But aside from that, it's, I think we do have to remember this, that we are going from a situation that has been unmanaged, unaccountable, and non-performing to what we hope will be a planned system that is well managed and accountable, and that transition is going to require resources or we're going to have a whole bunch of stuff fall between the cracks. So we're going to maintain our commitment of the \$9.3b and it's going to be important that we do that. It's also going to be important that we think about where we want to get, and not just in next year but in ten years, because when we're talking about palliative care for example, Linda, I mean, we know that there has been, you know, frankly a reduction in the number of intermediate, long-term, and home-care services that are available. We know there's huge savings in that, but you know what? We knew that in 1990. That wasn't a surprise thing that we found out, that's something that every jurisdiction has known. We just haven't been able to break out of the box of the past and say let's do something that actually gives people the care that they need.

I've got Gulzar, Sandy, Lynn, Greg, and Rich.

Hon. G. Cheema: Thank you, Premier. I just wanted to put in for something that Mr. Hanson has said. I think we are in a sort of a crisis with the, if we have to pay more than \$800m. Even with the \$9.3b, some of the services what we are getting now, I think people and patients should understand that some of the money is not going for the direct patient care, it's going into other services. And as long as we can tell them, we can teach them that the fundamental changes has to be made. And my question to Colin is that we should look at other provinces and compare how we are spending money and also what services are being covered by other provinces. And if we are covering more services, why we are covering? Are we getting the benefit of covering those services? My, the second, my question is in terms of the Pharmacare. Pharmacare is the one area where we can have savings within a month or within two months. I think we should examine the whole process, how the, how the drugs are being put in place, why we are spending money on that, and that will save us hundreds of millions of dollars not for this year but years to come. But again, I think our patients and our public must understand that the money should be going to them, not for other services. And I think people outside the system, they think that all the money is going for the nurses and for the doctors

and for the other services, but if you look at all the charts it's going in many places where some of the people who are working in the laundry or housekeeping, they are getting very well paid. I'm not saying they shouldn't be getting paid, but people should know that their taxpayer, their tax money is not going for direct patient care. So I will ask Colin to comment on this.

Hon. C. Hansen: Thank you, Gulzar.

Hon. G. Campbell: The question was: "Don't you agree?"

Hon. C. Hansen: With regard to other provinces, there is good collaboration and sharing of, of information between provinces, and I know at the Premiers' Conference that's coming up there will be a focus on health care for certain parts of that, and, and, and an effort to share best practices. To do the comparisons from province to province, but also to look at ways that we can collaborate with other provinces to save money. There's a whole bunch of things that we do in health care in BC that every province across Canada goes through the same kind of exercise, and there's ways that we can, we can save dollars by that kind of collaboration and I know that that's going to be discussed at that time. And certainly, you know, what you're going through right now, it's not just Pharmacare. We're looking at, at all aspects in terms of the health budget to look at how our programs compare to other provinces and to look at areas that we may be able to get more cost effectiveness within the budget that's there.

Hon. G. Campbell: Sandy, Lynn and Greg.

Hon. S. Santori: First of all, I'd like to begin by saying it's encouraging to see that there is a plan in place to deal with the immediate shortage of nurses. A question, and maybe this may be more directed to Shirley than, than to Sindi. I was considering something given, and I don't know if this would be a mid-term or short-term or maybe all three terms solution, but has any consideration been given in terms of the length of time that a student needs to complete being a nurse? I believe it's two years, to shorten it down to a one-year term, put that person into the workforce that much quicker. Oh, you've already....

Hon. S. Santori: ...And provide on-the-job training and then enhance their skills as time progresses just to get more nurses, especially BC students who want to get into the nursing field, and that in itself may encourage more students from BC wanting to pursue that career.

Hon. G. Campbell: Sindi, then Shirley.

Hon. S. Hawkins: I'll start, and then Shirley can correct me if I'm wrong. Yeah, wrap it up. I assume you're talking about registered nurses, RNs.

Hon. S. Santori: Yes.

Hon. S. Hawkins: The entry to practice now is a Bachelor of Nursing or Bachelor of Science in

Nursing. It's four years. So what I understand is the door is shut now for diploma nurses entering university this fall, college or university this fall, and that is based on licensure and meeting competencies to get your licence to practice as an RN. And that is a policy decision that was taken at the national and provincial level, and unfortunately as much as Shirley and I would like to see that door kept open just a little bit longer to meet our nursing shortage, and I will ask Shirley if she's, if she's gotten any update on that, but I understand that door is shut and shutting fast for this fall. So a nursing student that enters this fall is now strictly on a Bachelors of Nursing stream and no more diploma nurses will be trained after this September.

