



TRANSCRIPT OF THE OPEN CABINET MEETING

WEDNESDAY, OCTOBER 3, 2001

**Province of British Columbia
EXECUTIVE COUNCIL**

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

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Hon. Shirley Bond
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Hon. Geoff Plant

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Hon. Linda Reid
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Hon. Rick Thorpe
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Hon. Bill Barisoff
Hon. Rich Coleman
Hon. Graham P. Bruce
Hon. Stan Hagen
Hon. Judith Reid
Hon. Joyce Murray

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The cabinet met at 9:01 a.m.

Hon. G. Campbell: Good morning, everybody. I'd like to start by welcoming you all to our first open cabinet meeting outside of Victoria, here in Penticton. I want to thank Bill Barisoff, Rick Thorpe and the whole Okanagan caucus for helping us bring this together. I want to thank the city of Penticton for their hospitality. This is the fourth open cabinet meeting that we've had. We did have a meeting scheduled for September 12, but in respect for what had taken place on September 11, we cancelled that.

I think it's pretty clear to all of us in Canada and around the world that the events of September 11 have touched us all in a whole variety of ways — touched our families, our friends. It has clearly had a major impact on the world we live in, and I think it reiterates and underscores how important it is that we maintain an open, democratic society in our country. I can't tell you how pleased I am to be a Canadian, to be someone who gets to benefit from living in an open, democratic society.

Part of what we're trying to do as we move cabinet meetings around the province is bring the government out to the people of the province. You'll find today that this is probably not the most exciting entertainment you've ever been part of, but they're at least open. We have an opportunity, I think, when we come to the Okanagan. You look at what a gorgeous day we're confronted with this morning, what a great province we live in, and you're reminded of all the great things that have built this province and made this province a great place for us to live in and work in.

The Solicitor General, Rich Coleman, will be talking to us a little later in the cabinet meeting with regard to our emergency preparedness program — what we do have underway and what we're doing to make sure that people in British Columbia are safe and secure. Today we're making history again. This is not just the first meeting outside of Victoria for this new open cabinet format but the first meeting that will actually be broadcast on the Internet. It will be archived and accessed under <http://www.gov.bc.ca/>.

It's the first meeting we've held, as I've said, outside of the Legislature. As we're here, I think we remember that all the things that have made this province great are reflected right here in the Okanagan Valley. Whether it's our wine industry which is flourishing and globally recognized for its excellence, our tourism industry in the Okanagan Valley or the high-tech development that's taking place here in what we call the Silicon Vineyard, the Okanagan does embody the spirit of free enterprise. It embodies the spirit of individual endeavour.

Rick Thorpe reminded me last night when I arrived that back in 1989, with free trade coming on, there were many naysayers who said that the wine industry in British Columbia is finished, that B.C. couldn't compete. Well, B.C.'s wines have not only competed but won. In literally dozens and dozens of global competitions, it's B.C. wine that comes out on top. That's thanks to the entrepreneurial spirit of people like Harry MacWaters, Ben Stewart, the Geringer family, Anthony von Mendel and many other people up and down the Okanagan who have made our wines globally recognized.

[9:05]

We have 500 high-tech companies in the Silicon Vineyard, right here. In aeronautics, biotechnology and software startups, this is a booming area in terms of the future of the Okanagan and the future of our province. Again, it's because of the entrepreneurial spirit, the quality of life and the spirit of the Okanagan that those technology industries have been able to take off.

As we look at the Okanagan, I can recall the first times I was here in the Okanagan. I used to come up to the Kelowna regatta for the major swim meet there. I can remember the miracle of the floating bridge that took us across to Kelowna. It doesn't feel like quite the same miracle today as it did in 1958, I can tell you.

Whether it's in recreation, tourism, the wine business or skiing, we brought thousands and thousands of people here to the shores of Lake Okanagan to enjoy your hospitality, your warmth and your tourism industry. I congratulate the people of the Okanagan for that excellence.

Today we confront, here in British Columbia, in Canada and around the world, a number of new challenges as a result of what took place on September 11. I know that the spirit and the values of the Okanagan and of British Columbia will be strong. I know that the commitment of the people who live in our province is to build a stronger, brighter future for our children. I know that working together, we're going to be able to come through this difficult time to an even better time in the future.

You're going to hear today from Gary Collins, our Minister of Finance, on what's taking place in terms of what we're having to deal with provincially. You're going to hear from Colin Hansen and Sindi Hawkins, the Ministers of Health Services and Health Planning, about some of the things we're doing

to address the challenges that patients face in the province of British Columbia and the fiscal challenges that we face. We're going to hear from Rich Coleman on how we're prepared for the future and from the Attorney General on what we're doing with regard to treaty negotiations. I hope it will lay out for you some of the challenges we face and some of the ways we hope to approach this as we move forward.

I should tell you that Mike de Jong, who is our Minister of Forests, is not with us today. Mike has travelled to Washington, where he is continuing discussions with regard to the softwood lumber dispute. That is a major dispute which is having impacts on literally every single community in this province. Mike and his deputy are working very hard to make sure we mitigate the damage that's done there so that we can move forward and build a bright future for people in the forest industry as well.

One of the things we've tried to do as a government is bring more British Columbians into the decision-making process and ask them for the solutions to the problems they face. I just want to outline some of the things that are taking place around the province over the next few weeks where we ask the people of British Columbia to join us in looking at the challenges we face and suggest their solutions. We have a legislative committee on finance which is touring the province doing prebudget consultations. They are meeting in community after community around the province, and I invite citizens to participate in that.

There is an aboriginal affairs committee which is currently also carrying out public hearings to hear from British Columbians on the questions and the principles that they believe should be reflected in our treaty negotiations. The First Nations Summit is working with the Attorney General and the ministry responsible for treaty-making to develop a program where they can come out and talk to the people of British Columbia about the issues that they feel are critical in terms of treaties as we move forward.

There is a health committee which will be holding health hearings as we go through this fall. Those health hearings, again, are asking people how we can solve the problems that we face to deliver to patients the care they need where they live, when they need it. There is no question that patients are not getting the kind of timely health care that they deserve, that they expect and that they need. We have to find new ways to meet those challenges, and I invite the citizens of the province to participate in those health hearings.

We will also be hosting a dialogue on health care at the end of October, where we've asked some people who have been thinking for some time about the future of health care in Canada to come and give us their ideas and their thoughts on how we can move forward.

At the end of February of next year, we'll be holding the first-ever provincial congress. That congress will bring together MPs from all political parties, Senators, MLAs from all political parties, 15 mayors from the 15 largest cities in the province, the presidents of the five regional municipal associations, the president of the Union of B.C. Municipalities and first nations leaders to deal with the issues we confront on a broad basis, so that we can have a coordinated approach to make sure that British Columbians are getting the full value and full benefit of governments working together to meet the needs and challenges that we face.

[9:10]

All of these approaches are meant to try and put the public back into public life, to hear from the public the solutions that they have to the problems we're confronting. I know there's a great deal of energy, enthusiasm and intelligence in the community. There's a lot of people who want to help solve our problems, and we welcome that. We thank you for coming today and being part of this open cabinet meeting.

Let me quickly go through the agenda that we will deal with. First, the Attorney General will outline some of the issues with regard to treaty negotiations. As I mentioned, the Minister of Finance will give us a fiscal update. Ministers Hawkins and Hansen will give us a health update. Minister Coell will be dealing with the monthly nutritional supplement. There will be a deregulation update from the Minister of State for Deregulation, Minister Falcon. There will be a presentation from the Minister of Water, Land and Air Protection on the mandate of that ministry. I'm going to outline briefly the appointment guidelines for agencies, boards and commissions. The Solicitor General, Rich Coleman, will be giving a review on the provincial emergency program, and then we'll deal with a number of orders-in-council. That's what we have on the agenda for this morning. We will get right to it with the Attorney General.

Treaty Negotiations

Hon. G. Plant: Thanks, Premier.

What I want to spend some time doing is a bit of an overview of negotiating aboriginal land claims in British Columbia, some very summary observations about how we got to where we are today, and some thoughts and observations about what we're doing to construct a path forward. The materials for this are tab 1 in the cabinet binder, and I understand that they are going to be made available to the public after the presentation.

Getting right into it, I guess the first part of this is to understand a little bit of the factual context and maybe to make this point: there are a host of reasons for treaty negotiations. They include reasons that have to do with economics and with social conditions that aboriginal people experience in their day-to-day lives in British Columbia. There are moral issues, and there is also a legal framework that includes constitutional elements.

If there is a first message that I want to leave as part of this presentation today, it is some sense of the legal imperatives that inform treaty negotiations in British Columbia. Here's a few important facts. There are approximately 140,000 aboriginal people in British Columbia. That represents about 3.7 percent of the overall population of the province. There are 202 Indian Act bands in British Columbia. That is about one-third of all the Indian bands in Canada.

British Columbia is its own place, if you will, in Canada in terms of the aboriginal presence. If there is a single watchword or keyword to describe aboriginal British Columbia, it is diversity. The aboriginal people of British Columbia are themselves diverse. There are, roughly speaking, 11 language groups of first nations people in Canada. Seven of them are represented in British Columbia. I often remind people that there is no such thing as a single aboriginal group; there is no such thing as a single aboriginal voice in British Columbia. The traditions, cultures and customs of aboriginal British Columbia are very diverse. A little more than half of the bands in British Columbia are in the treaty process as of September, more or less as of this week. Aboriginal first nations are organized differently sometimes for the treaty process, but that gives you a bit of an overview of the extent of participation in the treaty process.

[9:15]

We're here in Penticton. The Penticton first nation is not a participant in the B.C. treaty process, and I'll have more to say about that a little bit later.

The point here is probably self-evident, but it needs to be stated. Aboriginal quality of life is well below that of other British Columbians. In British Columbia and in Canada generally, status Indian people die earlier, have poorer health, have lower education and have significantly lower employment and income levels than other British Columbians. The status Indian population is actually younger, on average, than the population of the rest of British Columbia. That's a bit of the demographic context.

Over to the constitutional historic framework. This is a very, very high-level introduction. To precede it, I want to make this observation. We can, as citizens, participate in a dialogue about what the constitution ought to be. For the purpose of treaty-making and for the purpose of what we do as government, I take the constitution as it is, not as it could be if we were to amend it or reform it.

I think it's important that we here in this group, but also all British Columbians, understand that the constitution of Canada does some very important things when it comes to aboriginal people. Really, perhaps the three most important for us here in British Columbia are the ones listed here. The Constitution Act of 1867 has a special provision, section 91(24), which gives the federal government exclusive lawmaking authority in respect of the category described as "Indians, and lands reserved for the Indians."

Right from the outset of the conception of the Dominion of Canada, the Fathers of Confederation assigned a special place in the constitution for aboriginal people. That has not changed. In 1871, when British Columbia became part of Canada, we accepted that division of powers and that part of the division of powers that gives the federal government exclusive lawmaking authority over aboriginal people and Indian lands.

There is a part of our history that has to do with what the province, as it became in 1871, thought its obligations were in respect of aboriginal lands. One of the Terms of Union in 1871 was an obligation on the provincial government to continue to supply lands for the purpose of setting aside Indian

reserves. The province has a checkered history of honouring that obligation, but for present purposes the important point is that because the province had that obligation and because of the federal responsibility that I've talked about, the province took the position that it had no other responsibilities with respect to aboriginal land interests and for 120 years essentially said to the federal government: "Aboriginal land interests are not our issue; they're your issue." For that reason among others, treaty-making, which had a very brief history before Confederation in British Columbia, was never part of post-Confederation British Columbia, at least not until a decade ago.

The third element of our constitutional framework which is critically important is section 35 of the Constitution Act. I hope I don't need to remind you all what it says, but in part it says: "The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed" — again, a special place in the constitution for aboriginal people and aboriginal rights.

[9:20]

One of the things I sometimes hear talked about in the context of what section 35 means is that people will say: "Well, if we don't like what the courts are doing with section 35, we can use the notwithstanding clause." It's important for all of us to remind those people that section 35 of the Constitution Act of 1982 is not in the Charter. It's a different part of the constitution, and there is no notwithstanding clause for section 35. The rights that the courts have talked about in the context of section 35 are a different set of rights and obligations, if you will, than the rights and obligations that are found in the Charter.

The next page again takes a very, very high-level view of some of the judicial decisions that are critically important to understanding why treaty-making needs to happen in British Columbia, because over 130 years the courts have given content. They've put flesh on the bones of those constitutional documents that I referred to and others, in a way that has real significance for how the government of British Columbia goes about its business.

There are three particularly important decisions. I should point out that each of these are Supreme Court of Canada decisions, but all three come from British Columbia. They're important landmarks in Canadian law, but they're particularly important because they come from British Columbia.

The first of the cases is *Calder*. That was a decision of the Supreme Court of Canada in 1973. It involved the claim by the Nisga'a. *Calder* represented the first modern recognition of the idea of aboriginal title in Canadian common law. Just to make that point in a different way for a moment, when we talk about a right in common law, we're talking about a right that arises without any expressed need to recognize it. You don't need a statute or an order-in-council or any other thing in terms of a positive act by the Legislature. Common law is judge-made law. Common-law rights arise when facts exist and the court says: "If these facts exist, then the right exists."

