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TRANSCRIPT OF THE OPEN CABINET MEETING

June 25, 2003

Province of British Columbia

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Hon. Joyce Murray

WEDNESDAY, June 25, 2003

The cabinet met at 9:03 a.m.

Opening Remarks

Hon. G. Campbell: Okay, everybody. We have a fairly full agenda this morning, so I want to go through it quickly.

Gordie will be giving us an update on the Ministry of Children and Family Development service plan. Stan is going to be bringing forward four land use plan decisions in the Muskwa-Kechika, Eight Peaks land use, the southern Rocky Mountain management plan and the central coast designated area. Geoff is going to take us through the agreement-in-principle on the Lheidli-T'enneh. Sandy is going to update us on four pilot projects that are critical to our commitment to bridge the digital divide. Colin is going to give us a brief update on health waiting lists, as usual.

Kevin is going to talk to us on the B.C. resort task force. You'll notice that Eight Peaks is one of those resorts. We highlighted that in the throne speech. Resorts are not just mountain resorts. They're marine resorts; they're resorts all over British Columbia. They present a real opportunity for us to show off the province.

I have given Kevin the responsibility of driving that B.C. resort initiative across your ministries with the first nations, with Land and Water B.C., with Water, Land and Air Protection, with Transportation, with Forests. He will be bringing all of those ministries

together and focusing on delivering plans that will make, I think, a significant difference as we move forward. Kevin will give us a little bit more on the B.C. resort task force as we move through this.

Today we are a week away. We're a week away from July 2. We're a week away from the announcement in Prague of who will host the 2010 Olympic and Paralympic Games, and I'm excited about it. So far, I'm excited. It's going to be, I think, a pretty exceptional time for all of us.

We were in Clearwater last week. They're excited in rural communities in British Columbia. They're excited in the northwest. I was up in Kitimat. I was in Terrace last week. They're very excited about it there. I know there's real enthusiasm in the Kootenays, etc.

[9:05]

It's really the culmination of a lot of hard work. As we move towards July 2, and we all keep our fingers crossed and every other lucky charm that we can have in our pockets and in our hands, I think we should recognize that it's actually been six years of really hard work from literally thousands of volunteers across the province. It's important to recognize that not only will that be a change as we look to the future, but it really is a pretty substantial and significant achievement that the people who have been putting together our Olympic bid have already accomplished.

I think we have to remember when we go to Prague that there are as many people that are as excited in Pyeongchang and Salzburg as there are in Vancouver, but I do believe this: I don't think any other bid has the kind of diversity that our bid has. I don't think any other bid has the kind of venues that we have. I know that no other bid will be able to bring the Olympics and Paralympics inside for both the opening and the closing ceremonies. I know that's a spectacular benefit for the athletes, and athletes have identified that as a significant benefit.

For all of us in the province.... You think back six years, and you think of when the people started this. This is not a small task, but if we can think forward six years or seven years now to when this happens and think of two billion viewers watching what's taking place - two billion viewers finding out about each part of our province, about each opportunity that's presented by small businesses and communities across the province....

That's exciting in itself, but the really exciting thing about this is when you see the light

in a young snowboarder's eyes as he or she thinks about what he or she can do, or when you go up to Fort St. John and talk to them about the skeleton athlete there. I mean, who here has really thought about the skeleton until we ended up with an Olympic athlete in Fort St. John, British Columbia, who could actually come close to standing on the top? I think she will as we move forward.

It's really a chance for us to talk about excellence in the province and excellence in the people of the province. It's a chance to look at how we dig into ourselves and deliver what's best in British Columbia. There are communities all over the province that are ready to do that, but more importantly, there are young people willing to do that. There are young people who are excited about doing that. When you see the people that will be on the podium.... I think it's great for Canada and great for British Columbia to have Wayne Gretzky and Catriona Le May Doan there, speaking on behalf of our bid.

I do want to take a moment to say thanks to people like Marion Lay and Rusty Goepel, who were volunteers on the committee, and to Philip Owen and Hugh O'Reilly, the two mayors who came together and brought their communities together behind the bid. I think Jack Poole's efforts over the last couple of years have just been tireless. He's travelled to every community in the world who would have him, who would talk to him about British Columbia. John Furlong has been relentless in his focus of providing not just the best Olympics we could possibly do but the best Olympics that they've seen.

We saw that when the evaluation team came. The evaluation team was clearly impressed by all of the bids, but I do believe that when they came in, particularly when they walked into the Queen Elizabeth Theatre at the end of three days of review of the technical part of the bid, and they saw the incredible diversity of our cultures.... I think we are the only site that, actually.... People, athletes from any place in the world, literally can come here to British Columbia and will find someone who speaks their language, who knows their culture, who understands their cuisine, who will make them feel comfortable. I really think the evaluation committee was touched by that event, and that's the kind of thing we can do for the entire Olympic bid if we are successful.

Communities have already built Olympic committees across the province. We've seen that. The volunteerism that's been reinforced by that and the professional know-how sort of coming together with that volunteerism I think bodes very well. I was just asked how I feel about it and what our chances are. I think our chances are extremely good, but it's never done until it's done. You never win until you cross the finish line, and you don't get the gold until they hand it to you. Literally a week from today, 168 hours from now, we'll know. But who is counting, actually? We'll know at that time.

One of the things that I think this has done, too, is reminded us that it's important to celebrate your successes and celebrate what is best in British Columbia and in British Columbians. You all know here that we have launched a new British Columbia Achievement Awards Society. It is aimed at looking at excellence in arts and the humanities and looking at excellence across our communities. We will be encouraging and actively supporting achievement in education, in early childhood development, in lifelong learning and particularly in all of the communities in the province.

[9:10]

You'll recall that when we did the Royal Jubilee medals, we had two celebrations down at Government House where we brought people from all over the province to Government House. For the B.C. Achievement Awards Society, one of the undertakings they'll have will be the community achievement awards, which will be awarded on an annual basis. It will be, I believe, a very exciting thing for British Columbians to identify those in their communities who have provided special leadership, special examples of what we can do when we work together as a province.

I am excited about the opportunities that the Olympics present beyond what happens on July 2. Clearly, we want to win. We're going to win. We're leaving on Friday night. There will be a send-off at the airport on Friday night. I think you should know that Canadians are backing us all the way. I've had a letter in the last two days from Premier Charest of Quebec encouraging us. Premier Doer of Manitoba was particularly encouraging, talking about the importance of this to Canada as well as to British Columbia and really wishing British Columbia and the bid well.

I know the Canadian Olympic Committee will be proud of what we do in Prague and what we do after, if we're successful. I think the International Olympic Committee will be proud of what we do, because our bid has been focused all along on the athletes. It has always been focused on reaching higher and moving faster and being stronger in ourselves, in our province, in our country and for the Olympic movement. I think it's really exceptional.

Geoff and I were up at Whistler on Saturday announcing the Squamish and Lil'wat cultural centre. You know, this is a first nations Olympics as well. They've been very active in terms of building this, so it is a really great opportunity for us. I feel we've been very lucky to be part of this. We're lucky we are here at this time. It's a great responsibility, but that Olympic flame is flickering all over the province, and hopefully on July 2 it will be burning bright for British Columbia.

I'll be letting you know for sure. As soon as I know, you'll know. I think it's something like 18,000 people that are planned for GM Place. There are exceptional events that are planned in Prince George. They're planned in Calgary. They're planned in the Fraser Valley. They're taking place in the Okanagan. They're taking place in the Kootenays. People are excited by it, and I am excited by it. I think it's going to be great for all of us. This is the last cabinet meeting we'll have before that, so I just wanted to be sure that you all know what's happening.

I do think we're well positioned. I don't think anyone should take anything for granted. As I said, I think Pyeongchang and Salzburg are great sites, and I think they've got great bids themselves, but it's really fun to win a race when you've got such great competition. I think we've got a great chance to win that. So I wanted to give you an update on that, and I know that all of you will go back to your communities and be part of that celebration on July 2. So here we go, British Columbia. Let's do it.

The first major item on the agenda today is from Gordie. You'll know we've done some significant work with regard to the Ministry of Children and Family Development, and I thought it was important that he give us a specific update on where he is with the service plan after the \$122 million additional resources that were provided last week. Gord.

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For Information: Ministry of Children and Family Development Service Plan Update

Hon. G. Hogg: Thank you, Premier.

It's my purpose to inform cabinet and all British Columbians of our revised service plan

and the adjustments we have made to ensure we protect the interests of children and those in need while also ensuring sound fiscal management. Premier, you have been consistent and clear about the need to do what's right for children, families and adults with developmental disabilities.

As a government we set out, at the beginning of our mandate, to ensure the protection of the most vulnerable people in our society. It became apparent in mid-April that a number of the assumptions upon which my service plan was based were, in fact, wrong. At that point, Premier, you formally launched a midterm service plan review, and as you know, there have been intense and thorough processes that have involved a close examination of the assumptions, spending, planning and processes within the ministry.

The Premier announced last week that the ministry's three-year budget reduction target for fiscal year '04-05 would be reduced from 23 percent to 11 percent. In fact, we have already achieved approximately 7 percent of that reduction, which leaves a further 4 percent in savings to yet be found. My original service plan was based on a number of incorrect assumptions. It identified strategies to achieve a 23 percent budget reduction.

[9:15]

The first assumption was based on a review of national child-in-care averages and predictions about the size and rate and decline of caseload. The assumption was wrong. While we have achieved a 12 percent reduction in the past two years, the number of aboriginal children in care has remained fairly static. About 45 percent of the children in care are aboriginal. Aboriginal children represent only about 8 percent of the child population of this province.

The numbers of children in care rose by over 60 percent between 1996 and 2001, putting B.C. well above the national average. Even more alarming is the fact that those children were staying in government care for longer periods of time than good practice would dictate. Research tells us that the longer children are in care, the more difficult it becomes to return them to their families. That is not serving our children well. We know that children are better off closer to their families and closer to their communities.

My second assumption was based on several strategies which would deliver efficiencies in the way we provided care to adults with developmental disabilities. A number of these efficiencies could not be found. It became apparent that some of these strategies would have produced a degree of disruption that would create unacceptable health and safety risks for vulnerable adults. We as a government were not prepared to go down that path.

Thirdly, British Columbia currently has the largest centralized child welfare bureaucracy in Canada. Other jurisdictions of comparable size have all moved towards some form of community- or regionally based governance. Certainly, it is the advice of international experts that the people of this province would be better served by transforming the ministry into a more responsive, locally driven system of care.

A cornerstone of our plan was the promotion of family and community capacity to care for their own children. Over the past 18 months more than 14,000 British Columbians have participated in community consultations across the province regarding service delivery. This degree of engagement is unprecedented in British Columbia and is based on this government's commitment to the principles of openness and transparency.

Service delivery innovations such as the Sooke Cooperative Association of Service Agencies project in the Western Communities of Victoria, the Peace Arch co-location project in Surrey and the community co-location in Grand Forks are all good examples of community capacity-building and involvement. In other areas we have engaged local Rotary clubs, credit unions and service organizations in joining with us to plan and deliver services that make sense to local communities.

What we have learned is that the principle of community capacity-building is a sound principle. However, to be effective, such an approach requires a longer-term investment than could be achieved within the time lines set out within our three-year service plan.

While some of our assumptions required re-examination, we still have many successes in our efforts to achieve the savings to date. We have increased adoptions. There were 328 children placed in 2002-03 compared to 163 in 2000-01, and 97 percent of those adoptions were special needs children. The people of this province have taken them into their homes.

We have signed a historic memorandum of understanding with leaders of the B.C. aboriginal organizations, which will support and return aboriginal children to their families and to their communities. We have moved 1,000 aboriginal children in care to aboriginal agencies.

We have made investments in early childhood development. We have implemented the Community LINK program for school-age children. We have developed Canada's first child and youth mental health plan. We've developed an individualized funding program for children with autism. We have reduced the number of children in care by 1,200 since June 2001. B.C. is now the only province in Canada to have a decreasing number of

children in care.