Hon. S. Bond: Well to be honest with you, Sandy, that's one of the areas of frustration that we have felt, and, and Sindi and I and our staff have spent a considerable amount of time dealing with this issue. We actually met two days ago about that very thing because they're, in talking to nurses many of them are concerned about the diploma program. So I just want to assure you that while we, the door is closing, we actually decided to leave it on our agenda for one more week to send our staff away one more time to begin -- we've had some very significant discussions, it's around licensure, it's around a number of very complex issues, but I want to assure you that your concerns are echoed by many people and we are continuing to have that dialogue. It is a problem, it, the situation is similar across Canada. We're, we're one of the last in essence to deal with the door closing. So we are still discussing it, Sandy, and we will continue to do that. We still have it on our agenda.

Hon. G. Campbell: Lynn and then Greg.

Hon. L. Stephens: Thank you, Mr. Premier. Earlier Gary talked about the fiscal reality of the province, and it's very clear that competitiveness and productivity are the critical factors to get the economy moving again. So Colin and Sindi in health care, what will the impacts be of the new contract negotiations that are underway? What will those impacts be on your health budgets, and also in terms of increasing competitiveness and productivity in health care both in terms of services and planning?

Hon. C. Hansen: The negotiations that are underway right now with the Nurses' Union and the Health Sciences Association, when I talk about the cost pressures and the budget overruns that are projected, that includes what we know today on the table. And, and I think as, as Gary has said many times, that there is no more money. And so I think, you know, when we start seeing public's reaction that sort of says well, you know, just pay the nurses what they're asking, I think what the public have to understand is that every dollar that would be added is a dollar that we would have to take somewhere else out of the health care budget. So it is a zero sum game.

Hon. G. Campbell: Sindi?

Hon. S. Hawkins: Thanks, Lynn. We did meet with the nurses and we talked about planning, and the reason I was there was to talk about the non-negotiation issues. The stuff that I presented today, we, when we met with the Nurses' Union we asked them to come and work with us, that we want, we, you know, we wanted to build partnerships, that this was a genuine request on our part to come to some solutions on the non-nursing types of workload issues,

the crisis in finding speciality trained nurses, and working to find the kind of support that the nurses need to do their job in acute care. And at the time, I think it was four days after we were sworn in, it was our first meeting, and in follow-up meetings they decided not to do that, but we've gone ahead. So this is the planning that's come out of the last five weeks of trying to identify some of the pressures and get to them as quickly as we can with, with some sort of a plan to address it.

Hon. G. Campbell: There are non-negotiation issues that are, are very important Too, not just the long-term plan but to creating an environment where nurses can nurse, where physiotherapists can be physiotherapists, etc., and training is a huge one in terms of upgrading skills and providing people who want to come back into the workforce, but also those who are in the workforce, giving them the skills to be an ICU nurse, or an emergency nurse, or an operating room nurse, etc. Those are, are big issues that have been identified, but they also have a price tag with them. Finally, Greg.

Hon. G. Halsey-Brandt: Thank you, Premier. It, my question is, is much similar to the, to Sandy's because I get this question all the time when I'm out in my constituency and it's really to Minister Hawkins. So what you're saying is this fall will be the last of diplomas, the last of the two-year program? It will be a four-year to be an RN. Is there any sort of I would say lesser qualifications or any other type of nursing that still someone can do in two years? Because people I guess remember the good old days, whenever those were, when you could go to nursing school for two years and they can't understand why we can't, why we can't do that anymore.

Hon. S. Hawkins: Oh sure, date me, Greg.

Hon. G. Halsey-Brandt: I'm dating myself.

Hon. S. Hawkins: I did my diploma over twenty years ago. I did do the two-year nursing diploma and then I laddered up to a degree. There was a very distinct decision taken that entry to practice would be a Bachelor of Nursing for a registered nurse. And as Shirley pointed out, we are one of the last provinces to leave that door open. Shirley's still fighting hard, and our, our staff are still talking to the licensing body, and it's about meeting competencies. And I guess if we could show them a program that would do that, they might consider it, but they are telling us it is four years. And we are struggling with that in the face of the nursing shortage that we face, and it is frustrating and we are trying to understand it. But I think we have to make sure that this is about providing good, qualified people to patients in BC, and we want to make sure that the public gets the best qualified nurse, and we have to respect our licensing bodies when they tell us that this is what it will take to meet those competencies. So I don't want to put out or ask the licensing body to compromise their qualifications, and that is not what we're trying to do. We're trying to see if there's a way of getting the nurse program out to meet the needs of our patients, but it looks like we will be struggling to try and keep that diploma nursing program.

Hon. G. Halsey-Brandt: I certainly agree. I think the, I think we would react or the public would react that there's different types of nursing needs, depending on the types of patients,

you know, in terms of long-term care or home care.

Hon. S. Hawkins: Shirley and I are working really hard to identify licensed practical nurse positions so that, that we, they are trained in one year. So those are the kinds of nurses that we are going to add to the acute care setting to support our registered nurses. But they are, we are critically short of RNs and we are looking at ways, either the refresher, or offshore recruitment, or Shirley's also worked very, very hard in identifying spaces for, for nurses training in the degree programs, and she's done, her staff has just done an incredible job trying to find capacity. We have to find funding yet.