In *Calder* the Supreme Court of Canada said, in effect, that if there is aboriginal historic presence on the land, then there can be recognized at common law, without the need for any action by the province or federal government, something called aboriginal title. *Calder* became the legal lynchpin for the government of Canada's comprehensive claims policy that began in the early 1970s, which we did not participate in because, as I said earlier, in the early days our position was that this was a federal issue. When I say "our" position, it's the position of the government of British Columbia.

In 1973 the Supreme Court of Canada said there is this thing called aboriginal title. In 1990, in a case called *Sparrow*, the Supreme Court of Canada looked at section 35 for the first time and said that section 35 means something real for government. Section 35 means that when you have an existing aboriginal right, the ability of government to interfere with that right unilaterally is constrained. *Sparrow* says that the power of government to infringe aboriginal rights is no longer absolute. It may have been prior to 1982, provided that you were acting within constitutional authority. But after 1982 aboriginal rights and title acquired constitutional protection, and that has significance for the ability of government to regulate or undertake activities that affect those rights.

The *Sparrow* case establishes a framework for addressing what can be justifiable government infringement of aboriginal rights. There is a balancing act, and the government has to act honourably. The government has to undertake certain process obligations to make sure that it doesn't interfere with aboriginal rights. The message from my perspective is that if the government doesn't do those things, then the government's ability to legislate and regulate is constrained.

In 1997 *Delgamuukw* took some of the principles from those two previous cases and expanded them. Whereas *Sparrow* talked about aboriginal rights as being activities — activities like fishing, hunting and gathering the fruits of the forest — *Delgamuukw* talked about title as a right of ownership

in land and said that that right of ownership exists in British Columbia. It talked about how you prove it and said that where that right exists, the same principles that constrain how the government can affect that right and that were talked about in Sparrow exist.

[9:25]

We now have a broader conception of what aboriginal rights are to include title, and we have a very, very firm statement by the Supreme Court of Canada that the ability of government to infringe those rights is constrained. We also have a firm statement by government that the Crown continues to be the landowner, the resource owner and ultimate decision-maker so that we have to achieve some kind of reconciliation between the Crown's sovereignty and aboriginal rights and title. As I'm sure you all know, the Supreme Court of Canada spoke about the need for reconciliation, and for almost two decades the courts in British Columbia have been pretty consistently telling governments that the way governments need to move through this path of constitutional rights is by negotiated agreements rather than by litigating rights. So why negotiate?

That's a very brief overview of 130 years of constitutional history in British Columbia, but I think it is enough to make this point. We know that aboriginal rights and title exist, but we also know that they're undefined. In fact — I believe I'm right in saying this — there has still been no case in British Columbia in which a court has found aboriginal title to exist in respect of a specific parcel of land outside reserves. What we have is a set of principles that tells us that aboriginal title exists and is likely to exist in a range of places, but we don't have that kind of land registry of where aboriginal title is. We don't even have an aboriginal rights registry that tells us who has fishing or hunting rights or what the precise dimensions of those rights are. There is a lot of uncertainty, therefore, created in my view and, I think, in the views of many others.

We know that the rights exist out there in general. We know that the rights, when established, have a hugely significant impact on the way government does business. But we don't know exactly who has the rights, or where, with the kind of precision you would need to draw lines on a map or to say that here is a precisely identifiable group of people who have these rights. We have this lack of definition, and I think that the result is uncertainty.

The uncertainty has discouraged investment in British Columbia. It continues to operate as a discouragement for investment. The province's ability to authorize the use and disposition of its land and resources is constrained, from my perspective. Therefore, negotiations provide for a consensus-based process for achieving not just reconciliation between aboriginal and non-aboriginal British Columbians but the certainty that comes with knowing what the parties' rights are.

As an attempt to state what the objectives of British Columbia could be in the treaty process, page 6 sets out four points. Clarify the rights and title of aboriginal people to establish greater legal certainty around the land and resource base. That's the certainty objective that I believe is so critical to treaty negotiations. Hopefully, by doing that, we create a climate for greater economic opportunity for all British Columbians and address and move forward on improving the quality of life for aboriginal people. We have some specific new-era commitments that are part of this project. We have a specific new-era commitment that we will fast-track treaty talks to conclude fair settlements. That clearly informs what we are going to do as government as we honour our new-era commitments.

[9:30]

I want to provide a fairly brief overview of the history of negotiations in British Columbia. The process of 120 years of the province's refusal to acknowledge that it had a part to play in treaty-making came to an end in 1990-91, when the province made a decision that it would in fact participate in treaty negotiations. In 1991 there was a group representing a group of first nations called the First Nations Summit, the province and the federal government that participated in forming a task force to look into aboriginal claims. They made the fundamental recommendation that we should pursue the resolution of the aboriginal land question through negotiation rather than litigation.

People who know something about the task force will know that they made a bunch of specific recommendations about how to move forward. One of those recommendations was that the Treaty Commission should be established. There are a bunch of recommendations that are important in terms of how they inform what has happened over the last decade. We as a government have expressed our commitment to those principles as forming a basis for continued negotiations.

The Treaty Commission is the keeper of the process. The Treaty Commission is established by agreement and also by legislation. It's important in this context to make this point: the Treaty Commission is a tripartite commission. Aboriginal treaty negotiations in British Columbia are a

tripartite process. There are first nations negotiating, there is the federal government at the table, and the province is at the table. It's not a situation where we as one party — or any one of those three parties — can unilaterally impose an outcome. It is a negotiation process. It depends on consensus and compromise. It's also a voluntary process. No first nation is required to participate in the treaty process. Those are elements of the treaty process that I think are important, as is pointed out here.

Participation by first nations in the treaty process is funded by federal loans and federal-provincial contributions. When you hear the figure — I think it appears here later — of \$230 million being the cost to date of the BCTC treaty process in British Columbia, most of that represents loan funding made by the federal government to first nations to ensure that they could participate in treaty negotiations. Pursuant to the cost-sharing agreements that the federal government and the province entered into in the early 1990s, the federal government loans the money and advances the money; but if there is ever a default on a particular loan, the default is shared equally between the province and the federal government.

The basic approach is that land and cash settlements are to be cost-shared between Canada and British Columbia on a principle of equality. The federal government and the provincial government are supposed to contribute equally to the elements of a settlement.

There does exist a set of principles for negotiation representing what the government of British Columbia decided in 1993 would be its principles. They're actually up there on the websites and are going to be part of the handouts for people. There are some important points there for all of us to bear in mind but, more importantly, for the citizens of British Columbia to bear in mind as we move through the referendum process. When we talk about principles that should inform the province's approach to treaty negotiations.... Treaty negotiations have not happened in a vacuum. The province did develop a set of principles.

One of the issues, from my perspective, is that I don't believe the public were ever properly engaged in the business of developing and understanding and supporting those principles. The referendum is as much as anything about achieving that engagement with the public and ensuring that the public have an opportunity to provide direct input on what they believe the province's treaty negotiators should take to the treaty table.

Remember, it's a tripartite process. Remember, it's a consensual process. Each of the three parties is entitled to bring to the table their vision of what they want for treaty-making. The question for us as a provincial government is: what is the vision we want to bring to the treaty table?

[9:35]

The referendum is about finding a way to let the public have input into that process. It's not an idea that we came up with last month or six months ago. It's actually an idea that has roots in the minority report of the Select Standing Committee on Aboriginal Affairs from 1997, where I think the idea of using the referendum as a tool to establish negotiating principles was first put forward. It's been a part of what we, as the B.C. Liberal Party, have been talking about for four years now.

Moving to a bit of an overview of what the treaty negotiations office does — that's that part of my ministry which is responsible for treaty negotiations. We negotiate interim measures in treaties. We develop, broadly speaking, the policy for treaty-making, although the mandate for particular agreements is given by cabinet. I don't get to make it up by myself.

Hon. G. Campbell: Thank goodness for that.

Hon. G. Plant: I'm sure many of you are comforted by that.

We also — and this comes back to the point I made earlier about the fact that here we are in Penticton, in the South Okanagan, where the Penticton first nation are not part of the treaty process — manage relations with first nations outside the treaty process, and that includes management through what is called the critical incident response strategy. All of this — treaty-making or non-treaty-making — takes place in the context of the continuing legal and constitutional principles, rights and title that I talked about. We can't put those rights or title on hold while we negotiate treaties. The rights and title exist now, and they exist now as obligations and responsibilities that lie upon both the provincial and the federal government.

One of the obligations we have as a government is to manage the disposition of the lands and resources of the province in a way which avoids unnecessarily infringing on the existing aboriginal

rights and title. That involves consultation guidelines and processes that have been established across government and that we're continuing to look at. It has an impact on the way line ministries do their job, and it is a part of my ministry's responsibility to work to develop those policies.

It's also part of my ministry's responsibility to manage what happens when we don't seem to be getting along with or establishing constructive relations with first nations, and the critical incident response strategy is the label attached to how we do that. People need to know that peaceful protest is a part of our legal tradition. It's recognized and respected by our legal tradition. All Canadians have the right to speak freely about the issues that are of concern to them. We as a government — and the Minister of Public Safety and I in our oversight roles with respect to law enforcement — have a duty to make sure that the law of Canada and the law of British Columbia are applied to those who break the law in pursuing what they consider to be legitimate protest objectives.

There are well-established processes and policies that allow the police to use their expertise on a case-by-case basis to manage those incidents. We have certainly had some recent examples of that in the three or four months since we formed government, and we've done a lot of work with the police at the general oversight level to ensure that public confidence is maintained, that the public can be assured that they can be kept safe. Meanwhile, while that is happening, we try to work with the communities that are affected by these incidents to adopt proactive strategies, to reduce tensions, to build relationships that hopefully will ultimately result in negotiated agreements that establish relationships that avoid confrontation.

A couple of other things that are important parts of what the treaty negotiations office is responsible for are interim measures and treaty-related measures. I'm not going to spend a lot of time talking about that. The objective here is to attempt to build certainty incrementally in particular communities by the use of specific agreements that establish relationships that hopefully, in some cases, actually provide some upfront economic benefits to the first nations communities that are in the treaty process and even, in some cases, first nations that are not in the treaty process.

[9:40]

There are some rules around what constitutes a treaty-related measure and what constitutes an interim measure, but oftentimes I think those labels get in the way of the larger objective, which is to see what we can do with existing government resources to maintain and build relationships and achieve specific practical solutions for specific practical problems in first nations across the province, to build relationships that will ultimately form the basis of workable treaties.

The treaty process results. I'm not going to spend a lot of time summarizing what has been a much less successful story than it ought to have been. It is important to understand that governments and first nations have very different visions about what this is expected to achieve. I was in Hazelton on Monday at the annual meeting of the Gitksan summit, and the Gitksan vision of what treaties should achieve is hugely different from the vision that other first nations in British Columbia have about what treaties would and ought to achieve. It is going to take a long time and a lot of work to figure out how we can talk to each other in a way that will ultimately build some basis for a mutually acceptable negotiation and agreement.

It's often said that first nations expectations are high. I think it is also true that non-aboriginal expectations are high. Non-aboriginals — that is, the rest of us — think that treaty-making is going to bring an end to something. It surely has to bring an end to uncertainty; it surely has to bring an end to the long-outstanding Indian land question in British Columbia. But treaty-making will only be part, and not the end, of the ongoing process of establishing working relationships, meaningful reconciliation, with first nations in British Columbia. The day after treaties are negotiated, the first nations are still going to be there on the land as citizens and neighbours in our communities, and we're going to have to find ways after treaties to make sure we can all live together and build a stronger province.

There's a page here on future directions. These are really ideas, and I've already talked about some of them. Can we move from the idea of all-embracing, comprehensive treaties to more narrowly focused, comprehensible treaties where we try to solve limited, more focused issues and try to find solutions one step at a time rather than waiting until we have agreement on a huge range of issues? Can we move instead from a focus on full certainty to incremental certainty, where we build certainty in stages? Can we find more effective models than the current BCTC process? Most importantly of all, can we move from a process that has stalled and has shaky public support to a post-referendum process that has broad public input and support? I believe we can.

How do we get there? I think we get there with the referendum. We get there by giving people in British Columbia, for the first time, a direct say on what they want treaty-making to achieve for them, and we move forward as government on the negotiations, giving effect to those principles. We have to do so in the legal and constitutional context that I have already talked about. There are legal and constitutional aboriginal rights and title. We cannot, by a wave of a wand or a nod and a wink and a wish, pretend that's not there. It's there, it will be there, and it will continue to be there. What we need as a government is to urgently continue to find ways to give practical effect to those rights within the context of a prosperous and growing B.C. economy. I think the referendum is a tool for giving people a chance to think about those things and to tell us what they want us to do.

[9:45]

There are two stages. As you all know, the first stage is that there is a select standing committee. The Premier talked about it already. The committee is out doing its work. It's not asking people whether or not we should negotiate treaties. It's not asking people what they think about the existence of constitutionally protected rights. It's asking people to direct their attention to the specific issues of what principles and visions and questions we should put for the public in the referendum. When we've had that, then we'll move forward on the referendum.