We have eliminated non-core programs, such as vocational programs for street youth. We have eliminated non-essential contracts, such as those contracts with advocacy and provincial organizations not providing direct services to children and families. We have reduced the cost of community living residential services. We have eliminated some 700 FTEs, a reduction of 14 percent, including the closure of two youth custody centres and a downsizing of our headquarters organization. Not all of these changes have saved money. Some, in fact, have cost money. But each one of them was the right thing to do.

By the beginning of 2003 it became apparent that the rate of decline of the number of children in care was slowing. By the time the March numbers came in, we had serious concerns about our ability to meet our budget targets in the third year, '04-05. At the direction of the Premier, we undertook with colleagues in the Ministry of Finance and with Treasury Board a full midterm review of our service plan.

Through that process of due and detailed diligence, we again reviewed our original service plan. We identified the difference between our original target, the savings we had achieved to date and the remaining savings required.

[9:20]

To achieve the required savings, we reviewed 65 budget strategies. We tested each of these strategies against our major budget principles. Each of the strategies had to be consistent with government priorities, be realistic and achievable, be supported by evidence of service effectiveness, focus on administrative reductions before service cuts, focus on voluntary changes in residential placements, limit impacts on services provided by other ministries and further - and most importantly - protect the health and safety of vulnerable individuals in this province. Each budget strategy was also tested for consistency with the ministry's six strategic shifts. Finally, we looked at each of the 65 budget strategies and asked: is it the right thing to do? Some were rejected immediately.

The review has been a valuable exercise. Together we have looked closely at our plans and found choices that may be hard but that I feel will be effective, achievable and will continue to maintain the health and safety of the vulnerable members of our communities.

Unfortunately, as you know, some of this preliminary Treasury Board material was inappropriately leaked to a columnist. I deeply regret the harm caused to many

vulnerable people as a result of newspaper coverage that reported draft documents as fact. Nevertheless, it is only sensible for government to be provided with all information, with all implications, in order to make informed decisions. Clearly, some of these options would never have been acceptable, and that is part of the process that we went through to determine....

Indeed, that is the benefit of having three-year service plans. We can make corrections, change direction, well in advance of problems. Under the previous administration, we would have never known the difficulties that lay ahead until in fact it was too late. Their only way of dealing with unexpected events was to go to special warrant spending. Three-year service plans are a much more responsible, reasonable and rational way of budget planning.

Our original budget target was to achieve a \$361 million reduction, or 23 percent, from '01-02 to '04-05. As a result of the Premier's announcements, which added \$122 million, we still have a \$70 million budget pressure for '04-05. This pressure remains after we factor in savings that have already been achieved. We can achieve this target in a manner which will protect vulnerable clients and is consistent with government priorities.

Following weeks of intensive discussion with Treasury Board, we agreed on strategies with six primary areas of focus. The community living area, which provides day programming and residential services to adults with developmental disabilities and some services to special needs children - that area will generate approximately \$6 million in savings. These will come from a number of initiatives aimed at increasing efficiencies and offering more choice and more flexibility to clients.

A redesign of community-based contracts in youth services and family development services. About 75 percent of the ministry's budget is spent on contracted services. These savings are estimated at \$5.7 million and will be reinvested as evidence-based services. A reduction in community youth justice programming consistent with caseload decline will contribute a further \$500,000. Reducing the cost of contracted services will provide approximately \$35 million in savings. These initiatives address labour costs and service delivery approaches in agencies that provide contracted services to the ministry. This will ensure that maximum funding is available to direct service delivery to individuals and to families.

Staffing reductions in the ministry will create approximately \$18.5 million. We remain committed to providing the levels of front-line staff necessary to ensure we respond appropriately to all reports of children in need of protection.

Shifting child welfare practice will provide most of the \$6 million in savings we are projecting for reductions in the costs of children in care. We expect the average number of children in care to fall by 250 from the current level of 9,600. This reduction will come through promoting the capacity of families and communities to take care of children safely without having them take the drastic step of putting them into government care. We know the outcomes for children will be better if we can support them closer to home.

[9:25]

Through our memorandum of understanding in partnership with aboriginal leaders, we have initiated a project to review the plans of every aboriginal child in care. This review will closely look at family and community options and focus on reunification. We will emphasize the use of extended family placements, of mediation, of family group conferences and less disruptive measures to reflect the evidence from research that these approaches are, in the right circumstances, the most effective for keeping kids safe.

And finally, reducing capacity in the youth custody area will contribute \$4 million in savings. We are closing Lakeview Youth Custody Centre in Campbell River and shifting resources to increase the operating capacity of the new Victoria centre by 12 beds. We will also reduce the capacity of the Burnaby and Prince George Youth Custody Centres.

Now, these changes are part of our response to the continuing and indeed very welcome decline in youth crime and youth incarceration which has left our institutions operating below the levels for which they were designed. Since 1995-96 the number of youth in custody in B.C. has dropped from 400 to 220, or about 45 percent.

We will be working hard during this and the next fiscal year to realize these budget strategies. We want to reinforce that we won't be cutting early childhood development programs that are working to enhance the future of our youngest citizens, and we will not be cutting the rates at which we pay foster parents. Foster parents are core to providing caring homes for children and youth at risk.

Most importantly, we will not be endangering the health and safety of vulnerable children and adults in this province. Consistent with the child and youth mental health plan, we will continue to invest in child and youth mental health services. We're building a new system - a system that offers choice; a system that allows parents and communities to build effective individualized services that make sense to them; a system with efficient management of its finances; a system that is transparent and accountable to its clients and to the public; and a system that will help parents, families

and communities to keep children and vulnerable adults as close to home and family as possible.

The executive directors of six major child and family service agencies told me that they, as leaders and spokespersons in the social service delivery community, are prepared to support the strategic shift of this government in their communities and in our sector. They also said that the ministry's moves to regional and community governance are the right way to go and will contribute to better service and more effective distribution of responsibility. Those themes are repeated over and over in the correspondence we receive and in the meetings we attend. People know we are going in the right direction, and they want to be a part of it.

The transformation of this ministry has captured attention provincially, nationally and internationally. B.C. is positioned to fulfil an opportunity unique to jurisdictions across Canada. Three factors are converging in our province: community voices demanding choice, change and new ways of providing services; the introduction of best practices as defined by international experts; and a government fully willing to commit wholly to the health, safety and well-being of British Columbia's children and families.

In closing, I want to thank you, Premier - to my cabinet colleagues and our caucus colleagues - for your advice, your counsel, your support and, most importantly, for your unwavering commitment to the children and families of British Columbia. Thank you.

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Hon. G. Campbell: Thanks, Gord.

Any questions? John.

Hon. J. van Dongen: Have there been any changes or do you contemplate any changes in the way that social workers respond to reports or allegations of abuse of children? Do you have any changes in that?

Hon. G. Hogg: No, there are no changes in that. The legislation remains the same; the protocol remains the same. In fact, we are ensuring that we have, throughout this whole process, all of the front-line social workers that we need to provide a response to each allegation that comes in of abuse and neglect.

In fact, that part of the whole process has been protected throughout, and that being our primary commitment, we want to ensure we have the staff to do that, the protocol to

follow and the measures to go through. We still receive about 90 reports a day of abuse and neglect in this province, and we have to investigate each one of those thoroughly and appropriately. That will be maintained, a centrepiece, throughout this whole process at the ministry.

Hon. J. van Dongen: Okay. Just one other question on a different subject. Has there been any specific shift of resources to help support parents keep children in the home rather than put them in foster homes, whether it's keeping them in the home longer or getting them into the home sooner? Has there been any specific shift there to help make that happen?

I think that's the right direction, and certainly social workers generally agree with that view also. But I just wondered: has there been any specific shift in the ministry to help do that?

Hon. G. Hogg: Certainly, there's been the policy shift and the vision in terms of that, and there also has been a shift in terms of the fiscal responsibility. So we expanded what we call our Family Development budget by about \$10 million to look at it and provide more resources for doing that.

[9:30]

When we look at the children coming into care, about 65 percent of them come from single-parent families on income assistance, and in many cases they need a little bit of support to keep their family together - perhaps a child care worker, perhaps some respite care, perhaps some training in parent effectiveness and those types of things. We're giving more resources to line social workers to do that and to manage and support that. They recognize that, and they see the support of that. What we need to do is look at how we change the governance part of that, because we still have this large, cumbersome bureaucracy that makes it very difficult for social workers on the front line to access that money. As we make the shifts in governance, we'll be able to free up that process much more effectively as well.

Hon. G. Campbell: Thank you.

Rick.

Hon. R. Thorpe: Thank you, Premier, and thanks, Gord.

Many communities and service providers have asked questions about the changes that

have been made. When will they actually know, in communities and on the street, how they are impacted so that they can get refocused on looking after those that actually need to be looked after?

Hon. G. Hogg: Good question. Things we've talked about are the provincial strategies. As we move to regional governance, we have to look at how those are interpreted in each one of the communities. The staff is now breaking down these numbers, and each of the regions will have their specific target numbers by June 30. Then each of the regions will look at breaking those numbers down so that it makes sense within the context of each community. The level of service, the service plans, and the nuances and needs of the communities will be rolled into that and broken down as a result of that.

We will ensure that there will be a briefing for MLAs as that process works through. We're now taking the provincial numbers and making them regional, and then the regions will be doing that so it reflects the community needs as well - and be able to respond specifically to those.

Hon. R. Thorpe: Okay. Thank you.

Hon. G. Campbell: Do you know what the timing is for that?

Hon. G. Hogg: By June 30 the regions will have the information, and they will immediately start looking at what that means for their service plans within their communities. As you're aware, we want to have service plans that are different in each community and that respond to the needs of those communities.

Hon. G. Campbell: Any other questions?

Shirley?

Hon. S. Bond: You certainly made comments about the community governance issue, and that's another issue that's brought unprecedented participation around the province. Is there some sort of update on the next steps of the governance side of the shifts in the proposal?

Hon. G. Hogg: Well, certainly cabinet is looking at and working through the issues of community governance. We as a government are committed to moving forward with community governance. We are looking at the timing and the process and the legislative calendars for dealing with that. That'll be part of the challenge we have over the course

of the next few months.

Hon. G. Campbell: Well, a year and a half ago, when we were going through the first iteration, you talked about the bureaucratization of the overlook capacity. There was constant overlooking of the social workers who were on the front lines. We know we had some difficulties not just recruiting but maintaining social workers here. Can you tell us what's taking place in terms of front-line social workers? Are we actually leaving them to do their job now and letting them get on with it, or do we still have this layer upon layer of oversight that we've plugged into the system?

Hon. G. Hogg: I think what you're referring to, Premier, is that we looked at the death of one child. I think there were 11 central agencies that looked at a social worker who was making contradicting recommendations with respect to that. We have improved that. We have reduced the number of agencies centrally that look at the delivery of services through social workers.

We still have the issue of governance and the big bureaucracy we deal with in terms of trying to move forward with that. I'm told that somewhere between 65 and 75 percent of social workers' time is still locked in front of their computer screens, documenting what they're doing and justifying what they're doing. There's an enormous potential we have, as we try to move away from the bureaucratic structure, to free them up to actually do the kind of work that most of them were trained to do and that they want to do. There's enormous potential there.

We currently have a full complement with respect to social workers. That's something that hasn't happened for a long time in this province. Particularly with respect to the north, they've been able to fill up that complement and do that. Part of that has to do with the reduction of some of the children in care so that the numbers are not as high as they were at one point either.

Hon. G. Campbell: Is that 65 to 75 percent protective for the social worker and for the government, or is it helpful for the kid?

Hon. G. Hogg: A lot of it is justifying and protecting the position of the social worker. As you're aware, when a child comes into care, social workers.... The research worldwide is pretty clear that when there's a lot of media coverage over a child coming into care, there's a spike in the number of children that come into care. We can look at the numbers of children coming into care over the past number of years in this province, and whenever there's been large media coverage, there's been a dramatic increase in the number of children in care. That's not unique to British Columbia; that happens

worldwide. There's some interesting research that has been done on that.