Hon. G. Campbell: Colin?

Hon. G. Halsey-Brandt: Thank you.

Hon. C. Hansen: If I can just quickly add to Sindi's comments. The, the move from diploma to baccalaureate nurses or RNs is not, is not a self-serving thing. It's, the complexity of health care has increased hugely, I don't know how many fold over, since the good old days as...

Hon. S. Hawkins: Lots.

Hon. C. Hansen: ...as you referred to, and nurses today are required to understand and use technology that simply didn't exist ten years ago. So the complexity of the job that the nurse is facing has changed dramatically and that's why it's going to, the, the training, the education programs are, need to be more extensive.

Hon. G. Halsey-Brandt: Thank you.

Hon. G. Campbell: I've got one last question. Graham?

Hon. G. Bruce: Sindi, at any one time how many nurses are training? How many are in the educational system? Do we know?

Hon. S. Hawkins: Yeah, sure, ask me that. I have the numbers. Shirley?

Hon. S. Bond: It, I think it's about, the total number that we hope to put back into the workforce over about a five-year period is about seventeen hundred. So we have numbers, as you can imagine, we have a four-year program for...

Hon. G. Bruce: Right.

Hon. S. Bond: ...most. So you multiply that, and we are adding a significant number of spaces. We're adding over four hundred in, in the next coming year, and we're also looking at trying to find additional capacity in the short-term. That is not a simple situation either, and I can't say it enough. And when I listen to my colleagues, the sense of frustration. This is a problem that's been created over a significant period of time, and we're now charged with the responsibility of trying to fix it instantly and it isn't an instant fix, and it's so complex because of

all of the layers. So my task has been trying to push the capacity to its maximum. We have institutional issues with that because there's lab facilities that have not been built, there have, there's just layers and layers of problems. So at the moment, we are adding four hundred and, four hundred plus seats this coming academic year, and my task is to try to increase that if it's possible. But Sindi made, you know, the point. I can work to do that, but there's a dollar attachment to that, and it is a very expensive proposition even at the number of seats I'm looking at in terms of some sort of expediting of those. It's millions, so...

Hon. G. Bruce: What, if I may, what percentage or number of that seventeen hundred that are in a training period, one to four years, do we bring into the hospital in the period of time that they are not in course?

Hon. S. Hawkins: Are, are you talking about the actual program, Graham? How much practical training do they get in hospital?

Hon. G. Bruce: Well I, I, I guess what I'm actually asking is they, they would go to school approximately eight months of the year and then have a four-month window would they or not?

Hon. S. Hawkins: Yeah, if you're in the degree program,...

Hon. G. Bruce: Yeah.

Hon. S. Hawkins: ...I think it is, it's, it's a university year.

Hon. G. Bruce: And that would be about seventeen hundred people in that degree period, in that degree, in the degree courses.

Hon. S. Bond: Over the course of over the course of four years.

Hon. G. Bruce: I'm just wondering....

Hon. S. Bond: That's how many will, will....

Hon. S. Hawkins: Yeah.

Hon. G. Campbell: That's an additional amount.

Hon. S. Bond: Right.

Hon. G. Bruce: Okay. I just....

Hon. G. Campbell: The seventeen hundred is additional to what there is there now.

Hon. S. Bond: Exactly, yeah.

Hon. G. Bruce: Okay. So of that total number, I just wondered was there not any opportunity

that these people, as they're students, as they're going through their training, could be utilized in the hospital system as, as a nurse in training while we get our numbers back up or is that something you're already looking at?

Hon. S. Hawkins: I you know what, Graham. Now again, I'm aging myself. I worked as a student nurse in the summers. Is that what you're asking for? If, when I was training,...

Hon. G. Bruce: I don't want to go back to work as a student nurse.

Hon. S. Hawkins: I think there are positions that are created for....

Hon. G. Campbell: What he's asking is of the seventeen hundred, do we have a program that does everything we can to get those seventeen hundred working in the hospitals and getting experience for when they go back to the course the next year. I think that's....

Hon. G. Bruce: That's basically it. I mean, those students aren't....

Hon. G. Campbell: "Do we do that?" is the question.

Hon. G. Bruce: Yeah.

Hon. S. Hawkins: Well I think we, well maybe Colin can answer it. If not, I'll do the numbers you want and some of that information.

Hon. G. Bruce: Okay.

Hon. S. Hawkins: I'll get that out to cabinet.

Hon. G. Campbell: Colin?

Hon. C. Hansen: There's, there's actually three comments here. One of the things that has been developed is a, is a summer job program...

Hon. S. Hawkins: Yeah.