For the benefit of those who are listening or watching, there are, in addition to the public hearings.... I want to make it clear that you can communicate with the committee by telephone. There's a toll-free line, which is 1-877-428-8337. If this were an infomercial, I'd say: "Remember, that's 1-877-428-8337." Or you can e-mail ClerkComm@leg.bc.ca. Do it by the end of this month if you can, because the committee has to deliver its report by the end of November. Our platform commitment is to hold the referendum within a year. We believe we can do it well within that year timetable.

I thank you, Premier, for the opportunity to talk about this important issue.

Hon. G. Campbell: Thanks, Geoff.

Any questions from around the table? I've got Bill Barisoff and then Greg.

Hon. B. Barisoff: Geoff, you mentioned that in this particular area, where the Penticton Indian band isn't part of the treaty process.... What impact does that have on the surrounding areas, like the city of Penticton, or other bands that don't participate in the treaty process?

Hon. G. Plant: Well, I guess the biggest challenge is that without participation in the treaty process, it's more difficult for the provincial government to establish a formal relationship with the first nations that allows for government to do the business it has to do — by managing lands and resources, for example — in a way that respects aboriginal rights and title. The treaty negotiation process has the value of providing a regular or ongoing forum where even though treaty negotiation is the focus of discussion, if other issues come along, they can be dealt with. Outside the treaty process, we still have the same obligation to respect aboriginal rights and title, but it becomes more of a challenge to establish workable relationships to ensure that we don't have unnecessary conflict or confrontation.

Hon. B. Barisoff: Is there any means of making sure that some of the bands participate in it, or is it just that with time, if things work out, they might participate in the process?

Hon. G. Plant: In the treaty process? Again, treaty-making is voluntary. First nations choose to participate, or they don't choose to participate. It seems to me that the best way to get first nations who are not in the process into the process is to show that it's working. That's our project. That, to me, is the key to achieving that objective.

Hon. G. Campbell: Greg.

Hon. G. Halsey-Brandt: Geoff, just around your comment about incremental certainty. It may have been the Chair or one of the members of the B.C. Treaty Commission who talked a couple of months ago about perhaps negotiating some of the doable smaller items and maybe moving ahead on the economic part of treaties as opposed to trying to settle everything in a treaty — you know, the form of government and that sort of thing. Has there been any direction from the Treaty Commission to your negotiators to perhaps pursue that route as a way of solving the seemingly large impasse of trying to solve everything on the table at one go?

Hon. G. Plant: Well, the Treaty Commission in its most recent report expressed some support for the idea of thinking about incremental certainty or negotiating more narrowly focused agreements. I think the Treaty Commission is open to the idea, but the impetus for doing it has to come from the parties

themselves. We're certainly looking at ways in which you could explore that kind of approach. It's not going to work at every table. Part of the challenge is to find tables where it will work but also to find communities where those negotiations are taking place and where the larger community would support that approach. We're working on that.

[9:50]

Within the larger context of the referendum project — which, remember, is about making sure we get a firm mandate from the people to go forward on.... One of the reasons why we've been careful in terms of the instructions we've given to the negotiators for the province in the period leading up to the referendum is because while we do believe there are things we can make progress on, we don't want to presume that we can make progress on big issues where we may actually be engaging the public on those very issues in the referendum. We are working to try to develop models that would implement that idea.

Hon. G. Campbell: One of the things that Geoff mentioned is that this has been going on for eight years. So far it's cost \$230 million for the first nations that are involved in it, and they are, I think, equally frustrated at the lack of progress. So they're looking for answers, the Treaty Commission is looking for answers, and the First Nations Summit is looking for different approaches. I think that's fair to say. I'm not sure the federal government is aggressive, but I think they're looking for ways that we can move this forward. So all three parties at the table recognize that we've spent a long time, and there is a growing sense of frustration with the kind of results we've had.

I think there's one agreement-in-principle left out — isn't that correct? We have one agreement-in-principle that we're still dealing with at this point.

Hon. G. Plant: There are three or four that are in different stages of disarray. There is no signed agreement-in-principle actually in place right now.

Hon. G. Bruce: Geoff, just for clarification on the referendum question. It can be questions, as I understand it. Can there also be a question that's directed by and to the Indian people themselves? Or are all the questions to be right across the board so that everybody would have an opportunity to...?

Hon. G. Campbell: It's all right across the board.

Hon. G. Plant: The question whether it's questions or question, at the moment, is in the hands of the select committee. Their task is to listen to what the people want on that question.

Hon. G. Campbell: Okay. Thank you, Geoff.

The next item on the agenda is the fiscal update from Gary.

Fiscal Update

Hon. G. Collins: Thank you, Mr. Premier.

I wanted to take this chance to try and update all of you as to what we know about the economic impact of the events of September 11 as well as the slowing economy globally, which was starting to happen in the weeks ahead of that, and try and put that together in some way to illustrate what we're doing as we're moving on our three-year fiscal plan towards balancing the budget in 2004-05 and how that's driving and impacting some of the decisions that you are all going to have to make over the next little while.

You all received letters last week outlining some scenarios for you to put into the budgetary process in your ministries. I'll talk a little bit about that. I want to give you a bit of a sense of some of the first things that we're hearing as a result of the events of September 11 as well as what's been happening with the global economy in the last two months or so.

We have seen declining economic growth for the last little while. If you look at the slide, we have for this year the consensus numbers for the various months of the year. If you look at the slide from January, you can see that at that time the economists across the country and around the world were forecasting for Canada a GDP growth this year of 3.3 percent and for the U.S., 2.6 percent. In each of these months, what we have on this graph is what the economists were saying at that point in time for that month. You can see that there's been a bit of a slowing not so much in Canada, but in the United States perhaps even more so. Really, when you look, you can start to see that in July, August and into September, we see some lower numbers than what we would have normally thought.

In fact, we have some of the first numbers that were done post-September 11. You can see there is a fairly significant drop-off in American forecasted GDP growth for the year. Canada is down as well. We're expecting more input from other economists, and as we get into October, as well, it's still extremely volatile out there. Nobody yet understands exactly what that impact is going to be in the short term, in the medium term and in the long term. We're still very close to that event, and people are speculating in many ways, up or down.

[9:55]

Just to give you a bit of an idea of how it affects British Columbia, we have some early numbers in from a couple of the Canadian forecasters: ScotiaBank, TD Canada Trust and the B.C. Central Credit Union. Those numbers have been brought in for British Columbia. They have revised their numbers as of September.

What we've seen for this fiscal year is an average drop of 0.7 percent in their forecast for British Columbia's GDP growth and for next year an average drop of almost 2 percent to 1.9 percent growth. Just to give you an idea of the uncertainty out there, Scotiabank for next year is forecasting growth in B.C. of 0.5 percent, Canada Trust has 2.1 percent, and the Central Credit Union has 1.5 percent. Everybody is still really all over the map in trying to know what those numbers are, looking forward in out years.

It presents a fair bit of challenge for everybody as we try to get a sense of where the province is headed and some of the challenges that we face. I think it's going to be several months before that starts to settle out and people have a reasonable idea of what the effect is. You're starting to hear now, though, more economic commentators speak in anecdotal ways about a possible recovery as early as next year in the U.S., but it's still very volatile. There's a very broad range of not necessarily just forecasts but anecdotal comment on what we're probably facing in the year ahead.

We obviously have to put together a three-year fiscal plan. Here are some of the assumptions that we are trying to frame as we do this in the Ministry of Finance. These are part of what's directing the letters to ministers which you all received last week.

We are assuming that there's going to be a slowing global economy for the next couple of years, anyway, and declining energy prices. When the economy slows, the demand for energy declines. That has a fairly significant impact on British Columbia's revenue stream because of our downstream benefits, because of B.C. Hydro and because of the gas sector particularly in the northeast of the province. Those areas and that energy sector are what really provided some one-time windfall revenue to government over the last couple of years. It allowed the previous government to sort of cover over the structural deficit that was there for the long term with some fairly significant one-time cash infusions of over a billion dollars from some of them.

We made a commitment during the election campaign to maintain the funding for health care and education, to not cut the funding for health care and education. The Ministers of Health and Education would have noticed that they were the lucky ministers in the letter process in that they were not asked to run scenarios with significant reductions in the size of their budgets. They're the only ones that have not been asked to do that.

Without question, the Ministries of Health are going to face significant pressures on their own without any reductions. I know we have many things that we want to do in the Ministry of Education to try and improve the system. We made a commitment during the campaign to protect those. I know the Minister of Education....

Colin, you may not think you were lucky in managing that budget, but compared to some of your colleagues, you should be feeling pretty good.

An Hon. Member: He seems to be walking on air.

Hon. G. Collins: Yes, I noticed that lately. He's very happy.

The big commitment we made during the campaign — and well before the campaign we had been committing to that for a number of years — was to balance the budget by our third full budget. That will be introduced in February of 2004. We also committed to work with three-year rolling budgets so that health authorities, schools and ministries would have an idea of what their budget was for more than one year at a time.

I know that Colin and Sindi have faced some real challenges in the health care system, where government in the past years sometimes hasn't gotten its act together until nine months into the fiscal year to tell the health authorities what their budget is. It's pretty hard to run a hospital or a health region if you don't know what your budget is until three-quarters of the way through the year. We're trying to provide some certainty there for people so they know what they're receiving and can plan for it. They can spread expenditures over a couple of years and try to manage it in a more effective way.

If we take those commitments and put them all together and look at the numbers which I think have to provide the framework of how we're going to get to 2004-05, we have a couple of planning scenarios that we need to look at here. There are a lot of numbers on this page, but I want to sort of highlight where we are.

[10:00]

There are three columns here. The first column is 2001-02. It has a little star on it. This is as a result of the first quarterly report. These are the numbers that are before us. It has revenues. It has expenditures in a couple of the big ministries and some of the others, and what our total spending will be. There's a one-time pension change. Then we have to try and take that, which is where we are now, and get to the next column, which is 2004-05. If you move to the bottom of that column, you see a zero. That's the balanced budget. You have to sort of work back through these numbers to get there.

If you come back to this year and see where we are right now, we have revenues. In this case they include the Crown corporation revenues that we received and the forecast allowance of \$21.4 billion. The big ministries of Health and Education account for about \$16.3 billion of that. That's a pretty significant chunk. We're trying to contain that and make sure that budget doesn't run out of control, but it's still a pretty big chunk of the budget. We've said we're not going to cut the funding for those ministries, so that number really is frozen between now and 2004-05. It will not go down. We said that if the economy grew and as a result revenues grew, then we would be able to put more money back into those ministries. As you'll see in a minute, we're not forecasting big growth in revenues in any way, shape or form between now and then. We're going to have to manage, at this point anyway, within that budget the way it is.

The next item there, as you move down, is debt interest costs. That's the debt payment on our accumulated debt over the last hundred and so years, most of it in the last ten years — over half of it. Those people get paid first, unfortunately. We don't get to cut that until we start to pay down our debt. That's a cost that we experience, and it's a cost that we have to pay, although I must say that our treasury and debt management people do a great job of making sure we pay the lowest rates possible. We do have a fairly decent credit rating, so that helps us as well.

That leaves us with the nugget that we have to work with, and that's the rest of government. Right now, that's about \$7.6 billion. If you take all the other ministers, all your budgets, and put them in a big pot, it's about \$7.6 billion for everything else that government does.

One of the things that came out of the independent fiscal review panel that reported out in July... They said that if we didn't control the growth of spending in health care and education and start to grow the economy, pretty soon we would be eating into that amount to the point where it would disappear entirely. What we're trying to do is sustain health care and education and sustain, in the most cost-effective and efficient way, those core services of government that we need to provide to the public.

In order to make sure we can do that over the long term, we have to make sure every penny is being spent properly, is being accounted for and is actually delivering some results. If you follow that arrow across the other side, you can see that in order to resolve this, to get to zero by 2004-05, we need to bring the rest of government down to about \$4.9 billion, or about a 35 percent reduction on average.

You've all been sent letters, and you've been asked to work out some scenarios. With a 35 percent reduction in your budgets, what types of programs would you be able to offer, how would you do them differently, and what would you do? This is all being guided by what's happening at the core services review. That's been ongoing for some time, so you and your people in the ministry are all in the mind-set of trying to get government down to the core services, deliver them in the most cost-effective and efficient way, and make sure we can do that in a sustainable fashion. That's where the thought process is. What I'm trying to do is provide some fiscal numbers to provide a bit of framework for that.

You're being asked to run three scenarios. One is where you have a 20 percent reduction in your budget. What does it look like? What are the things that you do? How do you do them? What types of services and programs are you going to deliver? What would you do if it was 35 percent, and then what would you do if it was 50 percent? I know what I'm experiencing as I go through my ministry and do this. There are some things where we may not do them at all. There are other things where we may be able to do them in a way that costs us one-third of what it does right now. But all combined, we need you to run those three scenarios so we can look at it. That's not the end of it, of course; that's just the beginning of the process. I'll talk about that in a minute.

[10:05]

The thing I want to draw your attention to, though, is this. If you look at the spending line, the spending from now to 2004-05 is going to go from \$24.7 billion to \$22.3 billion. Overall in government, that's a 10 percent reduction. Virtually every other province in Canada has done more than that. You know, some of the changes they went through in Alberta were over 20 percent in some cases. They reduced their health care budget by 18 percent. We're not reducing ours at all; we're holding it there and making it more efficient.