[9:35]

That suggests that social workers start to panic a little bit: "Boy, I wonder if I'm doing the right thing." We need to ensure that our organizational structure and culture is one that is supportive of social workers being able to utilize their skills, their abilities and their training, because we have some of the very best-trained social workers in British Columbia - some of the best-trained social workers anywhere in the world. The protocols we follow are among the very best protocols that exist anywhere in the world, and a number of our agencies that provide services.... When we look at the Council on Accreditation, and they compare our agencies that provide services with some around North America, we are again among the very best. But we need to free them up to be able to utilize the energy, time and training they have in ways that we haven't done in the past.

Hon. G. Campbell: Thank you very much.

Next we have Stan and land use plans. Stan.

For Decision: Land Use Plans

Hon. S. Hagen: Thank you very much, Premier. Good morning.

Over the past two years, as part of our new-era commitment, we've looked long and hard at what needed to be done to rebuild our economy in B.C. When we looked at the issues and talked to British Columbians and potential investors, we kept hearing one thing over and over again: everyone everywhere was concerned about uncertainty.

In fact, less than three weeks ago I had the chance to speak to the Vancouver Board of Trade about this issue. There were 300 people there representing forestry, mining, oil and gas, tourism, first nations, environmentalists and local communities. Everyone there understood that no matter which industry or group they represented, getting certainty about our land base in British Columbia is absolutely vital to creating new jobs and attracting investment. I had the chance to talk with several people after my presentation, and I know they left with a pretty positive impression about the work we've done to date as well as a pretty clear indication of where we're going and the urgency, Premier, that you've put on securing certainty across our province.

Over the past 24 months we've been working to provide the sort of land use and

investment certainty that builds strong economies. Two years ago, Premier, you gave me a mandate to conclude provincewide land use plans that were expedient and balanced. You wanted to move from uncertainty to certainty as quickly as possible. On 73 percent of B.C.'s public land base the planning is complete, and my ministry will complete the remaining key land use plans over the next 12 months. Today I want to talk to you about how my ministry is doing that and in turn delivering on certainty.

First, land use planning across British Columbia. All of us around this table and everyone watching us at home is familiar with local planning and zoning in our own communities. We all know how it works in our hometowns as we decide how land is going to be used or zoned for commercial, residential, industrial, parks and so on. But what we're doing is more on a provincial scale, and we're doing it on an area the size of Washington, Oregon and California combined.

Today I'll cover the Muskwa-Kechika management area, and I'll talk about two pre-tenure plans that will allow the exploration of areas with high potential for natural gas. I'll update you on the planning process for the central coast land and resource management plan, and I'll let you know where we're at with the southern Rocky Mountain management plan in the East Kootenay. I'll explain why the Eight Peaks sustainable resource management plan is such a fine example of a level of planning that is designed to address specific issues or conflicts on the ground and that provides a level of detail that cannot be addressed by the strategic land and resource management plans.

We recognize that there are five steps to achieving certainty about our land and water resources. Those five steps look like this.

First of all, access to Crown land. This is by far the most important step: defining clearly, intelligently and in a timely manner what land can be used for what commercial purposes. Land certainty is the key to restoring wealth to the land base.

Next, meaningful first nations consultation and accommodation. Restoring wealth to the land base means sharing the economy with all British Columbians. We need to build trust and respect and eliminate conflict - period.

Then we need tenure security on Crown land, the kind that ensures that investors and businesses have enough confidence to invest in the future.

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The fourth step to achieving certainty includes an improved business climate. Quite simply, we need to make it easier to do business in B.C., and we need to ensure that B.C. businesses are competitive in the world markets.

Finally, we need access to markets. We work and live in a global economy, so we need to demonstrate biodiversity and sustainable, ethical land and resource management.

Certainty means resolving land use plans quickly and efficiently. Land use planning began in the early 1990s, and we saw what happened at the end of that disastrous decade when the previous administration rammed through a number of plans just before the election. Premier, you committed to reviewing some of these plans including the southern Rockies, which I'll be speaking about in a few minutes, to ensure they actually looked at economic factors. Our government implemented a streamlined approach to land use planning, and the results are beginning to show. Eight Peaks, which I'll have more to say about in a moment, was completed in just 11 months. That's delivering on the certainty that investors, businesses and all British Columbians want to see.

Pre-tenure planning for the Muskwa-Kechika area is a good example of how government is streamlining economic access for the oil and gas industry while still ensuring that important environmental values are maintained. The Muskwa-Kechika management area of B.C., west of Fort Nelson, is the size of Nova Scotia and one of the most significant intact wilderness areas in North America. It has outstanding economic potential, and it has a unique management structure that balances resource management with conservation. The value of potential gas deposits in the Muskwa-Kechika could be as high as \$16 billion. This is based on new information that indicates natural gas values are highest in these eastern parts of the management area. Exploration in this region will help revitalize the economy and fulfil the government's goal of generating \$24 billion in mining and energy investment over the next six years.

Pre-tenure plans provide a framework to manage gas activities to maintain environmental and first nations values. They are a way of government telling industry before they get tenure what our expectations are for managing impacts of their activities. We provide industry with our expectations of results and give them the flexibility to determine the best way to achieve those results consistent with legislation.

There are currently two pre-tenure plans completed in the Muskwa-Kechika management area, including the upper Sikanni and the Besa-Prophet plan phase 1 that

I announced in September. Dick Neufeld's staff tell me that two parcels of rights sold last week for \$1.7 million in the upper Sikanni management plan area. That's rights to the land alone, before the oil and gas starts to flow.

I expect to sign a plan covering two more areas this week for gas exploration in the Halfway-Graham and Muskwa-West areas. These new plans have the approval and support of local industry, the Canadian Association of Petroleum Producers and, especially, the Muskwa-Kechika Advisory Board. In fact, the MK Advisory Board "commends the ministry for its high calibre of careful work that's gone into creating this important document." With this approval, industry can notify the government that it wants to buy tenures in the area, at which time the Ministry of Energy and Mines tenuring process will begin. That tenuring process includes consultation with first nations.

Staff have worked hard to address first nations issues in the pre-tenure plans. For example, tenure sales in much of the Halfway-Graham area will not occur until January 2004 at the earliest. This will allow the Halfway River band to complete studies of traditional-use sites prior to significant development activity taking place. The pre-tenure plan establishes a results-based sustainable management framework for managing oil and gas activities anywhere in the Muskwa-Kechika management area. A key part of the plan is the need to monitor so that the outcomes are met and changes made if they're not.

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In the Halfway-Graham area the plan has strategies to address values unique to this area, such as plains bison, bull trout and caribou areas, historic trails, designated access routes and commercial forest resources. Values addressed specifically in the Muskwa-West area pre-tenure plan include terrain stability, preserving the view from rivers, protection of forested wetlands and maintenance of commercial forest resources. Up to three more plans are expected to be completed by next spring, and these, plus the other completed plans, will cover all of the areas with high oil and gas potential in the Muskwa-Kechika.

Now we'll move to the central coast. As you know, the central coast has been in transition with unacceptably high unemployment levels and a wide number of challenges, including significant adjustments in the resource sector, new forest initiatives and a recognition of new opportunities in tourism and aquaculture.

My ministry has been leading four key initiatives to support this region: (1) addressing

economic impacts from land use planning decisions, (2) supporting economic measures and land use planning for first nations, (3) supporting an internationally and scientifically credible planning process through research and development of ecosystem-based management, and (4) making sure that candidate protection and option areas are secured until the land use planning table makes recommendations at the conclusion of its work at the end of this year. This last component is what we're focused on today.

The central coast management plan area covers approximately 4.8 million hectares of foreshore and upland areas on the west coast of British Columbia. That's bigger than all of Denmark. The region is home to over 4,400 people ? mostly first nations ? and includes the communities of Bella Bella, Shearwater, Ocean Falls, Klemtu, Bella Coola and Oweekeno. As well, the region is economically integral to the northeast of Vancouver Island.

Over the past decade the central coast has received an extraordinarily high level of international and domestic attention. As a consequence, we have a responsibility to protect our global heritage while supporting coastal communities, which have been hard-hit by ongoing land use disputes, market campaigns and the decline in the natural resource sector.

To end these campaigns and bring business and communities certainty, the land use planning table carefully reviewed the initial package of protected and option areas and asked government to protect 20 areas identified as having important ecological and community values and to defer forest development in the 17 option areas where more research is required. Last May, in open cabinet we approved these designations. These designations expire at the end of this month. Now, in order that these areas are protected from forestry harvesting, the Minister of Forests has extended the 20 protection areas and 17 option areas under part 13 of the Forest Act.

The designation allows the Ministry of Forests to suspend forest development activities while the land use planning is underway. It allows the chief forester to reduce the annual allowable cut of the timber supply area and tree farm licences. A no-staking reserve in the candidate protection areas has also been approved by the Ministry of Energy and Mines. Basically, it allows the planning process to continue with the comfort that these areas will be protected from development, and it allows time for the coast information team to come up with the best science possible to inform the final decisions on protected areas.

The mandate of the coast information team is to bring together the best available scientific, traditional and local knowledge, environmental expertise and community

experience. This decision is also supported by Dallas Smith, who is the chair of the first nations caucus representing 18 first nations who sit on the central coast planning table.

I've made a previous presentation to cabinet on progress on the southern Rocky Mountain management plan. I instructed staff to draft a plan based on a new streamlined approach to land use planning, the kind of planning that encourages certainty on the land base. As you saw on the map that I showed earlier, the southern Rocky Mountain management plan area is located in the extreme southeast corner of the province. The area is over 360,000 hectares in size and includes the city of Fernie and the communities of Sparwood and Elkford, as well as two provincial parks - Height of the Rockies Provincial Park and Akamina Kishinena Provincial Park.

[9:50]

The southern Rocky Mountain area supports a diverse and expanding tourism and recreation sector with enormous potential for growth. Two new major developments fall within this area, which have the potential to add over \$250 million to the economy: expansion of the Fernie ski hill, which includes a new golf course and residential subdivisions, and another 1,500-home subdivision south of Fernie which also includes a new golf course development. The challenge in this area is to be able to accommodate mining and forestry as well as commercial recreation and tourism without compromising the wilderness and wildlife values that contribute to making the area a desirable tourism and recreation destination.

The benefits of the plan are as follows. First: management direction. When it comes to using land, we're setting out a clear direction with an emphasis of securing highest and best use. This approach provides clear, integrated, measurable and enforceable direction so that resource managers from the mining and forestry sectors can make decisions on behalf of their companies. Second: first nation, community and stakeholder participation. Through extensive public open houses, meetings with stakeholders and consultation with first nations, we are confident that we have significant buy-in with the process and products.

Third: economic opportunities. The plan supports the development of coalbed methane and oil and gas development and provides for continued forestry activity. The plan provides objectives for forestry and assists licensees in meeting the criteria for the Forest Stewardship Council certification, which benefits our exports as well as requirements under the Forest and Range Practices Act. It also addresses conservation needs.

The southern Rocky Mountain management plan supports these key points of the B.C. heartlands economic strategy as follows.

Mining: The plan confirms the two-zone mineral policy which clearly defines where companies can and cannot mine. The entire area is open for exploration, subject to standard permitting approvals.

Tourism: Recreation access and development zones bring certainty to areas available for back-country recreation and tourism development.

Forestry: The plan supports the new Forest and Range Practices Act by providing measurable objectives. This brings greater clarity to the industry to plan and carry out its activities in the area.

First nations: Economic measures funding was provided to assist first nations to participate in the planning process, conduct a tourism opportunity study and prepare a community forest licence application. A partnership arrangement is being developed through a memorandum of understanding to describe how first nations participation will occur. This agreement is just one of more than 95 first nations agreements that we have put in place over the past two years to move forward with land use planning and economic development.