Hon. C. Hansen: ...for nurses in training, which has been put together with the cooperation of the Nurses' Union and, and that is certainly a, an invaluable work experience for a student nurse. The other thing is, is that nurses in training do go through on-the-job experience in the hospitals, and it's something a lot of people feel should be expanded because, so that, that nurses actually when they get their license have more extensive clinical experience. And the third thing that is being looked at is co-op education opportunities in the future. We have co-op education in all kinds of fields of post-secondary education but not in nursing, and yet nursing is one that would lend itself to that very nicely.

Hon. G. Campbell: Thanks. I just want to say, close with a couple of things. First, one of the things that you, you recognize when you, you just sort of spend the time to find out what's

happened and how we got here is that virtually everything that we're dealing with today is a result of a deliberate public policy decision some time over the last ten to fifteen years. To give you an example, if you go to Terrace, they'll tell you that they used to train twenty nurses at Northwest Community College. That program was closed down because there was a decision made that we were only going to have RNs training out of UNBC. We lost twenty nurses from Northwest Community College. Last year they graduated seven nurses from UNBC, and it takes a long time to build that capacity back up not just, not just because of classrooms, but because of teachers, because of labs, because of experience, because of mentorships, etc, there's a huge sort of lead time in building that. So that's the first thing, and I think that the one encouraging point from that is if public policy got us here, public policy can get us out of here, and that's I think important for us to remember as we try and get outside the box and think what people expect.

The second thing is there is currently a Romanow commission. I'm not sure what the title is, I call it the Romanow commission, which is a federal commission that is examining health care in Canada. There's also a senate committee that examines, is examining health care in Canada. One of the questions that Mr. Romanow is asking is, is our healthcare system sustainable. I think we know the answer to that. It is not sustainable if we keep doing everything we're doing today. Within fifteen years, virtually all of the dollars that are spent by the provinces and by Canada will be spent on health care and that's not sustainable I don't think. We do know there's huge demand for nursing positions, there's lots of demand for licensed practical nursing positions, there's lots of demand for physicians positions, there's demand for pharmacy positions, there's demand for physiotherapy positions. We have a huge task ahead of us in figuring out how we can unite our resources or really different, to put it differently, use the tax dollars that people send in to governments to make sure that we are responding in a constructive way to the services and creating the services that they need, and they want, and their top priorities are. And I think that the challenge that Colin lays out, when you lay that challenge out with the challenges that Gary lays out we clearly have an enormous task ahead of us and I don't think anyone should believe that it will be simple. I think it's doable, but it's going to take an awful lot of work and an awful lot of I think thoughtfulness in terms of how we can make sure we don't just maintain health care but we improve it from what people are, are feeling, they're experiencing in BC right now. Okay, the next item on the agenda is the Nisga'a Highway – Judith.

Hon. J. Reid: Thank you, Mr. Premier. I'm going to have to get you to turn your attention from health to highways. A bit of a shift here, because I am asking for a decision today from cabinet. I am seeking approval to increase the budget for a highway project, the Nisga'a Highway Upgrade Project from the current budget of \$41m. I want to, before I go into the presentation, I want to let you know that I'm not asking on behalf of the ministry for new funding here. I believe that we can find the efficiencies for the, to make up the funding for this project within the ministry. I believe that there are some surpluses that we can utilize here, and that we have a number of years to be able to do this in. So I am confident that I am going to be able to do that within the ministry, so I'm not asking for an increase in or new funds for this project from outside the ministry.

Just as our previous discussion came about because of the actions of the past government, I

have to let you know that the reason this one is coming before you today is also because of some practices of the previous government. The Nisga'a Highway Upgrade Project came about because of a desire from the previous government to see the Nisga'a Treaty settled and settled quickly, and a side agreement was made with that treaty and the side agreement was to upgrade the Nisga'a Highway. That side agreement for the Nisga'a Highway, instead of going through the usual project management practices that would require the engineering studies to devise a budget for this, a budget number was provided for the project of \$41m and that was to be over a seven-year time frame. We have found now that we are into the third year that those budget figures are not realistic and the project will not be able to be completed for that \$41m.

The previous government this past spring approached the Nisga'a people and told them that the highway would not be able to be completed for that amount, and suggested that they wanted to substitute seal coating for the paving in the agreement. The Nisga'a rejected that proposal, and so after I took on this portfolio I was contacted by the Nisga'a and met with them, and they told me the history of this project and provided me with the agreement that had been signed and the intent behind that agreement. That agreement I took to the Ministry of the Attorney General, and the ministry agreed that indeed in the signed agreement with the province that paving does indeed mean paving. So we have a situation then where in order to fulfill and honour that agreement, we're going to have to look at increased costs to assign to this project.

Then I have taken this proposal to Treasury Board to ask for their opinion and the recommendation to allow us to put the extra funds towards this project, and that recommendation is before you. And the recommendation from Treasury Board is that the Ministry of Transportation would continue to meet the specifications for upgrading the highway as laid out in the agreement between the BCTFA and the Nisga'a Nation, and that does include the section to Nass Camp, and that as well the ministry would be looking to realize those expenses within its own existing capital plan, and that the ministry would also seek to realize cost-savings through discussions with the Nisga'a Nation who have in our meeting indicated that they would work within the agreement to find out if there are further ways to be able to reduce costs, and they were quite agreeable to work within the existing agreement. So the conclusion of Treasury Board is that we would look for any ways to be able to reduce costs, but that we would seek approval today that we would find the extra funds, apply them to this project, and complete the Nisga'a Highway per the original agreement, and that's what I'm asking from you today.