I know the number of 35 percent sounds large to a lot of people, but across government our reduction of 10 percent isn't nearly what some of the other communities have had to do right across the country in the last decade or so, just to give it a bit of context. It doesn't mean it's going to be easy; it just means that I want to give you all a little bit of context for what it is that we're trying to achieve.

There have been some questions over the last little while. You hear comments about: "Well, gee, if we've got this challenge, what is government doing cutting taxes? Why would we ever do that?" If you look at the next slide, this gives you the answer. There are two sides to this equation. Yes, we've got to get our spending under control. You all have to do that, and we all have to do that as we grind through trying to put together this three-year budget plan, but the other side of it is we've got to get British Columbia's economy going again. We've got to be competitive.

The reason for it is simple. If you look at what's happened to British Columbians and their take-home pay in the last decade and how we've fared relative to other provinces in the country, it's pretty dramatic. We started the decade in 1990 virtually tied with Alberta for average take-home pay. If you lived in Alberta, you took home about as much money at the end of the day. After all your taxes and all your costs, your disposable income was about the same as it was here in British Columbia.

If you look at what's happened over the last little while, Ontario dipped and then started to come back up again. Alberta dipped but has come up pretty dramatically in the latter half of the last decade. Both Ontario and Alberta, those two provinces, were booming while British Columbia wasn't performing terribly well.

If you look at B.C.'s numbers, we started out tied with Alberta, and now we're a little over \$2,000 below what the average person in Alberta brings home. That's a pretty significant drop-off. It's about a 10 percent disadvantage for people living in British Columbia.

There's only one way to solve that. That's to get our economy going, to get more productive, to make sure we're training our people, to make sure that people are coming and investing here and building things and expanding our economy.

We have had a tax structure over the last decade that has driven people out of British Columbia. We had the top marginal income tax rate in North America. We had business taxes that were just out of line compared with our competing jurisdictions. We saw tens of billions of dollars of private sector capital investment go into Alberta and other provinces and virtually a flat line for economic growth and capital investment here in British Columbia, in particular over the last little while.

We've got to fix that. That's why we've brought in those tax changes. We brought them in quickly. They'll all be phased in over the next year and a half, two years. We thought it was critical to send a message that British Columbia was back, that we were going to be a competitive place to do business again, a competitive place to live, that your standard of living was going to improve if you came and lived here.

I found it interesting, as people have been asking whether or not we should second-guess what we've done — whether we should backtrack on what we've done — that just a couple of days ago Ontario announced that they're fast-tracking their tax reductions. Today U.S. President Bush has

stated that he thinks he needs to put more tax relief into the economy in the U.S. to help it weather this slowdown and some of the challenges that they're facing.

As I said throughout the last couple of months, not only did we do the right thing, but it's even more important now, as the economy slows, that we try and put some money back into people's pockets, back into the communities across British Columbia, so we can start to grow the economy. That's the other half of the equation for balancing the budget. It's not just spending reductions; it's also trying to get our economy going again.

We looked at what the process is going to be over the next couple of months. We're really being guided, as we put this plan together for government for the future, by what's been going on in the core services process as well as the commitments that we made to the public during the election campaign — the New Era document, which is always here with us in all our caucus and cabinet meetings. Those are really the things that are guiding us as we move forward.

[10:10]

Those are the thought processes we're going through. We're not trying to just do spending reductions across the board. We're trying to make sure that we make government look different, that it works better, that it's more efficient, that we stop doing things completely that aren't getting us results and that we focus on those things that the public needs from us and that we do well. That's really what is the centre of how we're moving forward.

There are a couple of other things that are feeding into that process as we move forward. Start to put some flesh and some numbers on the scenarios that you were working out as ministers. You'll be doing that over the next couple of weeks. As well, there is a fair bit of public input happening. We have our Economic Forecast Council, which will be helping us with the revenue side and some forecasts. It's a group of 20 independent economists who will report out to us in December. As well, the public consultation process extends to the Select Standing Committee on Finance, which is doing a tour right across the province. They're going to hit as many communities as they can in the time frame they've got. They'll be taking input from the public — not just from individuals but from various associations — in presentations there. I'm sure labour leaders will present. Business leaders will present. Educators and others will present on what they think we should be doing as we build this budget.

I had the privilege of serving on that committee last year in opposition, and it was really fascinating to get the input from the people of the province and to hear what they thought government was doing well and not doing well. It was very helpful. Blair Lekstrom is the Chair of that committee, and they're touring the province right now. I encourage, and you should encourage, constituents in your ridings, if you hear their input, to go to those meetings to give us their views. They can write in. They can write to you as MLAs. They can write to the rest of the MLAs across the province, and you should be encouraging them to do that.

Those three things, then, feed into government decisions. At the end of the day, we were elected to make those decisions. This government has 77 out of 79 MLAs, so you as MLAs and as cabinet ministers and the rest of the MLAs right across the province will be sitting down to make some of these decisions, to decide what those priorities finally are. We've done all the thinking. We've done the analysis. We've looked at them. We've set those priorities. Now what are the decisions? How are we going to make this look? How are we going to cast it as we move forward?

There are a couple of processes that are going to happen there. Cabinet obviously, at the end of the day, will make the final call on how that works, along with what I'm doing in my ministry. Some of you sit on Treasury Board and will be part of that. Really, the biggest role here is for the government caucus committees. For the first time in British Columbia those committees are going to play a key role in examining your service plans and your budgets for the next three years. You are going to have to go to those committees made up of MLAs from across the province. You're going to have to present your service plans and your budgets to them with some options and some scenarios, and they are going to decide how they are going to set that up.

As I said before, some ministries may experience on the high side of the 35 percent reduction and others on the low side. Within your ministry there may be some programs that are up and some programs that are down. We're going to take that guidance from the government caucus committees and the MLAs from across the province. That's why I encourage them to get as much feedback as they can and as you can from your constituents as well, because that's a key component of this. Really, for the first time there is going to be very broad involvement by the caucus in that process.

All of that leads to February 19, 2002, our fixed budget day — another commitment that we made. On February 19 we'll be introducing our three-year fiscal plan. Your three-year budgets, through your service plans, will be laid out, and people will be able to see what we're going to do, how we're going to do it and how we're going to get there. I think it's going to be a very innovative way of building a budget. It's more long term.

There are also some service plan measures and performance outcome measures that we're going to start to do this year. We're going to have to be better at it the following year and even better the third year, because at the end of the day we're not just counting dollars here. We're counting whether or not we're delivering good service to the people of British Columbia. The budget process is not just going to be about numbers anymore. It's also going to involve some other measures of how you're performing, how your ministry is performing, what the public thinks of how your ministry is performing. Are they happy with the service they're getting? Do they not like the service they're getting? Do they think you're using the money efficiently?

That's a new process. That's going to take us some time to build. We'll have the first run at it in February, so you'll have those targets, those measures, out there for you to perform to. As you go through the year, I hope all of you are going to be tracking that and making sure that you are living up to those performance measures that you put in place. It will be a little rough in the first year. In the second year we expect to get it down a little more and a little more accurately and improve the way we do that, and by the third year we should have a pretty good idea of whether the performance measures are effective and start to get some good feedback from the public on it as well.

[10:15]

It's a very different way of doing your budgets. It's not just money; it's also about performance. It's a very involved process that makes sure the representatives of the voters are included in that process instead of just the Minister of Finance putting a budget together in a very simple way by just adding money to what everybody did the year before and not ever questioning what it is we're doing.

I know you are all going to be working very hard over the next couple of months to put this together. I know that this is going to create a fairly significant amount of stress for you and for the people working in your ministries to try and do this in a way that is going to work for us in the long term. We're obviously going to have to...

You know, when you start talking about these numbers, it's going to be a smaller government. That part of government that is not being reduced is going to be smaller. That's going to mean fewer people working for government, most likely, in most ministries. We're going to be putting together ways to manage that, to treat people who work very hard for the people of British Columbia with a great deal of respect and make sure that those people who are no longer going to be working with the government are treated fairly. That'll be part of what we're doing as well.

I think it's a pretty innovative way of going forward. It's going to be a lot of work for all of you. I would encourage you to keep in contact with me and people in my ministry if you're having challenges or if you want some outside analysis of some of the numbers that are working in your ministries. We'd be glad to help with that.

We're trying to make sure that this is being driven by the ministries and is being approved and vetted through the MLAs and that we've got a government coming out of this that is leaner, more efficient, delivers better service to the people of British Columbia in a more measurable way and is way more accountable to the people that are paying the bills than we've seen in the past.

I hope that if you have any questions, I can answer them.

Hon. G. Campbell: Any questions? Bill.

Hon. B. Barisoff: Gary, one of the questions I have is that you mention in here the Crown corporations. I guess my question is: will they get the same type of letter? Will they get something from the Minister of Finance saying that they have to bring their spending in order? You were mentioning the fact that energy prices are going down, and that's going to affect B.C. Hydro. I guess what I'm looking at is: if all this is happening, are they going to be under the same kinds of impacts that the rest of the ministries are?

Hon. G. Collins: The heads of all the Crown corporations and agencies will be receiving a letter shortly. They probably don't know that yet. It's in the mail; it went out yesterday. Now they know. It's not a big secret.

Their letters will be different than the ones that ministers got. Crowns are going through a whole different process of core review as well, trying to justify their existence — why they do what they do, why it needs to be in the public sector, how we deliver those services. Theirs is a little more broad-sweeping, and we expect to start to get some feedback from them as well. The letter does inform them of the challenges, if they haven't already heard, that the rest of government is facing. We expect them to be delivering the services that they are delivering in the meantime, as they go through that process, in the most cost-effective and efficient way possible.

Crown corporations are about as big as the rest of government. If you put them all in a pile, they're about as big, dollar-wise, as what core government, this part of government, does. Obviously there are some big challenges there. They're going to have to, as much as they possibly can, pay their own way, make sure they're as efficient as possible. I will be meeting with the Chairs of the big Crowns shortly to give them a similar briefing on the budget process and to convey in person the challenges that the government is under and the people of this province are under and that they are expected to carry their fair share of that as well. They are not exempt from this review at all.

Hon. G. Campbell: Other questions? Thanks for that, Gary.

The next presentation is from the Minister of Health Services and the Minister of Health Planning.

[10:20]

Health Update

Hon. C. Hansen: Thank you very much.

I know it's hard to find sympathy around a cabinet table when I'm representing a ministry that is not going to be facing the budget cuts that other ministries are facing, but we do face some pretty serious challenges in terms of trying to hold the line on the budget and just delivering good patient care in British Columbia with a budget that's not going to see increases in the coming years.

When I last reported to cabinet on this, we were facing a budget overrun of \$400 million this year. Just to put that in perspective, we have a budget of \$9.5 billion, and that was a 13 percent increase over the previous year, a \$1.1 billion increase over what had been budgeted last year, and even over and above that, we were facing cost pressures of \$400 million.

I want to bring cabinet up to date on some of the measures that we're taking to try to bring those cost pressures under control. There has been a lot of discussion lately in the area of Pharmacare. We did send out consultation letters to a range of organizations in the province, and we have received some very good response to that. There's sort of good news and bad news on this consultation. I guess the good news is that it has generated a very good and constructive dialogue with a whole range of organizations. The bad news out of the consultation is that it has caused a considerable amount of anxiety on the part of individual British Columbians, particularly seniors who count on the Pharmacare program to make sure that they can meet their health care needs on fixed incomes. We're very anxious that we can get through the decision-making on this as quickly as possible so that we can reassure British Columbians that the Pharmacare system is going to be there for them.

What we were facing going into this consultation was a Pharmacare program where costs were rising at a rate of 15 to 20 percent a year. In British Columbia 56 percent of all prescription drug costs are paid for out of the budget of the Ministry of Health Services. Nationally, when you look at other provinces, it's about 43 percent across Canada. In our neighbouring province of Alberta, for example, the taxpayers will pay 39 percent of the total prescription drug cost. B.C. is clearly not in line with what other provinces are doing.

In this year's budget that was brought in by the previous government, they knew from information that was brought to them by the Ministry of Health that they were going to face a 16 percent increase in Pharmacare costs given the structure of the program as it existed. In that budget that was brought in in March, they provided only a 2 percent increase. So clearly, even the previous government recognized that there were some changes that had to be made to Pharmacare, and they obviously didn't come clean with the public in terms of what those changes would be.

In the budget update that Gary brought in at the end of June, he added \$45 million to the Pharmacare budget from what the previous government had allocated, but that still leaves us \$46 million short in this fiscal year. So some changes have to be made, and out of this consultation we will be trying to move forward on that.

I want to stress one thing: this is not about cuts. There have been people in the lower mainland who have, I think, taken some very irresponsible actions, scaring seniors that somehow the Pharmacare program is not going to be there for them and that we are going to come in and slash the Pharmacare budget. That's not what this is about. This is about how we bring the Pharmacare budget in on budget this year and how we can contain the rate at which costs rise in years to come.

I want to reassure everybody that the changes we make will be done in a way that has the minimal impact on those who count on the Pharmacare program: those who are on fixed incomes and those who today are probably most anxious about what may be coming.