Eight Peaks: When it comes to winter sports and tourism, the world certainly knows Whistler. But across British Columbia, other mountain resorts are also starting to show their potential. The Eight Peaks planning area surrounds the community of Blue River, situated on the Yellowhead Highway approximately 210 kilometres north of Kamloops. The Sustainable Resource Management plan builds on the Kamloops LRMP, providing on-the-ground direction to resolve specific resource issues in the area.

As I said off the top, the plan was completed in just 11 months, a key to achieving certainty for needed investment. The planning process began in September '02, led by my ministry using an advisory council of stakeholders and public open houses to discuss the objectives of the plan and garner input from the community. The plan provides certainty for investment by addressing key economic, environmental and social issues, which I will now discuss.

First of all, economic. Certainty of access to land and ability to maintain the quality of the product. Two, environmental. The plan must be sensitive to environmental issues, as the industry is driven by environmentally aware clients. Three, social. The investor has a long-term interest and commitment to the community and to the quality of life for

staff.

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With regard to economics, one of the key issues to be resolved by the plan was to find the best way to use the 1,350 hectares impacted by proposed new ski run development. With the plan, we were able to successfully integrate forest and winter recreation on the same land base by minimizing the timber supply area lost to run development, allowing for piloting innovative silviculture practices and ensuring that harvestable land adjacent to ski runs is not constrained.

Potential capital investment in expanded ski operations is \$21.4 million. Jobs created: 109 over the first five years, including the construction phase. Provincial employment income: \$3.6 million over the first five years. Provincial revenues are increased by more than \$600,000 over the first five years.

Key outcomes. Investment certainty for development of a new heli-ski product. The investment figures noted on the previous slide would not happen without the level of certainty brought about by the plan. The plan also provides for diverse opportunities for expanding or new public and commercial recreational products and reduces the conflicts between commercial recreation and public users by directing incompatible uses to different areas. This plan reduces conflict with key wildlife species by maintaining habitat and directing incompatible activities, such as snowmobiling, away from critical areas such as calving grounds.

First nations economic development. The North Thompson Indian band has partnered with an investor to develop and run a remote wilderness lodge, a venture that would not have occurred without the certainty provided by the completion of the Eight Peaks plan.

Increased efficiency for Land and Water B.C. and the Ministry of Forests to move forward on commercial recreation tenure applications and review operational permits for forestry activities. I can't stress enough how important the certainty brought about by this planning process is, a process completed in a most timely fashion. It's the kind of certainty that we need to move ahead with recreational developments all around the province. Some of these opportunities we may have not yet seen, but Eight Peaks was one region we identified in the throne speech, along with areas like Canoe near Valemount, Hudson Bay Mountain near Smithers and Invermere's Panorama, as areas where resort potential is unmatched.

As we said then, there are brand-new resort communities on the horizon, and we deliver on those with certainty - something the B.C. resort task force will appreciate. I think Kevin will add something about that.

Hon. K. Falcon: Thanks very much, Stan.

The resort task force that the Premier talked about earlier is great news for our tourism sector, and it's going to build upon what has already become a really vital part of our economy. All of you will know that we made a new-era commitment to stimulate tourism with a plan to improve our operators' ability to compete successfully for visitors from around the world, and that's exactly what we're going to do with the creation of the resort task force.

B.C. resorts are enormous economic generators of both jobs and investment, and they represent a major opportunity for this province. The task force will identify and remove barriers to both newly proposed resorts and also existing resorts throughout the province. For example, British Columbia's world-renowned ski industry is an economic engine that contributes greatly to tourism, a key cornerstone of this province. The 60 ski areas throughout the province already employ about 9,000 people, and that number is increasing. Our government, under the leadership of the Premier and Minister Rick Thorpe, will continue to work with the tourism sector to help ensure that it will achieve every possible success.

As we mentioned in the throne speech back in February, the new B.C. resort task force is an initiative that is directly aimed at improving opportunities in the heartlands of this province, especially in areas that are suitable for resort development and/or expansion of existing resorts. We have many of them.

Some of these resorts include Eight Peaks in the North Thompson area, Big White in the heart of the Okanagan, Silver Star outside of Vernon, Mount Washington in the Comox Valley, Apex mountain resort in Penticton, Sun Peaks outside of Kamloops, Saddle Mountain near Blue River, Canoe in Valemount, Hudson Bay Mountain outside of Smithers, Powder King Mountain Resort in northern B.C., Kicking Horse in Golden, Invermere's Panorama, Kimberley Alpine Resort, Fernie Alpine Resort, Whitewater in Nelson and Red Mountain in Rossland. As well, there are numerous coastal resort opportunities that we could explore in this province.

[10:00]

In establishing the B.C. resort task force, we will bring together all the resources and all the assets of government and draw on expertise from several of my colleagues' ministries, including the Ministry of Community, Aboriginal and Women's Services; the Ministry of Forests; the Ministry of Water, Land and Air Protection; the Ministry of Sustainable Resource Management; and the treaty negotiations office - all of us working together to ensure that we can expedite resort and land use applications.

One really has only to look at the success of the resort community of Whistler, which contributes more than \$1 million a day in tax revenue to the provincial tax base. Many of the other resorts that I mentioned previously are also recognized as world-class, four-season resorts with incredible growth potential.

The opportunities in our resorts don't end when winter does. Golf, hiking, fly-fishing, salmon fishing, wildlife viewing, adventure tours, cultural tourism, ecotourism or my favourites, mountain biking and horseback riding. All of these are opportunities throughout the year at resorts throughout this province.

There will be an opportunity for the tourism industry, for communities and for first nations to participate and provide input into the task force. This initiative will open up new opportunities for communities as we implement our already bold plans for transportation infrastructure, regulatory reduction and international marketing.

Premier, you had challenged the tourism industry in British Columbia to double in size by 2010. The resort task force will be an instrumental part of helping us achieve that goal. I look forward to meeting with resort operators, local communities and first nations to identify what exactly our government can do to unleash the incredible potential of resorts and potential resorts across this great province. I intend to return very shortly with an aggressive action plan focused on a very tight time frame. I look forward to sharing the details and the plans with all of you very shortly.

That sums it up, and I would return to Stan to conclude.

Hon. S. Hagen: Thanks, Kevin.

Just let me sum up, Premier and colleagues. Whether it's oil and gas development in the Muskwa-Kechika, continued planning efforts on the central coast to strengthen the economy, the broad objectives of the southern Rockies or the specific economic benefits of Eight Peaks, the key to all of this is certainty. We're achieving that. In turn, we're seeing reduced conflict between various commercial and recreational users and reduced conflict with wildlife.

As I said off the top, there are five steps to certainty: access to land, first nations accommodation, tenure security, improved business climate and access to markets. The initiatives outlined here today are examples of where we are doing just that. Achieving certainty over our land, water and resources is the foundation for provincewide prosperity. By providing certainty, government can encourage and inspire businesses to make B.C. a major destination for investment dollars and for new jobs.

On that note, I'd like to ask for cabinet's approval to move forward on the pre-tenure plans for the Muskwa-Kechika, the part 13 orders of the central coast, the southern Rocky Mountains management plan and Eight Peaks sustainable resource management plan. Thank you.

Questions?

Hon. G. Campbell: I assume the plans will be up on the Web for people to have a look at. Is that correct?

Hon. S. Hagen: As we speak.

Hon. G. Campbell: Okay. The one thing I do want to mention is that I think this is a very good example of what both Kevin and Stan have done.

Go ahead, Mike.

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Hon. M. de Jong: Stan, I agree with the recommendation. I just wanted to make this observation about the central coast land and resource management plan. I think oftentimes people look at these decisions and agree with them in many cases - in some cases don't - but assume they are made, and there are no short-term impacts. In the case of the decision to extend the protections that exist around part 13, there is a consequence of doing that. The reductions in harvest activity translate into somewhere in the neighbourhood of \$6 million to \$8 million. That's lost revenue to the public via stumpage and all of the economic activity that goes with that. Now, one could argue that those numbers - given where the market is right now - might not be realized even if there was activity.

You've made the point that there are other issues to consider, but there is a cost. It speaks to the need to do what you are doing, which is urging the parties to get this matter resolved to establish that certainty so that everyone knows what the rules of the game are. Where there are then opportunities for economic activity to take place, they can resume. The recommendation enjoys my support, but I'm also wanting to point out that there are costs associated with these decisions.

Hon. S. Hagen: Yeah, there is no question that there are costs. There are also costs if we don't do this, which are probably huger or a lot larger...

Hon. G. Campbell: Huger.

Hon. S. Hagen: ...than the numbers that you talked about.

Hon. G. Campbell: You old English major, you.

Hon. S. Hagen: I do appreciate that, but it's one of the balances that we have to find. Anyway, I think I'll stop.

Hon. G. Campbell: First of all, we're going to move ahead with the approval of these plans. I think it is important to note that we do have to create some certainty, and these decisions even help do that.

I do want to just touch briefly on the resort task force. Kevin mentioned some of the ministries. Just thinking through this, the purpose behind the resort task force - and I want everyone to remember this - is for us to actually have certainty one year from now on these resorts. Kevin's first task is going to be to lay out all of the decisions that are included in those resorts up front now.

Whistler is a huge success story. We should recognize it for its success. We should learn from its success. We should find out what the legislative requirements are. There are opportunities for resort municipalities to be established. There are opportunities for all kinds of, I think, improvements in legislative and regulatory frameworks.

We hear consistently, with regard to people who are actively involved in pursuit of seasonal resorts particularly, that too many of our legislative frameworks don't respond to the needs of seasonal workers and to the needs of those seasonal resorts. Just going through this, I can see the treaty negotiations office; CAWS - Community, Aboriginal and Women's Services; Competition, Science and Enterprise; Water, Land and Air Protection; Land and Water B.C.; Transportation; Forests; Energy and Mines; and

Sustainable Resource Management all have one sort of grab or another at any kind of proposal that comes forward. That's why it takes so much time.

Kevin has the specific responsibility of looking at all of the resorts that we're aware of today and all of the improvements that we're going to see as we go through. He will come back to us with detailed plans of what the requests are, what the proposals are, what the time frames are, what the hurdles are and what decisions we have to make to move this forward so that we can give resorts the opportunities to move forward.

Obviously, we're all excited thinking about July 2 and the potential for the Winter Olympics and Paralympic Games here. If we are successful, we want to really be taking that up a notch, because we're going to have attention paid to British Columbia. There are enormous assets that we have, whether it's fly-fishing in the Kootenays or in the Babine area of the province, whether it's the coastal and marine resorts that we have up and down our coast. We fly over it, and we sometimes take it for granted. I can tell you: the world doesn't take that for granted. We should be just making sure that we do it.

I want each of you in your ministries to understand that we've set this fairly high on our agenda as a government. I want to make sure that your ministries are setting the resort task force high on your agenda too, so we have action plans, and we start to execute them as we go through the next 12 months.

Greg?

Hon. G. Halsey-Brandt: Premier, just picking up on one of your comments. On the map that we had, they tended to be around winter resorts with a summer component as well. Probably to Kevin and yourself.... The strategy: will we also be looking at things like fishing lodges, marine parks - that whole outside experience?

[10:10]

Hon. G. Campbell: Yes. If you noticed on the map, there was a fairly large blob of colour on the coast. There's a substantial summer resort opportunity there. Yes, it's year-round resorts. This is not about just mountain resorts; it's about year-round resorts for British Columbia. Okay? We have approved that.

Thank you very much, Stan.

We will now move to Geoff and the Lheidli-T'enneh agreement-in-principle.

For Decision: Lheidli-T'enneh Agreement-in-Principle

Provincial Ratification

Hon. G. Plant: Thanks, Premier.

I'm here today to get cabinet's approval to take a step forward along the path that you set for me, Premier, two years ago when you asked me to take responsibility for implementing the new-era commitment to fast-track treaty negotiations.