Hon. G. Campbell: I want just to say one quick thing. This is clearly not a problem that was created by the Nisga'a Nation. In fact, they've been trying to help the province solve it. It is a problem that was created by the previous government because they didn't properly fund or even properly think of managing or estimating the cost of what the Nisga'a Highway would be. Now this is the second open cabinet meeting, this is the second time that I will say this. I think we have an obligation to live up to the commitments that are made between the government and others, whether it's the Nisga'a or the national government. So I understand this recommendation to be quite straight forward. We will live up to the terms of our agreement, we

will work with the Nisga'a to try and make sure we're doing that as cost effectively as possible, and you will find the funds to complete that commitment within your budget. Is that correct?

Hon. J. Reid: That's correct.

Hon. G. Campbell: I think that was a great report.

Hon. G. Campbell: All in favour? Okay, that's good. The next item on the agenda is open and fair procurement. Minister Santori, Sandy?

Hon. S. Santori: Thank you, Mr. Premier. I bring before cabinet this morning a proposal that will respond to the commitment of this government, and this is one to restore open tendering on government contracts to allow fair competition for businesses and to provide better value to taxpayers. The need for a more open and fair tendering process was in fact identified in the Auditor General's report of March of 2001, where it was stated that four of my five ministries reviewed, and I quote, were not awarding the majority of their management consulting contracts in a fair and open manner.

During the first ninety days in office we have identified several barriers to open tendering, and the following proposal will ensure that the process of eliminating them continues. In addressing the concerns around open tendering, this proposal also meets three other ninety-day commitments made to taxpayers that will allow government to achieve its goals and it will respond to the direction given by British Columbians.

The Minister of Management Services proposes the following eight actions to cabinet. One is to continue the wind up of the HCL to eliminate the barriers to open tendering on highway construction; to repeal the Scales Development and Fair Wage Act, which prescribes the wages that must be paid on construction projects over \$250,000; to terminate the Community Social Services Successorship Accord, which requires organizations to assume predecessor union agreements and staff; immediately terminate the Policy Accord on Government Training Expenditures, which directs public-sector training business to public-sector institutions; and in the year 2002-2003 to eliminate the so-called college envelope that direct training funds from the Ministry of Human Resources to the public post-secondary sector. This is the \$7m that was from the Ministry of Human Resources to provide training. This does not affect the programs, this is just the \$7m will remain with the Ministry of Human Resources to do training by public tender and open process. To immediately consolidate the posting of the government bids on a single bid site, that being BC Bid, and this fulfills the ninety-day New Era commitment to use online procurement technology to save costs and to maximize taxpayers' value for money on all major government purchases; to extend the procurement provisions of the Agreement on Internal Trade to include Crown Corporations and MASSH sectors to reduce interprovincial trade barriers. In terms of timing with respect to MASSH corporations it would, it would appear that March 2002 would be a fair implementation date of that, only because of the process and the communications that we do have to relay to municipalities, etc. And we would like to immediately develop benchmarks for measuring the success and the compliance of these and any other future initiatives, and to identify required training and education for employees, and

begin a process to identify procurement legislation and related policy which will require modernization beyond our ninety-day period.

In moving forward with this proposal the BC government already has a good structure in place to support the restoration of fair and open competition which would include a Treasury Board policy framework that clearly requires open and fair tendering. We do have a web site and other web sites for electronic advertisement of public-sector tenders, and the Purchasing Commission which is committed to fair and open access, and legislation is in place that requires public tendering for highways construction.

My ministry and I personally believe that it is imperative that we implement those initiatives if we truly want open tendering, and fairness, in giving everyone an opportunity in this province to bid on government contracts, and furthermore to save the taxpayers of BC considerable money, which will allow Sindi and company more money for their health care. But having said that, I think we need to take a commonsense approach in this, and we are not proceeding to meet our goal of open tendering at the cost of eliminating appropriate options. There's obviously going to be times when direct awards are going to be given. Those would include such things as confidential work, the existence of one qualified source, emergencies – we're not going to go out to tender to fight a forest fire if there's one burning as we speak – and some of the community social contracts.

So there is an efficiency limit to open tendering where costs exceed the benefits, and this too was recognized by the Auditor General's Report on Management Consulting Contracts. So we have to be cognizant that we are not going to go out for those type of jobs that are not economically feasible to do so. These factors are considerations as we work to restore the open tendering. And we will ensure that, and I quote, “rare occasions when absolutely necessary for the public good, direct award of certain contracts can take place.”