Pharmacare is not the only aspect of the ministry that we're looking at. We have gone through all of the programs trying to ensure that every dollar that's being spent in the ministry is being spent wisely. Any expenditures which are not 100 percent necessary are being eliminated. As you go through the ministry, we have direct control over about one-third of our budget, because two-thirds of the budget of the ministry is what we call regional programs. That includes the funding for the health authorities around the province. Those health authorities operate at arm's length from the Ministry of Health Services. So while we can go into one-third of our budget and analyze that in a very direct way and ensure that we're finding those cost savings, it is very difficult for us to analyze the spending that's taking place in the health authorities because of this arm's-length relationship.

[10:25]

In June we sent a letter out to every single one of the 52 health authorities outlining what their budget would be for this year. In that, every single health authority got an increase in their budget. Yet after that letter went out, we had replies and responses from health authorities that said that even with that increase in budget, they collectively were going to be short \$205 million to meet their programs.

We have been trying to work closely with them to find ways that they, too, can manage their budgets within the financial constraints that we are all facing. We made it clear to them that we would be providing additional funding for the collective agreements that were settled, including the most recent ones with the nurses union and the Health Sciences Association. Beyond that, there was no more money.

Somehow, I don't think that message really got out to health authorities. In past years, they've always been able to come back and say, "Well, the increase that's been allocated is not enough," and they've always been able to get more money out of the provincial government. This year, given the economic realities that Gary has outlined, that additional money is simply not there. There is a letter that is going out to all health authorities this week saying that we're funding the increases in the collective agreements, but beyond that, there is no more money and that they have to manage within the dollars that have been allocated to them.

I think part of the problem is that health authorities have been operating in an atmosphere of significant growth in their budgets year to year. It is really a very dramatic change in culture on the part of the health authorities to now come into a time when they're going to have to manage within budgets that are not going to see increases, within the fiscal realities that we will have in health funding in the next couple of years, where those budget increases will be zero across the board.

What I have found is that there is not a good relationship between the Ministry of Health Services and many of the health authorities around the province. There is a certain atmosphere of distrust, which is not healthy, and one which I think is not enabling us to make sure that every dollar is being spent wisely at the health authority level. I don't mean that in any way to disrespect those who are working so hard at the community level to try to make their health authorities work. It's very much the framework, the mandate that's been given, the guidelines, the provincial standards. Leadership from the provincial government level has not been there. It's something we have to address in order for us to make sure that this budget is under control in the future. We have to make sure that we build a system that has excellent communication and excellent cooperation at all levels of our health care system.

In summary, I guess what we're facing right now is that we have been able to bring that projected overage down — that overrun in our budget. I am confident that everything is being done in the direct ministry expenditures to try to get a control on that. We are working very hard to do everything possible to bring our \$9.5 billion budget in on budget. Clearly, there are some changes that are going to have to happen in order for us to achieve that goal. We clearly have to take control if we're going to get spending under control. More needs to be done. I'm confident, with the determined effort on the part of the Ministry of Health Services staff, that we're going to be able to do what needs to be

done to deliver the balanced budget that I know Minister Collins is anxious that we do and everybody around this table is certainly anxious for. Thank you.

Sindi is going to pick up from there.

Hon. G. Campbell: Sindi?

Hon. S. Hawkins: Thank you, Premier.

As you can see, Colin points out that we face a number of serious challenges: cost pressure challenges in programs, access to care and waiting list challenges, delivery of care challenges in rural and remote communities, challenges in the delivery of our core provincial and tertiary programs and certainly provincewide challenges in our human resources insofar as retention and recruitment. That's just to name a few. I think we all recognize that it took us over ten years to get us where we are today. There is no quick fix. We do know that where we are isn't where we want to be.

Premier, you've repeatedly said that we have to put the patient first, and we intend to do just that. We're going to focus on better management, proper staffing, adequate funding and focusing on a sound ten-year strategic plan for health care. We have begun that health planning process. Since June we've been working on the framework of a comprehensive ten-year plan for our health care system. We believe we will be able to lay out this plan. We will develop it thoughtfully over the next two years. We intend to get input from citizens across British Columbia.

[10:30]

On August 15 at open cabinet we outlined part of our human resources strategy which has to do with the nursing strategy. I'm pleased to announce today, as I update you on some of the programs that we outline there, that we have hired our first chief nurse executive for this province. She will report to the Deputy Minister of Health in a few days and will assist us in planning our ten-year health human resources strategy. Her name is Anne Sutherland Boal, and we have put a bio in the binder for your information. She comes to us with impeccable qualifications, brings over 20 years of front-line experience, and she has a proven record in B.C. of recruitment and retention of nurses. She served as the president of B.C. Children's Hospital. She comes to us right now from China, where she's been serving at the Canadian embassy in Beijing as the director of the Canadian Education Centre Network. Prior to that she was the director of patient services at the International Hospital in Beijing.

We know that three out of four professionals in the health care system are nurses, and we know that we have to build our resources and make sure we plan for providers in this province. We know that this position is not a new position, in case you're wondering. Other provinces and certainly Health Canada have had success in recruitment, retention and planning policy around human resources by having a chief nurse executive. So I'm pretty excited about having Anne Sutherland Boal working with us.

We also promised at that time \$1.2 million in nursing grants for rural and remote initiatives to reduce workplace stress, improve patient care and integrate new nurses into the system. These grants have been distributed across the province.

We said we would initiate a forgivable loan program, and Shirley, the Minister of Advanced Education, tells me that we're right on the mark with that. That program started this week. The application and information are available. I believe it's on the ministry's website as well. That's great.

We said we would embark on offshore recruitment of specialty nurses. We know that about 5 percent of the nurses in our system do about 40 percent of the overtime. That's the nurses who work in critical care areas: labour and delivery, emergency and the like. We said we would embark on offshore recruitment of those nurses. Because of the events of September 11, I wondered if we were on track with that, Premier, and we are. Our team will be ready to go on November 1, and we expect to meet our targets there for the nurses we wish to recruit.

The allocations for the patient lifts that we had announced.... Colin, the Minister of Health Services, had found \$15 million. We have determined the health regions outside Vancouver which will receive funding for these lifts. Last year the equipment funds went to the lower mainland, so the \$15 million this year is going to be spent outside of Vancouver. I understand that the funds will be available to the regions in the funding letters that will go out this week.

We are on target for the planning that we had announced. We are, as I said, going to take the time we need, as we promised in our New Era document, to thoughtfully consult with health care

providers, administrators and British Columbians as we develop our health care plan.

In fact, as the Premier pointed out, we have a legislative committee, the Select Standing Committee on Health, that's going to hold hearings in communities around the province to discuss major issues confronting our health care system. I think it's important that the public knows the challenges we're facing. We're going to ask for solutions. This committee has not met for ten years. I think it's important that people meet the people who make the policy and the decisions. I look forward to the report, which is due in the middle of December, so we get the public's solutions and the public's input on how we can move forward to improve health care and meet our patient-care needs in this province.

As the Premier mentioned as well, on October 22 the Premier will host the first dialogue on health at the Wosk Centre for Dialogue. We have invited various health stakeholders, administrators, experts and front-line workers to present and to attend. Our hope is to lead an honest, open, respectful discussion on health challenges and how we overcome barriers to providing patient care. We will be asking for potentially new and innovative solutions to better manage our health care system in the best interests of patient care.

[10:35]

As we develop our strategic plan for health care, we have been addressing immediate, intermediate and long-term issues that we have to face. One of our major new-era commitments is the promise to examine the health governance structure and the alignment of health authority responsibilities. We know from just the past three months, looking at the way things are working, that they're not working.

Premier, you asked me to look at that issue as a priority, and you asked me to make recommendations to our colleagues about our health system to make it more accountable, to make it more manageable and to make it meet the needs of patients across the province. Given the challenges that Colin is facing and that we're facing in the Ministry of Health, we did determine it was a high priority, so for the last three months both the ministries of Health Services and Health Planning have been looking at and assessing the health regionalization and governance structures. We have been looking at ways to make B.C.'s health system more effective, more efficient and, again, looking at a patient-centred focus: how do we meet patient needs in this province? With 52 health authorities and three different governance models — CHCs, RHBs, CHSSs — we have recognized that we probably have one of the most complex and expensive regionalization models in Canada.

Premier, when we travelled across the province with the dialogue on health care last fall, we heard from community after community that things weren't working for patients, that what we had wasn't meeting patients' needs. One of the things that struck me over and over again was that you were called to fix it. "Please fix it; it's not working." You have said that citizens have a right to know what government intends to achieve and what it actually accomplishes, and we believe this is also the same for our health care system. I think patients need to know what we intend to achieve as far as the services we deliver for patients and what we actually accomplish. Accountability is, I think, key in the health care system. We believe good management and good accountability are linked to sustainability, effectiveness and efficiency. Certainly, what Colin and Gulzar and Katherine and I have been challenged to do is make sure that the health care system is sustainable. We must and we will address the issues of regional restructuring and accountability and governance as soon as possible so we can move forward and plan for patient care across the province. I am going to be bringing recommendations to cabinet for your consideration, and we will hopefully be able to move forward in a positive way for patients.

Thank you.

Hon. G. Campbell: Thanks. Any questions? Rick? Kevin? Gary?

Hon. R. Thorpe: Yes, I have two questions. My first one is for Colin. Colin, given the fact that we are committed to focusing on the health care of our patients, has any thought been given to...? I know you're going through a core services review, as we all are, within your ministry. Has any thought been given to doing the same thing with regional health authorities — a core services review that would focus on services to patients?

Hon. C. Hansen: It's not going to be part of the core services committee with each and every health authority, but certainly as part of this process of re-evaluating the role of health authorities, we'll be looking at the mandates in terms of how they're structured and what their objectives are. Really,

much of the same principles that have gone into core review are being applied to this review of the relationship between the ministry and the health authorities in the province.

Hon. R. Thorpe: My next question is to Sindi. Sindi, as you know, like other regions in British Columbia we are short of professional nursing staff. We have, though, a number of students that want to get into colleges and can't get in. I'm just wondering what is being done between you and Minister Bond to facilitate the desire of people that want to get in and take nursing courses and provide service. What's actually being done to facilitate that need?

[10:40]

Hon. S. Hawkins: Thank you, Rick. Actually, a lot has been done. I was quite impressed with how quickly Shirley moved on my request that we add spaces, if we could, for nurses, LPNs, resident care aides. I was absolutely amazed that she was able to squeeze out 177 new spaces starting in January. That is incredible.

I know, Rick, that you've asked the question before about entry to practice, diploma nursing and fast-tracking programs. There are challenges we face around that, but I can tell you that we've been having excellent discussions with our licensing body, the RNABC, and we have agreed that we'll work on a transition plan. Hopefully we'll get some positive work out of that. They know we are facing a critical shortage in nursing, and we're wondering if we can't just work over the next few years where we know we need to add more nurses into the system. They said the door's open, and we have started working with them.

As far as spaces for nurses we are challenged with funding. Again, Shirley is doing all she can in her ministry, and we are looking at other ways to provide those programs. There is a UBC program that takes students that already have a degree and puts them through the last two years of the nursing components. They finish in two years with a nursing degree. We're looking at ways we can expand those kinds of programs, because we know there is huge interest to get into nursing. A lot of these students come with arts or science degrees, and if we can set up a program to fast-track them, get them through the nursing component and into the front line, we are certainly looking at ways to do that.

Hon. R. Thorpe: It is being addressed, and it is a priority.

Hon. S. Hawkins: It is a huge priority, yes, and it is being addressed.

Hon. R. Thorpe: Thank you.

Hon. G. Campbell: Gary.

Hon. G. Collins: Sindi, I have a question for you and then one for Colin. What's the status of the recruitment of nurses from outside British Columbia? That was a bit of an issue earlier. I don't know what has happened since the settlement. There was some talk right around that time that we were getting a lot of calls. Are we actually getting more people from outside, or has that tapered off? I just don't know what the status of that is.

Hon. S. Hawkins: There is huge interest in nurses coming to B.C.. As of this summer I believe the number was around 130 or 140 percent over last year in applications and inquiries coming into our licensing body. One of the challenges is meeting that workload to get those applications processed. Again, we're working with the licensing body to speed up licensing. There's a pool of foreign nurses who want to be licensed and get the training to practice in B.C. Certainly, Shirley's ministry and mine are working to get them into the system, into the programs, to get their licensure sped up as well. The interest is there. Certainly our new chief nurse executive will be key to working with the licensing body and looking at adding those nurses in the system.

Hon. G. Collins: Do we have any numbers yet?

Hon. S. Hawkins: I think those numbers are done quarterly, and I don't have the new numbers. I will get them for you, Gary.

Hon. G. Collins: I wouldn't mind just getting an update on that.

Hon. S. Hawkins: Absolutely.

Hon. G. Collins: Colin, I was going to ask you.... Sindi mentioned the three governance models that we have here in B.C. Have you done any comparison of what we pay for governance/administration

in health care per capita in B.C. as opposed to other places? Have you done anything like that?