Before I get to some of the details of the agreement-in-principle we have before us here, I just wanted to briefly remind colleagues and perhaps people who are watching that the treaty negotiation process in British Columbia, which is supervised by the B.C. Treaty Commission, has six stages. The first two stages get people into the process. The third stage is the negotiation of a framework agreement, which is really mainly an agenda of negotiation items.

Stage 4 is called the agreement-in-principle stage. It represents the first point in the process at which the parties sit down and wrestle in a substantive way with the issues they have put on the table for negotiation. It's where they outline the vision of what they want the treaty to achieve and how they hope to achieve it, and actually sit down and do the hard work of talking about lands and resources and governments and taxation powers and all of that stuff. It's certainly the hardest stage to get through of the first four stages, although experience with Nisga'a suggests that once you get to AIP, negotiating a final agreement is a pretty big challenge too. Nisga'a, of course, was negotiated under a separate process.

The way the agreement-in-principle stage is reached is that the three parties have negotiating teams, or chief negotiators with help. They do the hard work of consulting with the stakeholders, their constituents, and of listening to their communities and trying to find the resources, creativity and flexibility to work within the mandates they've been given by their principals. Then, when they think they have the makings of a framework of an agreement, the three negotiators initial a document which essentially amounts to a letter to the three principals saying that the negotiators recommend this agreement-in-principle to their principals - I always say "principals," a-l-s, for Dr. Hagen and the other students of grammar here at the table - the principals specifically being Canada, British Columbia and the first nation involved in the negotiation.

Then each of the three principals, the three parties to each of these agreements, has to make sure their own principals support the deal. The way this usually happens is that

the first nation goes first. They touch base with their community to make sure the community does in fact support the work the negotiators have done. If we get past that stage, then we get here. The cabinet decides whether or not to approve the agreement-in-principle, and then Canada will make a similar decision. Then at that point, if all three parties think we have the makings of an AIP, we start the next round of the work, which is to try to turn that AIP, that agreement-in-principle, into a final agreement.

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That's the context within which today's presentation is made. Let me more specifically introduce the issue we're going to be looking at. The first nation known as Lheidli-T'enneh has its main community in Shelley, which is near Prince George. They have been involved in the treaty process for ten years, and they have been negotiating an agreement-in-principle since 1996. That is, we've all been in stage 4 at the Lheidli-T'enneh table since 1996. The Lheidli-T'enneh community treaty council, which is made up of representatives from the Lheidli-T'enneh community, has received the AIP that their negotiators have recommended to them. They have voted in favour of that AIP, and they have recommended that the band chief and the council approve it. The chief and the council have passed a resolution approving the AIP, so that part of this agreement-in-principle approval process I talked about a minute ago has been completed.

The Lheidli-T'enneh have been active participants in the local Prince George and the Prince George regional economy, most particularly in the forest sector. They operate a sawmill and a logging company, and Chief Barry Seymour is the president of the aboriginal business development centre in Prince George, which I believe recently won the national Aboriginal Economic Developer of the Year award. I am delighted to acknowledge Chief Seymour's accomplishments and also to acknowledge his presence here today in the room with us, witnessing and keeping a close eye, I hope, on what we're about to talk about.

The Lheidli-T'enneh statement of intent is the way people start this process. They submit a statement of intent to the B.C. Treaty Commission. As you can see from the lilac-shaded area on the map there, the Lheidli-T'enneh statement of intent claim area covers a significant portion of the central interior of British Columbia. It extends about 40 kilometres to the north and 100 kilometres to the south of Prince George. It begins about 40 kilometres west of Prince George and stretches east all the way to the Alberta border.

The Lheidli-T'enneh themselves have, throughout this negotiating process, demonstrated a significant interest in expanding economic opportunities for their members and the local community. They've done a remarkable job of building strong relationships with local governments and stakeholders. In fact, the Lheidli-T'enneh recently signed communication and cooperation protocols with both the city of Prince George and the regional district of Fraser-Fort George. I believe it was in acknowledgment of the significance of this initiative that it was awarded the Fraser Basin Council 2002 Sustainability Award in the strengthening communities category. I'm mentioning these things, Premier, so that as you move forward with the Achieve B.C. initiative, you can keep the achievements of the Lheidli-T'enneh in mind and also the achievements of local government in the Prince George area, who have been very constructive and enthusiastic participants in this conversation.

The Lheidli-T'enneh, as a community, have a population of just over 300 members, of whom about one-third live on the main reserve in Shelley, which, as I said earlier, is about 20 kilometres northeast of Prince George. The majority of the members of the community live in Prince George and the surrounding areas. They also have three other reserves in the Prince George area, and the total area of all existing reserves is about 667 hectares.

As you can see from the slide here, the statement of intent area - the traditional territory that they claim - covers nearly 5 percent of the area of the province. So to connect to the theme that Stan talked about earlier, I believe it's pretty clear that a treaty with the Lheidli-T'enneh would contribute in a significant way to achieving certainty over the land base of British Columbia.

So let's talk about the core elements of this AIP. The AIP has been a public document for a while; I think it's been on the B.C. Treaty Commission website since early May. What I'm covering here is really not news, but it's good to have a chance to touch the most important points.

[10:20]

The AIP sets the basis for the negotiation of two agreements. First, a constitutionally protected treaty that will deal with land, cash, resources and certain core aspects of Lheidli-T'enneh culture. The AIP also provides for negotiation of a separate governance agreement, which will be outside the treaty. This document will not be constitutionally protected. It will provide, however, for Lheidli-T'enneh lawmaking authority in respect of a range of matters, including things like the licensing of businesses on Lheidli-T'enneh

lands and emergency preparedness.

The land component is slightly over 4,000 hectares. The capital transfer component is \$12.8 million minus any amounts that may be used to purchase up to 150 hectares of additional land that has been identified as being of particular interest by the Lheidli-T'enneh. It's land that I believe is held in fee simple. At any rate, the acquisition will take place only on a willing seller, willing buyer basis, but the cost of funding those land purchases would represent a deduction from the total \$12.8 million.

The AIP specifically provides that a final agreement will constitute a full and final settlement of aboriginal rights related to lands and resources. This is a key component of our requirement that treaties provide legal certainty. I believe that as it does that, however, it also achieves the certainty obligations which the other parties - the Lheidli-T'enneh and Canada - have for this process.

The AIP provides for what is called a concurrent land model. That means that federal and provincial lands will continue to apply on Lheidli-T'enneh treaty settlement lands. The Lheidli-T'enneh will have taxation authority over Lheidli-T'enneh citizens on Lheidli-T'enneh lands. They will only have the authority to tax other persons on Lheidli-T'enneh lands if the parties can negotiate and enter into a subsequent arrangement to that effect, and that arrangement would not be a part of the treaty.

There are some provisions in the AIP that are intended to achieve our shared objective of harmonizing land use planning. The Lheidli-T'enneh commit to invite the regional district to participate in the planning and the zoning and the development of any Lheidli-T'enneh land for industrial purposes. The agreement also provides for the participation by the Lheidli-T'enneh on the regional district board. There is provision for additional agreements with local government on land use in provision of local government services.

I think that we have here the makings of an agreement that can truly establish a benchmark for the harmonized, cooperative regime that good neighbours should have when they're living side by side. That takes me back to the comments I made earlier about the city of Prince George and the regional district and their participation and contribution to this process to date. To quote the Minister of Advanced Education: "This is actually pretty exciting stuff."

Some more elements of this AIP. It contains comprehensive provisions to ensure the effective conservation and management of wildlife. It ensures that the treaty rights to wildlife that will be given effect by the final agreement will be subject to measures

necessary for conservation, public health and public safety. It sets out a process for the ministerial review. That is the review by the province and, in respect of wildlife, the review of Lheidli-T'enneh wildlife harvest plans for species that are the subject of conservation concerns. It also means that for the first time, we will get and share the harvest data and the other information that we need for effective management of those resources.

The agreement also provides that the Lheidli-T'enneh will make laws to require their own hunters to carry appropriate documentation, and there are provisions with respect to fish. The Lheidli-T'enneh will be entitled to harvest an average of 5,000 sockeye salmon from the upper Fraser watershed for food, social and ceremonial purposes. They will also receive a commercial allocation of, depending on how it's calculated, what looks as though it's an average of 7,500 sockeye salmon. That commercial allocation will be managed on a basis that affords the same priority for those fish as for other commercial fisheries.

[10:25]

The AIP also includes a commitment to negotiate revenue-sharing arrangements prior to final agreement. We have not yet undertaken those negotiations - the details have yet to be worked out - but our provincial negotiators will ensure that the financial mandates that cabinet has been setting will be respected in those negotiations.

Let me say a little bit about the referendum. In negotiating this AIP, I have instructed our negotiators to carry out your mandate, which is to ensure that the eight principles of the referendum are respected. I believe they have done so.

The slide here shows in summary how I think we've met that objective. There will be no land expropriated for this treaty settlement. Existing third-party tenures will be respected. Public access for hunting, fishing and recreation is ensured, including reasonable opportunities to hunt and fish on Lheidli-T'enneh treaty settlement lands.

Provincial standards for resource management and environmental protection will be respected through this thing I've called the concurrent law model. Lheidli-T'enneh will have lawmaking authorities similar to local government, and these will be given effect through federal and provincial implementing legislation. In other words, in that part of the essence of self-government, the self-government will be delegated. Land use planning will be harmonized through various means that build on the good relationship that Lheidli-T'enneh have already developed with local governments, and over time, in keeping with good fiscal financing arrangements, the tax exemptions that presently exist

under the Indian Act will be phased out.

I think this is a good agreement for British Columbia. I think it's a good agreement for all parties. Let me just highlight why I think that's so. First of all, a final agreement would provide certainty with respect to aboriginal rights and will achieve legal certainty for British Columbia over a significant portion of the land base of the province. I think that in that respect, this step forward is very consistent with what Stan Hagen has been trying to do across the province.

The Lheidli-T'enneh themselves will benefit from the economic development opportunities that can and will be undertaken with the cash, land and other resources that will be part of a final agreement. The Lheidli-T'enneh are already participants in the local economy. I think a successful final agreement here will actually benefit not just the Lheidli-T'enneh and their community members but all residents of the Prince George region.

I think this shows that if you work hard, you can actually make this treaty process move forward. We have work to do. The final agreement process is detailed, and while we are looking hard for ways to see if we can make the final agreement process happen a little more speedily, we are still a year or more away from a final agreement at this table. I think the parties have shown they can work together and, particularly, can reach agreement when they are all committed to trying to do just that.

Premier, what I'm hoping I could get is approval of the agreement in principle and authorization to proceed to final agreement negotiations at this table.

Hon. G. Campbell: Questions? Greg.

Hon. G. Halsey-Brandt: Thank you, Geoff. First, congratulations. Seven years to get to this point - it's been a while. You laid it out, I think, very, very clearly, and I would commend both your staff and, of course, the first nation.

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[10:30]

My question is around the fisheries, not just because it relates to this first nations group but because of the conditions up and down the Fraser River. On the food, social and ceremonial, you mentioned the 5,000. There will be a harvest agreement in there worked out in terms of managing the fishery resource. My question - I guess really for

clarification - goes to the other harvest agreement, which is outside of the treaty, that talks about a commercial allocation. In my understanding of that, through Fisheries and Oceans and other groups that help manage the Fraser River fishery, they would decide after conservation has been taken into consideration what the overall catch, for example, of Fraser River sockeye should be for the year. Then that would be divided up.... And the word "commercial," I guess, is really what I'm trying to deal with here, because normally that would mean like a commercial fishing licence that the fishermen have. So is the amount of the fishery that goes to this first nation group based on that commercial allocation in terms of the number of licences that are shared with other fishermen up and down the Fraser River?

Hon. G. Plant: Well, first of all, I think you've got most of it right, as I understand it. The treaty will contain provisions for food, social and ceremonial fisheries. Those are the constitutionally guaranteed fisheries rights that I think deserve recognition in the treaty, or the final agreement, in order to ensure that all parties get the certainty they need around the management of that part of the resource.