In terms of the impact, we anticipate that the government will realize significant savings by restoring open public tendering, but this is a complicated issue and reasonable estimates of the fiscal results will take some time to develop and will only be fully known after the open tendering process has been restored. In the short term, these measures clearly affirm our commitment to fairness and that of competition, and I believe that they show again our determination to the people of this province that we will in fact follow through with all of our commitments.

Hon. G. Campbell: Questions? Thanks, Sandy. I have a number of questions. First I'd just like to point out the Auditor General's report of March of 2001. The Auditor General said this, and I quote this: The four out of five Ministries reviewed, “80% of the Ministries were not awarding the majority of their management consulting contracts in a fair and open manner.” That is a standard we do not intend to follow. We will be following through with fair and open tendering. In the first quarter of 2001 a hundred and three notices of direct award by Ministries were done for a total cost of \$25m in spending.

The thrust of what we have said in the ninety-day agenda and throughout the campaign have been highlighted here, but I do want to review them: restore open tendering on government

contracts to allow fair competition for business and provide better value to taxpayer; repeal the fixed wage legislation that's added huge costs to taxpayers on public construction projects; eliminate the HCL union-only hiring hall requirement on highway construction projects and government-sponsored silviculture contracts; and use on-line procurement technology to save costs and maximize the taxpayers' value for money on all major government purchases. Those were all things that were, that we committed ourselves to during the election. So as I understand this, this is an effort to move forward with this. I have a number of questions, and then I have a couple of comments to make at the end with regard to the recommendations. George Abbott, followed by Sindi Hawkins, followed by Rick Thorpe.

Hon. G. Abbott: Thank you, Premier. And I just wanted to make a couple of comments in support of Sandy's proposals. I think it's important to remember that, that this isn't just important to government, it's important to people in the communities in BC as well. And while we may want to focus on, on the extra costs involved, it's important to remember I think that, that these provisions that Sandy's moved to, to get rid of are, have affected adversely local, local economies in a number of ways. The HCL in particular has been a very big issue in my constituency of Shuswap, has been a very big issue with the local contractors, particularly highway contractors, their truck drivers, their employees, and so on. One of the things we'll hear in the wake of this is that HCL protected local contractors and local workers, and that's just absolutely untrue and complete doublespeak. When HCL was imposed on the, on the CCR section of the Trans Canada Highway, Cache Creek to the Rockies, it literally robbed small contractors in Sicamous, in Salmon Arm of employment on the highway that they had come to expect and in many ways depend on over the years. So I can tell you they're, they'll be celebrating today, because this gives them an opportunity to be involved in highways work again. It gives them an opportunity to manage their own costs and their own crews once again. So they will be celebrating that with us and we shouldn't forget about those folks.

Hon. G. Campbell: Okay. Sindi.

Hon. S. Hawkins: Thank you, Premier. Sandy, I'm glad you brought this by as quickly as you did. It took a lot of work and, and I think it's excellent that we can get it out quickly. I was following the bullets, it's just a point of clarification, and I don't know if I heard the fourth bullet. It's....

Hon. S. Santori: I just....

Hon. S. Hawkins: I didn't, but I want to hear it.

Hon. S. Santori: My apologies, and that is to terminate as quickly as possible the New Forest Opportunities Ltd. Program which applies HCL type provisions on silviculture and land-based forestry contracts in coastal BC.

Hon. S. Hawkins: Thank you. I wanted to make sure we were still keeping that...

Hon. S. Santori: My apologies.

Hon. S. Hawkins: ...in this presentation.

Hon. G. Campbell: Rick?

Hon. R. Thorpe: Thank you, Mr. Premier. Sandy, I want to add my support to the actions that you're bringing forward here to, for approval. As a province we're committed to free trade, and, you know, if we're committed to international free trade, then we have to be prepared to participate in internal trade agreements. It's interesting that BC is the only province that has not signed on to the MASSH annex procurement obligations of 1999. So yes, there will be some transitions. I'm very confident with the staff in my ministry that we can work through all those and have that fully in place by March 31st of 2002, and I want to thank you for your lead on this.

Hon. G. Campbell: Thanks. Greg?

Hon. G. Halsey-Brandt: Thank you, Premier. I just, Sandy, I think the timing is, is great. Obviously we have the Premiers Conference coming up in a couple of weeks so this is a good news announcement on the agreement on internal trade. Just I know that the MASSH sector was I think opposed to this, a couple, two or three years ago I guess, and you've certainly addressed most of their concerns. Although I do know with a, George, you've probably got a hundred and eighty municipalities out there, a whole bunch of school boards, social service agencies, so I would hope that there will be some assistance to them, because their level of technology is over a broad scale depending on the size of the institution. That there will be some help to them either to go on Bid BC or some other electronic network to help them get into the system because I know that was their resistance before. They just didn't have the capacity to go on-line to send out bids across Canada for some of the size of these institutions which are, which are fairly small. So I would hope that between now and March of 2002 we will give them the technical support to meet the expectations that we have of them.