Hon. C. Hansen: I have tried. One of the problems we have is that across the range of 52 health authorities in the province, everybody has different ways of accounting for who is or is not an administrator. A position that in one health authority might be considered administration in another health authority is not, yet they do the exact same functions. To be able to do that kind of analysis is virtually impossible. One of the things that is being done is to ensure that there is a common standard across health authorities in terms of how you fit people into different job descriptions so we can do that evaluation. Right now we just don't have the tools to do it.

[10:45]

The other thing in health authorities and hospitals across the province is that we don't have the information technologies. The tools that we need to do the analysis simply aren't there. Health is years if not decades behind any other industries. I have tried to get a handle on the level of administration. I certainly hear anecdotally from people all across this province that there are growing administrative positions in most health authorities, and yet we don't have the ability to do that analysis.

Hon. G. Collins: Just another quick one. Is there any way you could take a couple of similar districts here in B.C. and compare them to some similar-sized districts in other provinces? Rather than try and do the whole province, which.... I get that. Sometimes people class them differently. Is there any way you could pick an urban, a remote rural and a smaller-town rural and sort of compare them?

Hon. C. Hansen: There is work starting in that area, being done by CIHI, the Canadian Institute for Health Information, which is a great organization that really is looking nationally so we can do those kinds of comparisons.

There was a study that was done a couple of years back now by the Hay Consulting Group to look at administrative levels in different provinces. What that showed was that in British Columbia we had a very low percentage of our budgets going into administrative and support services compared to other provinces. When I heard that, it didn't make sense to me. I got a copy of the entire report and read it from cover to cover. I have some real concerns about the methodologies that were used. What they did was to compare hospitals in British Columbia which are part of a regionalized structure with hospitals in Ontario which are not regionalized. So again, we're not comparing apples and apples in this case. That kind of analysis is coming, but we don't have it yet.

Hon. G. Collins: Okay. Thanks.

Hon. G. Campbell: I think it's pretty clear that the health system is a pretty sick patient right now. We're not getting close to the results we want. We're putting more dollars in; patients are waiting longer and longer and longer for their care. In rural communities patients are feeling disconnected from their care. As someone said to me, rather than closer to home, health care seems to be getting further and further away from home. We obviously have a lot of thinking to do.

The critical part of this from my perspective is that we have to remove all the intellectual barriers we've put around health care. If our goal is patient care, the issue is: how do you deliver patient care? Part of the dialogue on health, which will be taking place on October 22, is to bring people in to say: "Here's how we'd deal with it." There's a senate committee right now which is saying that there are some big, fundamental questions we have to ask.

As you probably know, Mr. Romanow is going around. I think he's asking the wrong question. His primary question is: "Is health care sustainable?" We know the answer to that. The way it is today, it's not. It's continuing to eat more and more and more budgets, and I think we have to recognize that. I think people in the province know that there are ways that we can give them the services they need, so I'm hopeful that we will get information.

The last thing I would say is that the system itself has not been led properly over the last decade. The reason there are no management tools is that no one was asking the questions. There should be standard formats and standard reporting techniques so that we can compare different parts of the province in terms of patients and standards. That's going to be a challenge that we face, I think, across the province over the next year or so.

I should also just mention that there was a question with regard to the core review. We talk about health care and education having protected budgets. They do have protected budgets, but all of those ministries have a responsibility to make sure that the dollars that are going there are focusing

where we want them focused. In health care, it's on patient care; in education, it's on students. It's not like we're going to say that everything's fine. I think it's clear that everything's not fine. We're going to have to look at different ways of delivering services and different ways of measuring them. We've got a lot of work to do in both those ministries.

The next item on the agenda is the monthly nutritional supplement recommendations from Murray.

Monthly Nutritional Supplement

Hon. M. Coell: Thank you, Premier.

As you know, the Ministry of Human Resources provides programs and services targeted to assist individuals in need and to provide them with opportunities for independence. Today I would like to present a proposal for the introduction of a monthly nutritional supplement for disability benefits recipients with life-threatening, wasting conditions. The aim is to address their immediate life-threatening needs.

[10:50]

Since 1996 the only way in which someone with serious wasting symptoms was able to get extra help through the ministry was to appeal. These appeals, through the B.C. Benefits appeals process, have been made using a discretionary, catch-all clause in the disability benefits program regulation, because there have been no other specific regulatory provisions to address those needs.

Right now, about 500 people are getting monthly cash allowances that were won through the ministry's appeal process during those years. However, we find there are many, many more individuals waiting to go through the process who are encountering backlogs and delays. These delays can have a serious effect on the individual's health. The appeal process is both a cumbersome and a costly way of meeting the needs of the people with serious medical conditions.

People with disabilities have urged the government, over the past four years, to end the need to go through the appeal process. Premier, the proposal that I'm recommending today represents a more effective and efficient approach to meeting the needs of the people suffering from life-threatening, wasting conditions. It also responds to your direct request to me to streamline the appeal process. By providing a specific nutritional supplement to replace the catch-all clause in the disability benefits regulation, people will no longer need to face the uncertainties and stress of the appeal process that has taken years. The monthly nutritional supplement that I am recommending today will ensure that all disability benefits recipients with chronic, life-threatening, wasting conditions will have their essential nutritional needs met. The supplement will include \$165 a month for additional nutritional items, \$20 a month for bottled water for people with immune suppression and \$40 a month for vitamins and minerals. This adds up to a total maximum amount of \$225.

To qualify for this supplement, disability benefits recipients will need to meet certain criteria. They must have a severe medical condition causing chronic, progressive health deterioration. They must have, in particular, wasting symptoms such as malnutrition, loss of weight, loss of muscle mass, loss of bone density, neurological degeneration, significant organ deterioration or moderate to severe immune suppression. The deterioration in symptoms must be diagnosed by a medical practitioner. The practitioner must also verify that the monthly nutritional supplement is necessary to treat the particular wasting symptoms and that failure to provide the supplement will present imminent danger to life.

We estimate that there are between 4,000 to 4,500 people with disabilities that will be eligible for this supplement, which will cover the cost of essential food and nutritional requirements. The estimated cost of this monthly nutritional supplement is \$2.3 million in the current fiscal year. It will be \$7.5 million in the fiscal years 2002-03. The ministry will provide the funding for this program from within its current budget allocation, and we have worked with Treasury Board.

Our plan is to have the regulations in place and ready to go later this month. People who have already been receiving a monthly health allowance through the appeal process will continue to receive that allowance. If their current allowance is less than that, they may apply for the new supplement.

In conclusion, the \$225 monthly nutritional supplement we are proposing today is, I believe, a cost-effective and efficient way to provide the necessary support and assistance to people who are in need. This allowance will streamline the process and eliminate long waiting periods and the stress caused by the previous appeal process. In addition, it will reduce pressure on the acute care system

and allow those with chronic, life-threatening, wasting conditions to remain in their own homes. Most importantly, I believe, the monthly nutritional supplement will help ease life-threatening conditions for more than 4,000 British Columbians. It will ensure that those who need them will get the extra nutritional supplements they require to maintain their strength and, in some cases, to survive.

I'd be willing to answer any questions at this point, Mr. Premier.

Hon. G. Campbell: Thanks, Murray. I want to just check a couple of things here. Both your estimate for costs for 2001-02 and 2002-03 have gone through Treasury Board. They agree with this?

Hon. M. Coell: We've been working with Treasury Board staff, and they believe we can find the moneys necessary for this program within the allocated budget that we have.

Hon. G. Campbell: The approval, though, is on the basis that it is within the allocated budget that you have?

Hon. M. Coell: That's correct.

Hon. G. Campbell: Both for this year and for next year?

Hon. M. Coell: Yes.

Hon. G. Campbell: Okay.

Questions? Gary, Kevin, Dick.

[10:55]

Hon. G. Collins: Thanks, Murray. I think you touched on some of the things that we had talked about in Treasury Board as far as the sustainability of this. Are you still comfortable that you can do this program, given the funding we have, for three years out — i.e., you're not just going to do this for this year, next year; it's something you think you can maintain for the duration? I mean, it must be one of your priorities if you're going to do that.

Hon. M. Coell: Yes, Gary, it's a priority. As we go through changes in redefining welfare in British Columbia, those people who can work we will encourage to work and assist to work. For those people who can't and who are on disability allowances, we'll make sure the moneys are there for their lives. I think what I'm trying to provide today is a sustainable program, even when changes do come to how the ministry functions in the future.

Hon. G. Campbell: Gary.

Hon. G. Collins: Thanks. I've just got one more question. You talked about the appeal process, and I was just curious. People are in the appeal process. By definition you know wasting disease is perhaps a polite way of saying that these are people — not all, but in many cases — who are dying over a period of time or at least face that over a period of time.

Do you know how long the average person takes to get through the current appeal process? Are you aware of maybe the numbers of people who have passed away while waiting for this appeal process to go through?

Hon. M. Coell: The people affected would have a variety of diseases. HIV/AIDS is one. Hepatitis C, cancer, Alzheimer's. The process has taken up to 18 months. There have been a number of people die during the process. The program that I'm suggesting is a much tighter process in that people know what is available and what they can apply for, and they know the medical practitioner has to do an estimate. I would view it as being quite quick for someone. If they decide they fall in the categories that are being represented, they would be able to go through the system within a month.

Hon. G. Campbell: Thank you.

Kevin.

Hon. K. Falcon: Murray, I'm just curious. When we're looking at this program, are there any other jurisdictions in Canada that offer this kind of program? Is this something unique to British Columbia, or is this something that's quite standard across the country?

Hon. M. Coell: There are a number of other provinces that have programs that add nutritional allowances for people who are ill. Ontario is one, and Alberta has one that is less specific and gives a broader range for financial aid workers to deal with. It isn't specific to British Columbia.

Hon. K. Falcon: Okay.

Hon. G. Campbell: Dick.

Hon. R. Neufeld: The Finance minister asked my question.

Hon. G. Campbell: Okay.

Rick?

Hon. R. Thorpe: Murray, in putting forward this program, one of your thrusts, as I understand it, is to eliminate the backlog in the appeal process. People are still going to have to have approval, though, that they are eligible for this program. Will there then be a new appeal process?

Hon. M. Coell: Through the present process, if they were turned down for this program, they could appeal. The way the program is structured, it's much easier to see whether you're eligible or not. I think the open-ended catch-all phrase that was used before.... It was very difficult for ministry staff as well as for individuals who thought they might be eligible for a benefit. I think this simplifies it, tightens it up. It is very clear what people are eligible for and what we're eligible to give as a benefit.

Hon. G. Campbell: I think it's fair to say that the way this works is that we expect the appeals to be dramatically reduced, but there would still be an appeal process.

Hon. M. Coell: Yes, that's correct.

Hon. R. Thorpe: Just continuing on, Murray, who is defining? What group or group of individuals is going to define, then, what a life-threatening, wasting condition is and who's eligible?

Hon. M. Coell: You would rely on medical practitioners. They would do an assessment of the individual. The assessment tool would be the issues that I raised during the presentation. We would also have the right to have a second opinion if the ministry disagreed with a particular medical practitioner.

[11:00]

Hon. R. Thorpe: My final question. Is this program only available to those who are receiving social services benefits in British Columbia?

Hon. M. Coell: Yes, it would be. You would have to be on income assistance and at the disability 2 level and then have a life-threatening, wasting disease.

Hon. R. Thorpe: Thank you.

Hon. G. Campbell: Graham.

Hon. G. Bruce: Murray, I'm just wondering. In respect to the total amount here that you've got in the budget, there's a breakdown of \$165 for nutritional items and \$20 for bottled water and \$40 for vitamins and minerals. What's the administration portion — let's just take this year — of the \$2.3 million?

Hon. M. Coell: I would say there would be less cost of administration, because we wouldn't be going back and forth to tribunals and to the appeal board. Our staff, I think, would be able to deal with applications much quicker. I would think that there wouldn't be any increase. There may be a slight decrease.

Hon. G. Bruce: When somebody is through this process, they may get \$165 for nutritional items. They may get an additional \$20, and they may get an additional \$40.

Hon. M. Coell: Yes.

Hon. G. Bruce: Is each one, then, categorized out administratively?

Hon. M. Coell: I'm not sure I understand your question.

Hon. G. Campbell: We make sure they don't spend money for bottled water on something else. Do they just get one cheque?

Hon. M. Coell: They would get one cheque.

Hon. G. Campbell: I see no further questions. Murray is making the recommendation. I think it makes sense for us. I just do want to say this: I have had the opportunity over the last number of years to meet with a number of people who have gone through this appeal process. I think the appeal process was designed, actually, to keep people away as opposed to try and serve a need that was clearly an important need. I think this is an intelligent way to move forward. I think there's no question that we should do it, and we accept your recommendation, Murray. Thank you very much.

Hon. M. Coell: Thank you.

Hon. G. Campbell: The next item on the agenda is a deregulation update from Minister Falcon.

Update on Deregulation

Hon. K. Falcon: Thank you, Premier.

As we know, we got some international shocks to our domestic economy that are beyond our control, whether they're softwood lumber or whether they're the events of September 11, but we do have things within our control that we can bring to bear to try and get this economy moving again. One of those is the issue of regulatory reform. For the benefit of those in the audience today, regulation and overregulation and unnecessary red tape impose a compliance cost in this economy that's been estimated well in excess of \$5.5 billion annually. It is a huge issue in terms of small business and medium-sized business in particular. It's the second-largest issue that they raise, the first being taxes, which they're now much more confident about given the changes that the Minister of Finance brought in early in our government's term.