The idea of a harvest agreement is, as I think you've said, an agreement outside the treaty that provides expressly for access to the fishery on a basis that will allow the fish to be sold. In that respect it's a commercial fishery. The fish are being caught for their economic value.

I think what the harvest agreement does is create a measure of certainty for Lheidli-T'enneh that they'll have a share of that harvest in any year where there is a commercial harvest. It isn't intended to create a priority access. That is, there has to be a commercial fishery. Any fishery under a harvest agreement will have the same priority as other commercial fisheries in the fisheries management regime, which the federal government is fundamentally responsible for. That's the basic distinction.

Now, as you know, we've been working for a while.... Since late last year, John van Dongen and I have been working on a strategy to engage the federal government in a discussion around how we can - collectively, I hope - do a better job of managing this resource so it doesn't produce the kind of division and discord that it seems to produce on far too many days of the week on the front pages of the newspaper and in the rivers and inlets of British Columbia.

Thanks to the Premier's hard work here, I think we've been able to get the federal government's attention on this issue. I'm hopeful we're going to have a process in place that will allow us to sit down with all the user groups, particularly with the commercial and the recreational sector, and find a way of building some kind of consensus on how

this resource can be managed so that we maximize its economic potential for everybody.

Hon. G. Halsey-Brandt: Thank you very much, Geoff.

Hon. G. Campbell: Others? Mike? Sorry ? Shirley and then Mike.

Hon. S. Bond: Thank you. Geoff has made all the appropriate comments about the role of municipal government and, in particular, the leadership of Chief Seymour in this process, and fairly accurately may have quoted the Minister of Advanced Education. I'm not sure about that.

Two issues that I was hoping you could give a bit of clarity around from our perspective. The issue of access in terms of historic users of, for example, the water ? people canoeing, kayaking, those kinds of things. I know in the public consultation periods that have gone on around this, two issues have arisen, and mostly process issues ? how people sort through those things. One is access and what reasonable access is for historic users of particular areas that will now be within the Lheidli-T'enneh land, and also removal of land, for example, from the ALR ? those kinds of issues that people are focusing on in terms of process, how that fits into the next steps after the AIP. I wonder, Geoff, if you could just give me a bit of clarity around those two issues in particular.

[10:35]

Hon. G. Plant: Let me try and do that. Thanks for the question, Shirley.

With respect to access issues, the AIP contains a framework for dealing with access issues that involves the Lheidli-T'enneh making some commitments to ensuring that reasonable levels of public access are maintained. For example, if there is an existing tenure that happens to be located in a place where the only reasonable access is going to be on a road that may travel through Lheidli-T'enneh treaty settlement land, then the first nation is going to continue to permit access for those purposes. That's at a pretty high level of generality.

I think one of the virtues of a process which I think is becoming more open - and in this case has been very open - is that at this point in the process, people with individual concerns about their own interests or their own rights, and so on, actually get to come up to the top of the pile, if you will, and have their voices heard. I think we all have an obligation - the three parties have an obligation - to respond to those individual concerns. I can't sit here now and give you a sort of parcel-by-parcel description of

whose individual rights might be at issue, but I think we have an obligation to make sure that we address all those particular issues. The Willow River will still be a canoeing and kayaking river for the people of north-central British Columbia.

In terms of the ALR, we've made some commitments in respect of a couple of parcels currently inside the ALR that I understand are particularly important to the Lheidli-T'enneh as potential sites for economic development. What we've said is that we'll help the Lheidli-T'enneh with an application to the Land Commission. We have processes in place in British Columbia in the Land Commission that make decisions about taking land out of the agricultural land reserve in a way that's independent of government. At the end of the day the Land Commission is responsible for making those kinds of decisions, but what we've said is that we recognize the importance of these parcels to Lheidli-T'enneh, so we're willing to help, in effect, with that application.

It's also the case that the existing reserves - for example, the 667 hectares of Lheidli-T'enneh reserves - are federal Crown land. They're not subject to the ALR, so there are provisions in the treaty for, I guess, ensuring that the ALR doesn't suddenly spring up and catch the Lheidli-T'enneh by surprise in respect of those parcels, so that they'll have the opportunity to develop them.

Again, as issues arise with respect to the ALR - I know it's often a challenge for folks - we're going to have to work through those issues. If it turns out that at the end of the day there's an impact on tenure holders resulting from land selections that are produced by this agreement, we've been consistent and clear in our commitment to compensate the third-party holders of those licences. I think we can get most of the way there without actually interfering with existing licensees. That's always our objective. But if we can't do that, then we have an obligation to compensate for the loss.

Hon. G. Campbell: Mike.

Hon. M. de Jong: Thanks. This agreement is the product of some pretty tough negotiations between some able government negotiators and very able negotiators from Chief Seymour's team. I think it's also fair to say it's possible because of some leadership and courage on the part of him and his team. I also think it bears us taking a moment to acknowledge that it's no accident this agreement is taking place with a group that has recognized the value of some pretty immediate economic development opportunities.

While these negotiations are ongoing to finalize this agreement, I think the Attorney General will agree that those more immediate efforts will continue as well. At the end of

the day this agreement is about improving people's lives, as are the other initiatives that have taken place with Chief Seymour's band and are in the works. I think the Attorney General will agree that those efforts will continue as well.

[10:40]

Hon. G. Plant: They will, and they'll involve your ministry as well, Mike. They have, to date, involved your ministry. I think one of the messages the Premier has said pretty loud and clear is that we can't allow the complexity of the treaty process to become an obstacle to trying to achieve some improvement in the quality of life of aboriginal people. Your ministry's direct awards initiatives and the economic measures fund and then the interim agreements that can become a part of treaty negotiations, particularly once we get to this AIP stage, are all tools we can use to try to achieve just those objectives. That work will be underway.

Hon. G. Campbell: Okay. Congratulations. We approve the agreement-in-principle, and we approve proceeding to final agreement negotiations. We expect them a week Thursday. [Laughter.] Thank you very much - good job.

Hon. G. Plant: It's good you said that. That means we're all pretty clear about the objective. It may mean we don't have much of a weekend.

Hon. G. Campbell: Good work. Thank you very much.

The next presentation is Minister Santori.

For Information: Connecting B.C. Communities - Four Pilot Projects (Kamloops, Tahsis, Nass Valley, Columbia Mountain Broadband)

Hon. S. Santori: Thank you very much, Premier. I'm happy this morning to provide cabinet with some information on our progress with respect to bridging the digital divide in British Columbia. One of our new-era commitments to British Columbians was to extend high-speed broadband Internet access to every community in British Columbia.

I don't think it's any secret that high-speed Internet does open up a tremendous number of opportunities and a world of possibilities for many communities - to imagine that with the click of a mouse, it can allow students and health professionals, entrepreneurs and residents to share information over any distance, saving time and also reducing costs. Students can access enriched content and have a greater choice of classes. The ability to have high-speed Internet access supports economic diversification. It opens up new

markets, and it also provides an added incentive for businesses to locate in rural communities in our province. It provides new avenues for health service delivery, and it offers convenient access to almost infinite information.

I want to begin this morning by sharing some facts to illustrate the level of connectivity in the province. The most recent data available shows that in 2001, more than six out of ten households in British Columbia had access to the Internet. We are the most connected province in Canada, tied with the province of Alberta. Over a four-year span British Columbia has consistently been above the Canadian average for small business use of the Internet. Seventy-six percent of small businesses use the Internet, compared to 73 percent nationally. The most recent 2003 figures for British Columbia reveal that we've moved even further ahead. Eighty-six percent of all B.C. households access the Internet either from home, work, school, libraries or other sites, and 72 percent access the Internet directly from home.

There is no question that there has been excellent progress, yet there is much more that needs to be done. In our smaller towns and communities the Internet connection speed and the level of service are vastly different than in larger centres. This creates a digital divide. Not having access to high-speed Internet means some information isn't available quickly. It limits access to audio and video material.

Of the 361 communities in the province with a school, a library or a health facility, 188 do not have access to high-speed links. Most of these communities have fewer than 200 residents. This represents 18 percent of British Columbia's population. These citizens need better access to all that the high-speed Internet can provide. Rural first nation communities are among those without access to high-speed links. The reason? The technology to bring high-speed access to small communities is too expensive. It has come down in price over the years, but there is still a limit to what families can afford to pay. These communities need various types of assistance if they are to benefit from the opportunities available through this type of technology.

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We made a new-era commitment to extend high-speed Internet access to every community. In order to achieve this, we are working with communication companies and local communities and leveraging the capabilities of a variety of players. The Premier's Technology Council advises us on these kinds of challenges. The council recommends encouraging local service providers such as community-based networks to provide that

last mile of connection to British Columbians. The so-called last-mile link means bringing connections directly into businesses and homes. We support communities in doing this by putting the infrastructure in place, and we are doing this at a faster pace than the private sector would be on its own.

We are acting on the council's advice, and today I am very pleased to announce four pilot projects. As the Premier's Technology Council recommended, all of these projects are community-led and community-driven, and in fulfillment of our new-era promise, we're developing unique and flexible agreements to provide or improve high-speed access in British Columbia. At the same time, government is paying the same or less for our connection.

While these communities already have some form of Internet access, we're talking about high-speed links that offer much more in the way of opportunities. These will now be available to communities within Kootenay-Columbia district 20 and to residents of the city of Kamloops, the four Nisga'a villages and the village of Tahsis.

The first project, the Columbia Mountain Open Network project, will dramatically enhance Internet capabilities in all communities within school district 20 in the Kootenays. It will connect schools in the district, opening up the information highway and providing new learning options. This will make a big difference to many of our young people. For instance, each of the high schools has only a few students who want to take literature 12. Through the technology of high-speed links, the teacher can lecture in one location while using a two-way video conferencing system to connect with students in Trail, Castlegar and Rossland.

Now, video conferencing has been available in schools and larger centres for some time but not in school district 20. Having access to the full curriculum enriches the educational experience for students and can better prepare them for post-secondary education. Government has agreed to buy its high-speed services through the Columbia Mountain Open Network. Eventually the system will connect homes and businesses in communities such as Castlegar, Fruitvale, Montrose, Robson, Rossland, Trail and Warfield.

The province will pay fees to connect to this system, as it would with any other service provider. As a result, the community, businesses and government offices will get better, higher-speed Internet access and video-conference capability at the same cost or lower than previously. This is truly a win-win situation for all partners, and it is another example of how we are addressing the Premier's Technology Council's recommendation to help community-based networks provide innovative solutions.

As well, my ministry is working with the Ministry of Education to identify schools that need Internet upgrading. This was recently announced by Christy to ensure that students and educators in the heartlands can access state-of-the-art electronic educational tools. We will implement this plan in the next fiscal year.

The second project is the Nisga'a Lisims government network. This remote region is currently connected to the outside world via satellite, microwave or slow wireless. The project will deliver state-of-the-art, high-speed fibre connections to all four Nisga'a communities. This will enable the Nisga'a government, its citizens, health authorities and educational institutions to easily share data amongst themselves and with others. Video conferencing will bridge the distance between patients in those communities and health service providers in larger centres. This has incredible potential for patient care and for learning and training at a distance.

In addition, Nisga'a community members will be trained to install and maintain the network, essentially running their phone and Internet services via Nisga'a Net. This creates well-paying jobs for Nisga'a people and technical knowledge and skills they can offer outside of their communities. This project, like the others, was initiated by the community.

Our government responded to their requests for assistance in developing a technology plan, and we facilitated discussions between the Nisga'a government and Telus. As well, the province contributed \$80,000 to the Nisga'a for engineering costs and will examine the possible link to schools and provincial ministries. The Nisga'a Lisims government and Telus will contribute substantially to this project.