Hon. S. Santori: Okay. There will be a consultation process with municipalities and I would assume also the UBCM in general to, to look at the, at ways in which they may impede their way of doing business and we can deal with that. I would like to think though by 2002, that once we link all of British Columbia through the Internet access, that that in itself with that project will assist municipalities to get access and to put their, their big proposals on line. Realizing that there may be some rural areas with some difficulty, I think we can work together with municipalities and the UBCM to deal with those issues.

Hon. G. Campbell: I'd just like to be clear on two of these things. The first one is this. I think that there, there's a recommendation that we extend procurement provisions of the agreement on internal trade to Crown Corporations. I, we are directly able to do that and we will do that. I think in terms of municipalities, institutions, the schools, etc. we should actually phrase this a little differently. So what I'm going to suggest is that we, we add the words "consult with municipalities da-da-da-da" on how we can implement this over a period, you know, and let them even talk about how and when they can do it in a thoughtful and a sensible way. I think that's a, that will be more constructive than just trying to impose it on them. So I would suggest that we, that we add that if that's all right. Does anyone have any trouble with that? Rick?

Hon. R. Thorpe: As long as, I, I would still suggest we have a target date for having it in place.

Hon. G. Campbell: Well we, we will still have a target date of 2002, but if they, if they come back March 31st, 2002, if they come back and say look, we can't do it in that time frame, we're moving in that direction, we'd like to work with you to do this and we'll do it by June the 30th, that's okay with me. I just think...

Hon. R. Thorpe: Um-hmm.

Hon. G. Campbell: ...that is about...

Hon. R. Thorpe: Okay.

Hon. G. Campbell: ...working with them to, to implement the program, we should say that so that it's not...

Hon. R. Thorpe: Yeah.

Hon. G. Campbell: ...imposed on them.

Hon. R. Thorpe: My point, my point, Premier, is just to make sure we have that target date.

Hon. G. Campbell: Yeah. Okay. Is that all right with you, Joy? The second point is on the, there is a clause here, a recommendation, the third recommendation, that we terminate the Community Social Services Successorship Accord. There's two things I want to point out about that. Number one, it's an accord. It is not a contractual agreement, it is an accord. But the second thing is, as you point out in your report, it's not a, it's not sort of simply a matter of saying let's do this. So what I would like to change the wording of that as well to say, pursue the termination of the Community Social Services Successorship Accord. I think that that's going to, you know, it's going to require some, some more work. We're going to have to understand what we're doing and how we do it, and I think that that makes, that is a sensible direction for us to go in so we at least understand how we do it. Okay, if that, if you don't have any trouble with it.

Hon. S. Santori: Not at all.

Hon. G. Campbell: Does anyone have any concerns with that? Kevin? You're allowed to have concerns about it.

Hon. K. Falcon: Well no, I, it seems to me a fairly straightforward suggestion...

Hon. G. Campbell: Right.

Hon. K. Falcon: ...so I'm just understanding what, what we mean by pursue. Just....

Hon. G. Campbell: Our goal is, is to terminate it, but we want to do this in consultation and working with those people. They are providing services. We have to be aware, number one, of what it is, how we do it, when it will happen, and I think it's a sensible sort of, it's really basically a process discussion of this is how we're going to pursue that over a period of time. Our goals are clear with regard to it.

Hon. G. Campbell: I saw, Geoff and Joyce.

Hon. G. Plant: Well I just want to follow up on that small point. It seems to me that we would want to implement that commitment in a way that did not violate the basic law that already exists around successorships. So I think it's just the words proposed I think just make sure that we're thoughtful about how we implement the general initiative.

Hon. G. Campbell: Yeah.

Hon. G. Plant: In a way that Graham Bruce's ministry would find acceptable I hope.

Hon. S. Santori: I apologize for the termination that may be used in the context. There was no intent to take a hammer approach on any of these, and that we would work in collaboration with them. But I think we also have to be very clear...

Hon. G. Campbell: What our goal is.

Hon. S. Santori: ...and not kid ourselves of what our intent is...

Hon. G. Campbell: Yeah.

Hon. S. Santori: ..and we are going to do it.

Hon. G. Campbell: Right. Joyce?

Hon. J. Murray: I have a question about item number four on page five, and that's the New Forest Opportunities Program. Just, I just....

Hon. G. Campbell: Joyce, just one second here. We'll try to deal with this. I want to be sure that you can speak to this issue.

Hon. J. Murray: Okay. It's about the First Nations training, so,...

Hon. G. Campbell: Okay.

Hon. J. Murray: ...so perhaps I shouldn't.

Hon. S. Santori: No, I don't have a....

Hon. G. Campbell: I don't know what the situation is, so I think it would be better if you didn't

actually.

Hon. J. Murray: Okay.

Hon. G. Campbell: Okay? Stan?