However, the issue of red tape and regulation is something we need to move forward with and we are moving forward with very aggressively. I just want to update members of cabinet and the public about the fact that when we were first appointed to cabinet, the Premier sent out mandate letters to all of us, and he asked all of us to look for early opportunities to eliminate regulations and unnecessary red tape. I am pleased to say that all of you brought forward recommendations, and that was within the first 30 days of government. We had 220 regulations that were brought forward for elimination. I will be forwarding a letter to all of you asking you to proceed forthwith on the elimination or changes to those regulations.

I want to commend you for the work you did and the eagerness with which you moved. I think it demonstrates the commitment we have as a government to start making some real progress towards reducing the regulatory burden.

[11:05]

The other thing we have done, as you know, is that we've asked all of our colleagues here at the table to undertake a count of the regulations and the requirements that flow from those regulations — the policy requirements, the compliance requirements — that are imposed. This is the first time in the history of any government that we're aware of, certainly in North America, where government has actually said: "Let's take the time to actually find out how big the regulatory burden is in this province."

I just want to say to all of my colleagues and their staff how absolutely impressed I am with the work you have done in getting those counts in. Almost all of the counts are in. The deadline, of course, was October 1, but we have given an extension to one of the ministries and one of the Crown corporations due to the sheer volume that they're dealing with. We expect to get those results shortly.

We will obviously have to take some time to compile those results and bring forward a number. I can tell you that I am really impressed with the work that all of you have done, and I want to commend all of you. Hopefully, at the next meeting when I bring forward that number, when we have that opportunity, we will all be sitting down, because I think we'll need to be when we see the scope of the regulatory burden we're dealing with.

I will be shortly announcing a red-tape reduction task force made up of associations, groups and individuals that are going to help us deal with prioritizing some of the submissions that we're going to

be receiving from groups. I've sent a letter out to over 100 business associations and associations that are impacted by regulations. I want to tell you that they are absolutely thrilled at the opportunity, Premier, to come forward to a government that will listen to their sensible recommendations for how we can reduce unnecessary regulation while at the same time ensuring that we protect the vital things that we care about, which are, of course, the environment, water, public safety, etc.

We are going to be looking to those groups for some sensible recommendations. Frankly, the groups that are impacted by regulations most directly usually have the best ideas in terms of what we can do to help have a regulatory environment that is smarter, more effective and ensures that British Columbians can compete and that we're not throttling back our productivity or ability to compete by unnecessary regulations.

So I just wanted to bring everyone up to date, Premier, on the progress we've made and on the great results we've gotten from the 30-day letter that you asked all of us to move forward on. We've got a lot of exciting news coming out very shortly in terms of red tape reduction.

Hon. G. Campbell: Thank you, Kevin. Any questions?

The next item on the agenda is Joyce Murray, Minister of Water, Land and Air Protection. Welcome, Joyce.

Ministry of Water, Land and Air Protection Mandate

Hon. J. Murray: Thank you.

Hon. G. Campbell: Is there fog in Vancouver?

Hon. J. Murray: Thank you for the opportunity to....

Hon. G. Campbell: No, that was a good question. Was there fog in Vancouver?

Hon. J. Murray: Sorry. No, there wasn't fog. There might be fog up here right now, but it'll clear.

I have an opportunity to share with people around the room the first pass of our core services review for the Ministry of Water, Land and Air Protection. You have a few of the slides in your binders, but there are others on the screen there so you can follow. This is pretty much the presentation that was given at the core review task force at the end of August. We've done a second pass, but this is the foundation that we're building on.

The presentation sets the context in this ministry for moving forward. It talks about the role of government in protecting the environment and the value to the taxpayer and the public. It talks about the directions that we want to go in.

The new-era commitments for this ministry are to adopt a scientifically based, principled approach to environmental management that ensures sustainability, accountability and responsibility. Also, I mentioned in here some of the Premier's words around the environment, which is that our programs will ensure that economic development maintains highest environmental standards, respects the strong environmental concerns of British Columbians and ensures that our environmental stewardship is exemplary.

Hon. G. Campbell: You had about six different speeches, didn't you, Joyce?

Hon. J. Murray: Yeah, I packaged it all together so I could have as strong a statement as possible.

[11:10]

Our mandate basically includes three kinds of functions. One is human health protection. That's really protecting human health and safety by ensuring clean and safe water, land and air. We also have a function we call environmental stewardship. That's the set of activities that are intended to conserve and to restore and protect the natural biological diversity of landscapes and ecosystems.

The third area the ministry is responsible for is to manage parks and wildlife recreation opportunities for British Columbians and tourists. You can see by the diagram that obviously there's overlaps in those activities. For example, a toxic spill can impact drinking water but also impact fish habitat. Many of our remote parks have very strong values in terms of conservation and the science of ecosystems.

There are a lot of people who have been working hard in the ministry to help protect and improve the environment. There's also a lot of businesses and others that are frustrated with some of the regulations and the sort of paperweight burden of prescription that they deal with in trying to move forward with productive activities.

When we look high level.... What do we need to do a better job? I believe we need clear goals. We need an environmental plan, a long-term plan. If we have said that we need a plan for health care which is a long-term plan.... We need a plan for how to serve our energy requirements in the long term. I think we also need a plan for our approach to the environment over the long term. What are our priorities? What should our focus and attention be on? We need those measurable goals, and we also need to improve our processes. We need to improve our processes for using science as a foundation, for ensuring sustainability so that we're balancing the different aspects and outcomes. We need processes that create accountability to the public, and we need processes that recognize where the responsibility properly lies for results and improvements. Those are some fundamental shifts that we need to make.

Going back to the three kinds of activities, the next slides discuss the public policy rationale behind the Ministry of Water, Land and Air Protection's involvement in this activity. With human health protection, public health can be compromised without your individual knowledge or control, so government has a role in standard-setting and enforcement to ensure that doesn't happen. Basically, I would say that the key public policy rationale here is that individual transactions can have an external impact that is not costed in to the transaction, and that external impact can cost others. It's government's job to limit or reduce or prevent those impacts or to have the polluter pay for them. So that's the core rationale on a public policy level.

Moving on to environmental stewardship, which really is protecting habitat, wildlife and freshwater fisheries, one of the public interests is protecting our environment, and the natural environment is critical to our forest resource export markets. British Columbians want to know that we're protecting our natural environment. I think the key public policy rationale for this aspect of the ministry is that most of these resources — the habitat, the wildlife, the freshwater fisheries — are publicly owned. They're common property. I think history has shown that individual users that are pursuing their private benefits can tend to collectively overuse a public resource. So there's a public policy rationale for a government that licenses, sets standards and limits the private interest user of public property. That's the rationale for government involvement here.

[11:15]

The third one is our parks, tourism and recreation activities. There's a public interest in that tourist visits to parks and hunting and fishing activities create direct jobs but also indirect economic benefits: hotels, restaurants, gas, buses. A lot of getting to the park and back from the park also creates additional public benefits. Another important public interest is that the availability of the parks improves quality of life for people in B.C. It's an equity issue. The public supports those facilities so that people that can't afford them can still use and enjoy them, where they might not be able to if they were charged the market rate for using the parks. So there's also private benefits with this aspect of the ministry. That's where individuals benefit from the services and facilities, and it's where businesses benefit from guide and recreation tenures and from government help with economic development. We saw that in this part of the ministry, there is some private benefit as well as the public benefit.

Given that there is a compelling public interest and given that there are some problems and complaints about how overregulated people consider themselves to be in some cases and given government's fundamental commitment to the environment, to sustainability and to exemplary environmental stewardship, we need to change some things. I've summed that up in a few strategic shifts, from sole protector to shared stewardship. That's where the Ministry of Water, Land and Air Protection and perhaps Sustainable Resource Management are not the sole protectors. This is a shared responsibility across all ministries.

Secondly, from prescriptive approaches.... Examples of where we've already moved towards results-based standards are in aquaculture, where we'll be taking a look at the Waste Management Act and contaminated sites regulations to see where we can have more clear, results-based regulations that businesses can work with. Rather than government telling them how to do their business, we set the standards, and we make sure that they're respected.

Clear accountability. That's basically saying that moving forward, it's not really about government doing something about pollution. We need to look at polluters doing something about pollution, assigning the responsibility where it belongs.

I think we've been very good in B.C. and in this ministry with well-developed, single-focus initiatives. We need to move more towards an integrated design of, for example, a pulp mill. It has a number of different impacts, and rather than overly prescribing and having dozens and dozens of permits, each focused on a single kind of impact on the environment, we need to look at the whole facility and how the business can work towards continuous improvement and reduction of the whole set by looking at the beginning of the pipe, not the end of the pipe, and the permits that regulate that.

Constrained economic development. I think we all recognize that a thriving economy usually can better afford to make the investments in new technologies and environmental improvements, so we have to not constrain our economy in order to protect the environment. We need to have a thriving economy and a clear commitment to protecting the environment and better, more timely, more accessible information so it can be shared and there's no duplication. Those are some of the key shifts that we saw needed to be made in the ministry.

The next couple of slides are a summing up, a quick snapshot, of the shifts in environmental policy. Where we are now is a product of the things that were important to us leading up to now. I could describe environmental policy as control-based, where environment was not as high a public concern as it is now. The ministry was seen as the environmental police in a way, responsible to regulate — that was their role — and regulations were prescriptive as to what's allowed in the way of pollution. That's kind of a fifties, sixties, seventies and early eighties environmental policy approach.

[11:20]

In the last 15 years or so there's been growing concern about the environment, but there's also been a real polarization, business versus the environment, working things out through a lot of conflict and a lot of resources tied up in working through conflicts. At the same time, the volume of regulations doubled over the last ten years, and the ministry was seen as pro-environment. That's part of the lone hero, sort of single "sole protector of the environment" model. I think that ended up resonating throughout the ministry that we alone can help prevent impacts on the environment.

To bring this into the twenty-first century, we need to have a results-based environmental policy — less attention devoted to rules and more to results. This expresses some of the shifts I've already mentioned: sharing the responsibility for environmental stewardship; action based on goals, targets, measures; ministry serving the public's shared goals. As we're moving forward in shaping this ministry, what we're aiming to do is create that results-based environmental policy approach.

What's next in the different parts of the ministry? Human health protection — there are some real challenges here. We need to develop frameworks. We need better science to work from. We need to develop results-based regulations, and it actually takes a lot of work and time to do that well, so you have something that works. We have strengths, which is that in British Columbia we have a good base to work from — basically clean water, land and air relative to many jurisdictions. We have, I think, examples of innovation and leadership, both in the public and groups in the ministry. We have a dedicated staff in the ministry. I think British Columbia is a leader in many aspects of environmental protection, but we need to shift, as I've been describing, to science-based integrated decisions and innovative results-based deregulated approaches.

With our conservation of habitat, wildlife and freshwater fish — the environmental stewardship activities — some of the challenges that we have, again, are markets. Especially European and Japanese wood forest products buyers are very concerned about the job we're doing here in British Columbia and have an interest in seeing us do a good job. At the same time, we have pressure on our ecosystems and species by communities' growth and business activities. Those are challenges. We have strengths, and we need to make shifts — again, more of the use of science, clearer standards, effective audit and enforcement. While we get out of the business of on-the-ground helping companies and communities protect the environment, we've set clear standards, but we also need to make sure they're respected. We also need to harness new ideas. In other words, we need to be innovative.

The other part of the ministry is parks, recreation and tourism. The challenge there is that really, park funding is not sufficient to manage our parks under the current model, especially since we doubled the area of parks in the last six years or so, but funding has decreased. At the same time, we have a globally significant asset, which is our parks system and our wildlife in British Columbia. It's something that is increasingly rare around the world and will be increasingly valuable not only to British Columbia but internationally. We have strengths. I think we have an excellent parks system. We have best practices in parks management such that people come from many other jurisdictions to learn from British Columbia parks managers.

What's the shift? We need to improve our knowledge and our science — a better understanding of what's in the parks. We need to reconsider what the public subsidizes. Currently, a number of aspects of wildlife, recreational use and park use are subsidized. We need to better integrate with the ministry's other functions around protecting and conserving wildlife, freshwater fisheries and habitat. We need to bring those activities together. There's some duplication between what we do in parks and what we do in the rest of the ministry on Crown lands.

[11:25]

Given those shifts, the ministry has a very ambitious agenda coming up. We need to move forward on a number of incremental improvements. Some of the things I've described are shifts we are already doing but we need to do more of. I call those evolutionary shifts: results-based approaches, public reporting, parks management. We also need to do some things that are fundamental changes. I call those revolutionary. Those are the targets, goal-setting and measurability, a deregulated legislative framework. There's a set there, tax policy and market mechanisms, that really create incentives to protect the environment rather than protect it through this paper-weight burden of rules and regulations.

It's an ambitious program for the ministry and brings us back to our mandate. The first phase of our core services review.... Really, what I intended to do is describe the basis of moving forward on an environmental policy that will bring us into the twenty-first century as a leading jurisdiction and enable us to succeed with this government's commitments around exemplary environmental stewardship.