[10:50]

The third project is the Kamloops Community Fibre Network. The city of Kamloops approached us with their idea of building a fibre network and putting government onto that network. Eventually they will extend this infrastructure down every street in Kamloops. No other large municipality in Canada has made fibre optic cable available to every home in their area. High-tech companies and call centres may establish or expand in Kamloops to take advantage of network capacity and speed. As well, there is the potential for home-based businesses to expand.

Once again, the province's purchasing power will help deliver these capabilities to Kamloops. The province's network traffic will travel on this infrastructure, providing the city of Kamloops with about \$450,000 per year. We will pay a one-time fee of \$800,000 to connect government buildings to the greater capacity of this network. We will recover

these costs over the life of the agreement as we will pay lower monthly fees than previously.

The fourth and final project included in this package is the Tahsis network project. The community is too small and remote to justify a commercial entity installing high-speed access on its own. However, a motivated local cable television supplier, Conuma Cable, approached the government with its plan to provide high-speed Internet service. Together with the village of Tahsis, we reached an agreement. We will allow the use of the government network, and the cable company will provide connectivity to government locations in Tahsis. This will work for the community, the cable company and government. It allows existing businesses to grow, expanding their market for products and services by taking advantage of the Internet reach.

Tahsis could attract new ecotourism companies when they are able to market the area's natural beauty worldwide through high-speed Internet content rich in photos, videos and sound. As well, high-speed Internet access will permit the growth of knowledge-based business through the Internet. This project will be up and running later this summer, making Tahsis part of the high-speed world.

In conclusion, bringing this technology to B.C. communities has numerous benefits. It provides enrichment and an expanded learning experience for students. It provides more opportunities for high-tech expansion and startups, and permits businesses to expand their customer base and market their products. It provides exciting new avenues for delivering health services through interactive, two-way video conferencing.

As you can see, we are making progress in bridging the digital divide. As I said earlier, there is much more that needs to be done, and we will monitor and learn from the projects that I have announced today and will replicate them in other communities. We will continue to pursue innovative relationships with communities and the private sector to ensure that B.C. remains the most connected province in this country.

Now I'd be more than happy to answer any questions you may have.

Hon. G. Campbell: Christy.

Hon. C. Clark: Thank you, Premier.

I just want to take a second to connect this with the work that we did over at the Ministry of Education on the rural task force. We commissioned the rural task force to go and look at quality of education in the heartlands of British Columbia, because we recognize

that there is a gap in achievement between kids in urban areas and kids in rural areas. That's true across the country, in every province in Canada. We have the smallest gap in achievement in British Columbia, but - I know you'd agree with me, Sandy - there shouldn't be any gap at all, and we need to close that.

Part of the rural task force response from our government was to connect the 300 schools that are unconnected. I just wanted to touch on the benefits of that for schools. It is partly, as you said, more information for students, because obviously they can download websites and get access to more information. Yes, it's about making them technologically literate, which is a part of global competitiveness, but it also allows them to enrich existing programming in schools. You could take a music program that might have a teacher who was a part-time music teacher assigned to it and suddenly be able to access musicians at the Vancouver Symphony Orchestra, who could play live and show kids in a small community how to use their instruments better. It really offers the opportunity to enrich existing programming.

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I think most importantly from the task force's perspective was the opportunity to improve teaching quality, because they identified that the principal reason there is an achievement gap is because teachers in small communities don't get the same kinds of opportunities for professional development that teachers in urban centres do. We need to give them more access to that.

Part of that is through connecting schools to the Internet on broadband, but part of it is exactly what you talked about, which is the video conferencing, where a teacher can sit in a small community in their school and video-conference with someone at the district office or someone in Vancouver and receive that professional development without having to leave their town and drive for two or three hours to try and get it. I think that is probably the most important innovation that you're making here. I think it will make a tremendous difference to the quality of education in small towns.

Hon. G. Campbell: Colin.

Hon. C. Hansen: Thanks, Premier.

I want to add a health care perspective to this, because I think this is tremendously exciting for small communities. There have been huge innovations made over the last

number of years around telehealth. In our new-era commitment, we promised that British Columbians would get access to the health care they need when they need it, where they live. One of things that's an important part of that is high-speed Internet access.

Just to give a for-instance, you could take a small community where somebody was injured in a car accident. Without technology, that person may have to be strapped onto a stretcher, stabilized, blocked - if there's a suspected back injury, for example - and transported either by air ambulance or by road ambulance to a hospital sometimes hours away where there may be a radiologist that could read the X-rays only to find out that, more often than not, it wasn't as serious as they perhaps feared. With this kind of high-speed Internet access, you can actually bring that kind of.... The X-ray could be transmitted electronically. It could be read by a radiologist literally anywhere in the world and advice given back to the doctors in that community as to the severity of a particular injury.

I think this is tremendously exciting in expanding the opportunities for real, effective health care regardless of where you live in the province. It's exciting all round.

Hon. G. Campbell: George.

Hon. G. Abbott: Thank you, Premier.

One of the things, Sandy, that your ministry has achieved is getting community access terminals in all the government agent's offices around the province. I think they're starting to be really well used, and I think they're a big part of bridging the digital divide.

One of the questions that has been posed to me - and you may be able to answer it - is whether, in those many communities that don't have government agent's offices, it is possible, either technologically or with sufficient funding, to see an extension of the community access terminals into, say, libraries - in a community like Kimberley. Is that possible? What would be the barrier there?

Hon. S. Santori: There has been discussion around that, George, in those communities where government agent's offices aren't located. We are looking at libraries. We're also looking at city halls or regional districts.

Some of the challenge that we have.... We notice that when people first go in, even to the government agent's office, they need some one-on-one assistance with one of the government agent's staff to help them and lead them through the process and how to

find the information. The challenge isn't so much locating a terminal in a library or a municipal building, but it's to be able to provide that one-on-one assistance with the individual who's never accessed it before.

We are working on that. There is a possibility that through municipalities or local librarians.... Maybe we can provide some training to them, who then in turn can provide training to the resident.

Hon. G. Campbell: Shirley.

Hon. S. Bond: Thank you, Premier.

I was going to say that this is exciting, but I won't say that, because everyone else....

A Voice: I'll say it for you.

Hon. S. Bond: I want you to know that everyone else around the room has used it at least three or four times.

Just very quickly, this is great stuff. There is a challenge. I'm just wondering what the process was for selecting these four particular projects. Certainly, they have merit. Secondly, there are also other communities that absolutely require the same services to deal with their small business component, schooling issues. I'm wondering what the next steps are after these ones.

Hon. S. Santori: First of all, I'm excited that you asked me the question, Shirley.

In terms of the selection and what communities were able to be announced today, I think it was more an issue of readiness - community readiness. The Kamloops Community Fibre Network has been working on this initiative for a number of years. The Columbia Mountain Open Network has been working on this initiative for at least three to five years. I've got other partners involved. I think that at the end of the day, it was the potential that it was going to bring to the table and, in addition to that, the readiness of the community and all of the key components and partners that were ready to go on this.

[11:00]

In terms of process, as a matter of fact, I have a meeting this afternoon with one of the communities in the Okanagan, who I'm sure are coming here today to make a similar

presentation. We have met with communities in Christy's riding - similar to this but on a different type of an initiative.

There are communities coming forward on a continuous basis, and our challenge now is to ensure that, number one, it has to be more than just providing infrastructure to a community. Laying the fibre in a community - that's the easy part in terms of getting it there. The difficult part, in terms of maximizing the value and getting the benefits to telehealth and to education and businesses, is that communities have to buy in. Rather than just have the fibre sit there, they have to take advantage of the infrastructure that is there. It's key and instrumental that there is a plan of attack in terms of the community.

I think with these pilot projects, whereby we can show some of the opportunities and some success stories, more and more communities will buy in. Also, I think it starts to put pressure on the private sector, then, to be able to respond to the demands, because I believe the private sector feels the demand isn't quite as heavy as we may think it is. As communities come on, I think the private sector will open up their eyes and say there is a market out there and there is a potential, and will speed up the process in which they take place.

Hon. G. Campbell: Telus, for example, has invested literally hundreds of millions of dollars in trying to make sure that access is available.

Sandy, to come back to Shirley's first question. I guess your answer is this: if people think they have a proposal that they can bring forward, they can bring it forward to you through to the ministry, and then we start acting on that proposal. Is that correct?

Hon. S. Santori: Exactly.

Hon. G. Campbell: The thrust of what we're doing here is trying to aggregate demand in communities so that you can actually make it more economic for them to move forward.

Judith.

Hon. J. Reid: Shirley asked my question. Thanks.

Hon. G. Campbell: Sandy, thank you very much. Good job.

Colin.

For Information: Health Update

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

There's been a lot of discussion over the last couple of weeks around the whole issue of waiting times for surgical procedures, and I wanted to provide cabinet with a brief overview of what we're doing to address wait times.

What we find is that patients who have actually been in the health care system in recent times tend to have a very high satisfaction level with the service, the care and the treatment they got. We also know the public remains very concerned about health care generally. There's certainly continued anxiety - which is, of course, not unique to British Columbia. One area of that concern is the issue of wait-lists.

I think there's a real need to clear up some of the misconceptions about wait times but at the same time to be frank and honest about some of the challenges we face. If you are a person on a wait-list for surgery, there is no such thing as an acceptable wait time. I think if you're in discomfort, if the doctor has said that you're in need of surgery, you would like to have it today. But what we need to determine is when the wait time for elective surgery is too long to be medically acceptable.

The fact is that the B.C. health care system succeeded in providing a 9 percent increase in the number of surgical procedures that were performed over last year. However, there's still thousands of British Columbians that are waiting for surgery, and the question we have to ask is: why do wait-lists remain consistently high?

The best doctors cannot tell you when a wait time for elective surgery is too long to be medically acceptable. There are currently no guidelines in place to tell us what is acceptable to ensure the best outcomes for the patients. All reports that we have looked at on wait-lists in Canada have been clear that wait-lists, as they are currently constructed, do not necessarily reflect need.

We need to put standards in place that really provide consistent rules around when a patient should be put on a wait-list, so that we have that kind of a standardized approach from physician to physician and community to community around the province. It is not appropriate to say, at the first sign of discomfort an individual might experience, that we should put that person under the knife and have the taxpayers pay for it.

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In the case of a degenerative condition like knee pain, when is it appropriate for surgery instead of other medical interventions? The question that many doctors are faced with, in the case of a degenerative condition, is: do I get my patient on a wait-list now, or do I actually wait until they are in need of the surgery? Because patients are assessed differently, we do not have an accurate picture as to how many patients need surgery in the short term and whether the wait times they are facing are, in fact, medically appropriate.

That can create all kinds of anxiety as patients believe that if they are placed on a wait-list, they should have that surgery take place right away. In fact, the only information we have right now comes from the wait-list registry on the Ministry of Health Services website. It is based on what physicians self-report about their patients. Just to put that in a perspective: in the whole province we do about 400,000 surgeries per year, and yet if you look at the reporting that is done through that wait-list registry on the website, it only accounts for about half of all the surgeries that we know are being performed in the province.

The reason for that is the website actually only provides information from hospitals that are doing a thousand or more surgeries per year. In the future we want to assess who reports and what they report so that there's more consistency. But we do need a better understanding as to how to realistically measure the data that is available to us.

We know that labour disputes cause spikes in wait times for some elective procedures. For example, if you look at the median wait time for knee surgery, you can see that the job action by some health care unions in July and August of 2001 caused that median wait time to spike from about 20 weeks to about 28 weeks, a two-month increase over a very short period of time. We were able to bring that wait time down to about 23 weeks over the following seven-month period, but then we faced the withdrawal of services by physicians over their fee disputes. By the end of that dispute, the wait time had gone back up to 28 weeks.

As we move forward, we need to keep in mind the added pressure that our aging population is putting on our health care system as well. If you fast-forward to the year 2030, we will have more than doubled the number of seniors in the province. Right now there's about 550,000 seniors - those over the age of 65 - and by the year 2030 that will hit about 1.35 million. Right now in B.C. one in eight of us is over the age of 65, and in 30 years from now that's going to shrink to one in four.