Hon. S. Hagen: I don't mind you asking that question because I think, I think it's an important one, and it has to do with the First Nations Training in Silva Culture Program. And I hope that that's going to be picked up in the Ministry of Forests, because it's, it's, it's very significant, particularly in the central coast.

Hon. S. Santori: If I, may I respond? Oh, okay. If I could respond. Many of the recommendations that are being made, whether it applies to your question or to the fair wage in Graham's ministry, if there are programs within those, within those acts or within those programs that the Minister deems to be, to be valuable there is nothing stopping a Minister from bringing those forward under another cover or another delivery mechanism. So I am dealing strictly with recommendations that deal with open tendering and procurement. If there are other things within the accords or within those contracts that are beneficial and seen beneficial by the ministry and cabinet, then by all means I'm sure that Minister will bring it forward.

Hon. G. Campbell: Okay. Any other questions or comments? So with the two changes in those clauses, the recommendations are accepted. Thanks. The next item on the agenda is the 2010 Winter Olympics. This is just a brief verbal report. As you know, the Vancouver/Whistler bid is now on the front burner in terms of Canada's initiatives with regard to obtaining the 2010 Winter Olympics. I think it presents a huge opportunity to us, but it also presents, I think, a challenge for many government Ministries.

I intend to work closely with the bid committee to make sure that BC is taking full advantage of this bid opportunity, and equally importantly that we're successful. We found out just last week that it's possible to put an awful lot of effort and time and energy and personal, you know, commitment to a bid like that and not be successful. We'd like us to be successful. There are a number of agencies in government, whether it's Competition, Science and Enterprise, the Transportation Ministry, the Community, Aboriginal and Women's Services, all of which will be directly impacted by the bid. We'll have to look at a whole broad range of issues. There will be environmental issues. I know the bid committee has been concerned about that they want to make sure that we're covering those properly. So for us to carry out our responsibilities I think effectively I would like to ask, I wouldn't like to, I am going to actually appoint the Minister of State for the Community Charter to take on the coordinating role through government for the 2010 Olympics. I intend to be actively involved in that bid as well with the committee, and I know that the Ministers, whether it's Minister Thorpe or Minister Reid will be included and involved as we work to make sure that BC has a powerful role to play here.

I believe this is a huge opportunity for us. We've talked about putting ourselves back on the international stage. I think we can do this. There is a very short time frame that we have to be involved in. There's a lot of work that is going to have to be done by the private sector too in

coming to the table. BC itself through the government and through its Crown corporations have already committed \$9m towards the \$23m process of bid application. We're going to have to work with the federal government, and I'm going to encourage the Minister of State for Intergovernmental Affairs, Greg Halsey-Brandt, to be actively involved in coordinating that response as well. I have communicated with the Federal Minister Responsible for BC, David Anderson. He is very excited about the opportunity for us to pursue this. But this should be something that's for the whole province. It's not for one part of the province. It should be for the whole province, it should be for the whole country, and it should be something that we can I think use to pursue what I think of as excellence in all areas of endeavour, not just sports. I think we can show people how you can properly manage these events and make them work for the long term. I think we can learn from what other people have done, and I hope that we will all work together to make sure that BC is successful in its, in its bid, Canada is successful in its bid, and all the people of this province get behind it 100%.

So I wanted to let you know that that's the direction that we'll take. I think it is an opportunity. It's an opportunity that we can't miss and we shouldn't miss, and I look forward to doing it. And I want to thank Minister of State Ted Nebbeling for agreeing to take on that additional responsibility. Any questions? Okay. Don't laugh, it will be a tough job.

[Interjections]

Hon. T. Nebbeling: I'd like to quickly make a point. On behalf of the bid committee what represent, is represented by communities, the business sector, the sports and athlete sectors, I want to, to convey their appreciation for the strong support that you and this government is putting behind the bid effort. We've all learned from 1986 Expo what a tremendous boost world exposure of such an event can do to the province. Tourism has made bounds and leaps forward since that time. Economic opportunities are abound. The investment, just for some details, that are going to be pre-Olympic will be in the order of \$1b. This is 25,000 man years of work for the province. Two excellent programs are already, one of them is already in the making and that is Legacy Now. It is a program to give opportunities to young athletes throughout the province the chance to get exposure to, to major events. Funding is in place for that program. And the ultimate goal of the bid committee and an achievable goal I believe, is to have revenue streams to the order of \$1.5b, what means there will be a legacy left for BC in funds and facilities up to \$400m. So it is a win-win for this province, it is a win-win for the athletes, and I'm very proud to take on that role that you have designated or asked me to take on. So that's just a quick report.

Hon. G. Campbell: Thanks. We haven't quite won yet, so we've got a lot of work to do.

Hon. G. Campbell: It's the right kind of approach though, Ted. That concludes the meeting. The next open cabinet meeting will be August 15, and I'd like to thank those of you who attended in the audience, and the media, and any viewers. Thank you very much. We're adjourned.