The challenge that presents is twofold. First of all, proportionally, there will be fewer individuals working to generate the economic growth that pays for our social programs. By the year 2030 we will have 433 seniors for every thousand working British Columbians, and today that number is about 188 seniors for every thousand working British Columbians.

The second issue is that health care needs increase dramatically with age. As our population ages, we have a particular challenge keeping up with the demands in areas of elective surgery - like hip and knee replacements, for example - that are more prevalent among those over the age of 65. Overall, the health care system spends an average of about \$1,400 per year caring for someone between the ages of 25 and 45. That jumps to about \$18,800 a year for someone between the ages of 85 and 89. If you look at the age group over 90 - which, incidentally, is the fastest-growing age group in British Columbia - the average health care costs for an individual is \$20,800 a year.

To meet these challenges, we've embarked on a number of initiatives to address the issue of appropriate wait times. This problem is not unique just to our province, which is why we're working in partnership with our neighbouring provinces on what is called the western Canada wait-list project. In addition, the provincial health services authority is taking the lead on a provincewide initiative to improve access for patients and by developing standards for surgery and for other procedures.

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This is not the only initiative that the PHSA has undertaken. Last year it created a new provincial thoracic surgery program to provide surgery through four centres of excellence around the province. The first two are up and running in Kelowna and Vancouver, and we're also looking to expand that to Victoria and either Surrey or New Westminster in the near future.

Over the past ten years not a single thoracic resident trained in British Columbia chose to stay in this province. This consolidation around these centres of excellence will allow us to provide better service to patients, as well as improve the efforts to recruit and retain the thoracic surgeons that we need.

The provincial health services authority is also looking at developing a new cardiac agency, and this will be similar to what we currently do with cancer and renal care. This will provide better coordination and improved access for cardiac patients in the province.

The five regional health authorities have also undertaken their own surgical reviews to look at how they can provide services in a way that is more timely for the patients and more cost-effective. Rather than each hospital being all things to all people, centres of excellence are being developed throughout the province so that more diagnostic procedures and surgeries can be done right there at the closest regional hospital.

We need to implement a provincial performance measurement program for surgical services so that we can actually measure how effective these initiatives are, and we will continue to report our progress publicly.

Let's look at some of the results so far, because it was about a year ago that we embarked on a major overhaul of how the health care system worked. We are already seeing the benefits to patients. For example, in April of this year there were 24,703 surgeries performed in the province, compared to 21,361 surgeries in April 2002. That's a 15.5 percent increase from April of last year to April of this year.

Let me give you some specific examples of what's happening in some communities. To address the wait-list for eye surgery in the Okanagan, the interior health authority has created eye centres in Summerland and in Armstrong, which is not only reducing wait times but is also allowing people to get their surgeries closer to home.

An increasing number of complex surgeries are being performed in hospitals like the Kootenay Boundary Regional Hospital in Trail or in the Prince George Regional Hospital. With regard to Prince George, a more consistent operating room time in that hospital has resulted in an almost 50 percent reduction in the wait times for surgeries in the Prince George area.

We promised the health care you need when you need it, where you live, and that's exactly what's happening as more and more complex surgeries are being performed in the regional hospitals around the province rather than flying patients out of those regions or sending them to other communities like Vancouver or, in the case of the Kootenays, patients going to Calgary. We're seeing more surgeries actually being done at those regional hospitals, closer to where they live.

There are other success stories that do not show up on the wait-list website. For example, we have significantly reduced the wait times for the diagnosis of autism in children six years of age and under. The wait-list was 14 months long when we took office, and it is now down to less than three months. While that's encouraging, we obviously still have to do better in all these areas.

We have been clear since forming government that we had to move away from a system that was stagnant and crisis-driven to one that promoted innovation and creative thinking, and to put the needs of patients ahead of the multitude of other interests and interest groups in the system.

We are prepared to engage with new partners to help us deliver faster care to patients in the most cost-effective way possible. That required a significant shift in thinking, but it was one that the new health authorities around the province embraced. Last fall the Ministry of Health Planning, under Sindi's leadership, developed a policy framework to guide the health authorities as they looked for innovative ways to make sure patients got their medical needs met. The patient services delivery framework makes it clear that health authorities should only engage with private sector partners if they meet specific criteria meant to ensure quality and access for patients, as well as protecting the interests of taxpayers.

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Essentially, the health authorities must ensure there is a demonstrated public benefit, such as improved access or reduced wait times for patients. There must be value for money, and there must be accountability. One of the overriding principles of that policy is that any arrangement must be consistent with the principles of the Canada Health Act. The objectives of the policy framework are to (1) improve patient access to necessary care, (2) enhance choice within the health authority on where services may be received, (3) improve efficiency and contain costs, and (4) ensure a sustainable public health care system through innovation and by going after the most efficient means to deliver quality care when it is needed.

As we know from a couple of weeks back, the Vancouver coastal health authority is the first of the health authorities to look at going out to the marketplace and looking for potential partners. Their request for expressions of interest will be posted on the B.C. Bid website in the very near future, and it will be there for everyone in the province that's interested in it to look at. Their goal is to reduce the amount of operating room time at Richmond Hospital for minor routine day surgery so they can perform more complex procedures, such as complex hip and knee surgeries, in Richmond Hospital. As mentioned earlier, these are areas of elective surgery where we want to see the wait-lists come down.

This is not the first time the Vancouver coastal health authority has looked at innovative

solutions to reduce wait times. The former North Shore health region - which is now part of that Vancouver coastal region - when it was under the previous government, contracted with a surgical clinic in 1999 to perform low-risk cataract surgeries for Lions Gate Hospital. This freed up 28 hours of additional operating room time each week for other procedures, and it meant that an additional 60 surgeries per month could be done. In addition, the wait times for cataract surgeries were actually reduced as a result.

This request for expressions of interest is no guarantee that the Vancouver coastal health authority will contract with a private provider. We've made it quite clear that it can only go ahead if it makes sense for patients and for taxpayers. We've also made it clear that any such initiatives must fall within the scope of the public system and be consistent with the Canada Health Act. That means that every procedure must be totally paid for by the Health budget and no extra charges for patients for everything that is medically necessary. Patients will see no real difference in the kind of care they get, apart from perhaps the location where that surgery is performed. In fact, they may see quicker access to that care they need.

There are lots of questions around wait-list data and what that data really means, but the real question it comes back to is that we are building capacity in our health care system to do more surgeries. That's the measure that I think is of paramount importance: how many surgeries are being done in the system and how fast people are getting access to the care they need. The bottom line is that we have to do more, and the changes we are making to our health care system will help us to meet the needs of patients in every single part of this province. I think we're making progress and we're heading in the right direction, and I think we will see continued improvements over time. Thanks.

Hon. G. Campbell: Thanks, Colin.

Sandy.

Hon. S. Santori: One question, Colin. You made reference early in your presentation with respect to the assessment process and that there isn't a common assessment process within the system. I want to use the example, for instance, of hip surgeries and one that I hear quite frequently from people with hip problems. That is, when one goes into their doctor for a first time with respect to a hip problem, at that point the doctor would say: "It's not critical now, and you can live with it for a while, but we're going to put you on a wait-list for surgery because it's probably going to take 12 months or 18 months, and probably within that 24-month period you'll need the hip replacement."

The frustration of some patients is the one that has been.... I guess it boils down to: is there a process where surgery is done based on immediate need or future need? In other words, that person who is just starting to experience problems - the doctor puts him on a wait-list. Is that considered part of the wait-list that we're challenged with? Or is it the one that really has the problem and needs to have it done - it's totally gone? I mean, at what point does that person get put on that wait-list? There is a perception out there by some people that people who don't really need it are thrown on the wait-list and are actually getting the treatment earlier. It's basically like how we used to admit people into long-term care facilities. The sooner you get on the wait-list, the sooner we'll deal with your problem - and not necessarily based on the severity of the problem. Maybe you can help me around that confusing question.

Hon. C. Hansen: Well, I think the first thing to make very clear is that anyone in this province that has an emergency or an urgent need for care gets it in a timely fashion. We hear some stories of.... Not on the emergency side. We do a very good job. Our health professionals in this province meet those needs. On urgent care you do hear the occasional story where perhaps somebody may have waited a little bit too long, but by and large we get great care in this province.

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It's around the areas of elective, and I think the example you described around somebody with a degenerating condition is exactly what I hear about anecdotally in the province. One thing that will come out of this western Canada wait-list project is the standardized assessments that indicate when somebody would need a procedure to be done. In the case of, say, a hip replacement, an individual may go through some discomfort. But it's not necessarily good medical practice to have that hip replaced as soon as there's discomfort, because most orthopedic surgeons will tell you there is a point when it becomes necessary. I certainly hear stories of individuals who get put on wait-lists in anticipation of the need.

Coming out of this wait-list project, we expect there will be protocols that will show when it would be medically important for a person to get a hip replacement. By doing that, we'll make sure that people get access to the care they need when it's appropriate in a more timely fashion. But right now we don't have those kinds of assessment tools.

Hon. G. Campbell: Linda.

Hon. L. Reid: Thanks, Premier.

Colin, I appreciate the commentary in terms of Richmond going forward on some of the less complex medical procedures. What's the plan for the next community or the next region?

Hon. C. Hansen: Each of the health authorities around the province has had proposals come to them around opportunities to give patients better access to care and save some money at the same time. Health authorities have been reacting to that in a reactive way as those proposals came forward. Vancouver coastal, with this initiative coming out very soon, is the first one to go at it in a proactive way.

There's a lot of work the health authorities have to do in evaluating those proposals when they come back. I don't think the Vancouver coastal health authority, for example, would have the capacity to evaluate proposals for their entire region, so they're going to have to take these one at a time. But we will learn from this experience.

Quite frankly, until we go out there and look for the expressions of interest, we don't really know what opportunities there are. It may be that there's none. It may be that we're better off to stick with the hospital-based system as we have it right now. Until we go out for those expressions of interest, we won't know. This is a bit of a learning experience with this first one, and only, I think, once we've had a chance to evaluate it will we look at what the appropriate timing is to roll it out with other parts of the province.

Hon. G. Campbell: Graham.

Hon. G. Bruce: Just one last question, Colin. It seems to me a couple of weeks or so back.... I'm not sure if it was the president of the BCMA, but somebody was on the front page of the paper - it was a doctor, I believe - talking about the wait-lists and the problems we had there. Did they present to you a comprehensive strategy, since they're in this business, of how you could go about improving on it? Have they contributed to these types of ideas and thoughts and processes? Was there a follow-up from them on how best to go about this?

Hon. C. Hansen: I think you're referring to a paper that was released by the BCMA about a week and a half ago. It was Dr. John Turner, who's the new president of the BCMA, who launched that at their annual general meeting a week and a half ago in Kamloops. It was around patient guarantees. What they were proposing is that if the health care system can't deliver a surgical procedure within a certain time frame, then that individual has the right to go elsewhere to buy that service and charge the health care system.

One of the big problems with that is that we don't have the kinds of standards in place that determine what an appropriate time is now and when it is appropriate for someone to be put on a wait-list. We're certainly working with doctors in the province. I know there are representatives from the BCMA that are involved with the western Canada wait-list project, and we certainly seek their advice.

I think we also have to recognize that one of the things that drive up wait-lists is withdrawal of services, as we saw from the graph I showed around knee surgeries, which took a significant spike when physicians withdrew services a little over a year ago with their job actions.

I think what we have to find in the system is ways to make sure there is more capacity so that we can get more surgeries done in a more timely way. That's the real solution, and I certainly want to work with doctors and everyone else in the health care system to see how we can best accomplish that.

Hon. G. Campbell: Okay. Just so you all know, there are 165 hours until we get the decision on the Olympics.

Thanks a lot. We're adjourned.

The cabinet adjourned at 11:25 a.m.