Hon. G. Campbell: Questions? Judith, John and Gary.

Hon. J. Reid: I'm wondering, Joyce, how you integrated into your mandate the necessity for delivering decisions in a timely manner.

Hon. J. Murray: One of the ways is the information aspect. There's a number of ways that we can be using information technology to have information available. In some cases a business needs to report to government, and government takes a year before that information is made available to the public. Perhaps the business will be posting that information directly on a website. So there's that kind of thing.

Secondly, I think the way environmental policy was being managed had a lot of prescriptive rules and regulations. There were substantial cuts in this ministry over the last six or seven years which reduced staff who were trying to manage the same old processes. I think that led to very long turnaround times and a great deal of frustration for people who needed to have that permit or that sign-off from my ministry. That's simply not acceptable. I think that problem is one of the key ones we'll be addressing by that fundamental shift towards results-based regulations. We're going to be clear about what we're doing to serve the public in terms of environmental protection, and we will consistently do a good job at those things and not try and manage what we can't do.

Hon. G. Campbell: John.

Hon. J. van Dongen: Just a comment more than a question. I guess I'd like to see in your mandate, particularly on the economic aspect, Joyce, a bit more emphasis on those parts of the economy that are not directly within your ministry. I say that because as you and I have worked together on issues such as agriculture and aquaculture, there is considerable evidence that the whole interface between economic concerns and environmental issues is a complicated one but a critical one. Certainly I think that where we want to move forward within our mandate as a government.... We want to really explore that interface and do a better job there. I see tons of examples literally every day where I see lost opportunities and I see people in the economic sector unfairly treated by the ministry. I think it's very important that we emphasize that.

[11:30]

As I've said to the minister, Premier, I believe that as an economic ministry I have to be concerned about environmental issues, and I've spent probably as much time working on the environmental side of our industries as the economic side. I would hope that we get the same level of engagement from the Ministry of Water, Land and Air Protection. I just want to set out that concern. I think it is a difficult area, one where there are lots of opportunities. There are lots of win-win solutions that are potential today that are not happening today. I just want to put that on the record and certainly say to the minister, to Joyce, that I look forward to working with her. We have a number of activities planned that I think are going to help move us forward from the current situation.

The final word is that I saw at the end of the report a comment about service orientation. I think there is a significant effort that we need to do to change the culture of the ministry in terms of how it interfaces with various economic activities within the province.

I thank the minister for her report.

Hon. G. Campbell: Thanks, John. Gary, and then Dick.

Hon. J. Murray: I'll just make a quick comment. I think there's been a lot of very good people struggling with poor processes and, in some cases, too few people trying to manage too many poor processes. I think some of the concerns that you've raised are very valid, and that's part of why I said at the very beginning that we really need to improve our processes. I think that clarifying what society's goals are with respect to the environment.... What kind of an environment do we want to turn over to our children? How would we measure that we're on track to doing that? I think having some clear objective measures will also help all of us move forward in that direction and do it together. I agree that we're working closely together, and I think that's also something, perhaps, that is new with this government. I'm enjoying that, and I know we'll keep doing that, and it'll be productive.

Hon. G. Campbell: Gary.

Hon. G. Collins: Thank you, Mr. Premier.

Joyce, I just have a question for you, because I'm having a little trouble. I hear the words out there saying: "We're not going to do it. We're not going to protect the environment based on rules; we're going to do it on results." I don't know exactly what that means. There obviously have to be some rules. There have to be results. Can you give us an example of how that would actually work and what people would see as far as a change goes? Either people are watching to make sure that the environment is protected, or people are trying to create economic activity on the land base. How does that look to them? Mike de Jong's not here. It's probably not appropriate to ask you about it, but the Forest Practices Code, which is the one that I hear the most about as being sort of an overburdensome, bureaucratic way of doing something.... Do you have some examples of how that or some other system would change so that we could actually get a picture in our minds of what it looks like?

Hon. J. Murray: The results-based code is being steered by the Minister of Forests. Maybe I'll talk a bit about the aquaculture regulation, because I think that's a classic example. You're right. It's not like there won't be any more rules. There will be standards. They will need to be met, and there needs to be penalties if they're not met. In the past with aquaculture the rules-based approach was: this is the amount of feed you can feed your fish in an aquaculture operation. It prescribed kilograms of feed. It was intended to reduce the amount of wasted feed and the amount of waste that ends up on the ocean floor. It didn't always do that because, you know, certain farms might be sited in a place where there's less current or less depth of the ocean, so the result might be very different in one farm compared with another based on just the rule of how much feed. So that was prescribing how to do the work.

[11:35]

What the ministry's working towards — with the industry and, of course, with Minister van Dongen's ministry — is a regulation that actually identifies the result of the farm operation's production of waste and has some science that says if there's this much of these chemicals, it's actually sustainable because, as with farming, the environment restores and regenerates itself if you don't overload it. If you follow it, if you limit the amount of waste being produced, it is sustainable in the long run. Here's the science that says this amount of these waste products is a sustainable amount, and we will be testing for that. Farms will be expected to adhere to a certain standard of no more than X amount of Y chemical. That's a result. Then they can actually decide how to operate their farms in terms of how much feed to give the fish and how to achieve that result.

Hon. G. Collins: Under this model, then, you're not as much worried about everything they do every day and what comes in and how much food and how much medicine or whatever else they do — I don't know what they do — and instead focus on how much stuff comes out the other end.

[Laughter.]

Hon. J. Murray: That's exactly right.

Hon. G. Collins: Pardon the expression. We like to get real technical in these meetings, you know.

Hon. J. Murray: More of a focus on the science, pulling people together, the partnerships and setting the standards and then making sure those standards are respected and having consequences if they're not and then letting people do their productive activities without interference.

Hon. G. Collins: So if I've got a fish farm and I'm getting those results all the time, I don't get to see you people. You leave me alone to do what I need to do. If I'm not hitting those targets, you're going to be all over me, I expect — right?

Hon. J. Murray: That's a simplified version, but I'd say that's definitely the direction.

Hon. G. Campbell: Dick.

Hon. R. Neufeld: Thank you, Premier.

The Ministry of Energy and Mines obviously contributes — it did last year in the neighbourhood of \$2 billion — to the economy. It does the major part of its work in 90 to 120 days. It may have a program that drills a number of wells and hit nothing, or they may hit something. They may have to change quickly in that 90 to 120 days because of freeze-up.

We listened to the Finance minister say that we need a little more cash flow into the till to be able to continue to provide those services that Sindi and Colin are responsible for. I like hearing the words that you talk about, "results-based," where we have a set of rules that industry and people have to abide by. I really appreciate that, because where I come from, I know no one that gets up in the morning, puts their coveralls on and says: "I'm going to go out and ruin the environment." I think people that live in the area where I live and that I represent are as concerned about the environment as anyone is in the province.

I want to know, I guess, when this ministry and the industry that works in this ministry can start seeing some of those results-based rules so that they can actually go out there and do what they do best: find oil and gas and produce it and continue to rack up dollars for the province so we can enjoy those services. I'd like maybe some form of a time frame that you have moving forward. You call it "evolutionary." In "revolutionary" I don't see results-based, but I guess revolutionary is what I'd like to see, because the quicker we can get at it....

That doesn't mean that we want to ruin the environment. No one has, to this date. It's been very prescriptive and very hard to get through. We need to and we should be starting an approach now that says: "We're going to go ahead and do that work to the best of our ability, respecting the environment the best way we can." I'd like to know just when we can start that process.

Hon. G. Campbell: Joyce.

Hon. J. Murray: The reason it's under "evolutionary" is because that is work that's already underway with several regulations. I appreciate your enthusiasm for this new approach. It actually takes a significant staff investment in time to make sure that we don't create a results-based regulation that then drives the industry crazy anyway because it wasn't well-thought-out. It takes time to work with the industry that's being regulated, collect the science, make sure there is a sound basis for the standard that's being set.

To be honest, this is not a time when I'm going to go to Gary and say: "I need substantial extra funds so that we can do this all at once." We are doing a step-by-step forward movement correcting regulations. At this point, we have been focusing on the ones that have been expressed to us as the greatest irritants. If you want to come and talk to me about the specific regulation you're referring to, it will be on the list, but I can't promise exactly when we will be doing which regulations.

[11:40]

Hon. G. Campbell: The whens for this ministry are the same as the whens for every other ministry. We're getting a commitment for a mandate. We're saying: "That's the mandate." The ministry will come forward with its service plan. The minister will be measured against that. The ministry will be measured against that. It'll be no different for Water, Land and Air Protection than it will be for Management Services or Children and Family Development — or the Premier's office, for that matter.

I think that will be something that we get. It's the next stage. It'll come through over the next couple of months. It will be taken to the Natural Resource Committee. They will review it. They will argue with the minister about it. We'll have a timetable to put these things in place. I don't think there is any

suggestion that we're not moving now. In terms of when these things will be completed, I think that will be fleshed out over the weeks ahead.

Hon. R. Neufeld: Just a response — there's more than one, Joyce. [Laughter.] Let me tell you — and I guess Kevin will have a count on that fairly soon. Obviously, in the ministry that I represent there are a multitude of rules and regulations that we too have to view to actually try and expedite things better. There's not just one or two or three; there's a whole host of them. I appreciate what you're saying. I just want to encourage all of us to move as quickly as we can with the caution that we need — and I appreciate that from the minister — but to remember that 2004 is creeping closer all the time, and we have to balance our budgets.

Hon. G. Campbell: The next item on the agenda is just a quick update on the appointment guidelines for agencies, boards and commissions.

Guidelines for Appointments to Agencies, Boards and Commissions

Hon. G. Campbell: There are 730 agencies, boards and commissions. Basically, all the people that serve on them are from British Columbia. We have established a new approach to that. We have a board resourcing and development office. All ministries are reviewing their agencies, boards and commissions. They'll have to look at what talents are necessary to serve on the agencies, boards and commissions. There will be some principles applied in terms of appointment of people to agencies, boards and commissions: merit, transparency — people will see their ability — and we want some consistency imposed. It's important that they be committed to the public policy objectives that have been established by the government.

I just want to say today at this meeting that anybody in the province can apply for an appointment. They can go to the website — www.fin.gov.bc.ca/abc/index.htm — and they can see an appointment process. To apply for an appointment, you can click on that and send it in. You can also write in to government and ask to apply, but the easiest way to get the form and to save us dollars and paper is simply to click on the appointment.

How to apply for appointment is the critical part of doing this. Citizens from all over the province are invited to be part of this. There is an effort to try and make sure that people do have the talent and the background to do these things. I'm going to expect the ministries to highlight the talents and the people you need to have on the agencies, boards and commissions you're responsible for. As you know, if there are agencies, boards or commissions that you feel are no longer appropriate or no longer needed, you're also supposed to come forward, as part of your service plans, to do that. Any questions?

The next item on our agenda is the provincial emergency program — a quick update from the Solicitor General.

I should just say at the outset of this that no one who woke up on September 11 expected it to be the day that it was. I think the emergency preparedness program plugged in very well. I know that the men and women who are part of the program were actively involved literally from the moment the news struck. There was a very strong response, I think, to the needs in terms of our airports and in terms of the citizens of British Columbia who reached out to take care of those people that were in transit. The professionals we had in the emergency response program did a great job on September 11. That's something that I know the Solicitor General will take back to them.

Provincial Emergency Program

Hon. R. Coleman: That terrorist attack on September 11 once again demonstrated to British Columbians that we could suddenly and unexpectedly be impacted by a major disaster. Our systems worked on September 11. As the Premier said, I'm proud of the staff and volunteers that did the job for us.

[11:45]

I wanted to bring one message before I go into my quick submission this morning. I met with the U.S. consul in Vancouver yesterday, and he wished to pass on his thanks to all British Columbians — the volunteers, the police agencies and those that were there for them within minutes of the attack in New York. He put it this way: "Siblings sometimes have their disagreements, but when there's a time of need, we're there together." He looks at Canada as being one of his siblings, and he's very proud to be associated with us.

Each of us must be prepared, and the province must maintain an emergency management structure capable of meeting immediate activation. The integrated emergency response model now employed in B.C. is the most cost-effective and efficient in Canada. In a disaster, British Columbians must be able to look to government for leadership and direction. As cabinet we have a role in supporting an effective provincial emergency program. Each of you received a binder a couple of weeks ago titled A Senior Officials Emergency Action Plan for major emergencies. Please take the time to have a look at it and read it. In that binder is also a wallet card that contains telephone numbers which you might require following a sudden and unexpected emergency.

I will now outline the responsibilities we each have as cabinet. These are defined in more detail in your binder. In order to best respond to a sudden, unexpected, major emergency, ministers must be prepared in five areas.

One, have an individual and family emergency plan. It is important you have a family plan so you can be assured that your own family is safe and that you can turn your focus to dealing with the disaster.

Two, review your key ministry responsibilities under the Emergency Program Act. Each ministry is assigned a specific role under the act. You must clearly understand the role of your ministry in an emergency and make sure that plans are in place to ensure an effective response. For example, the Ministry of Transportation assists in organizing and contracting equipment for major flooding, and the Ministry of Forests fights all forest fires.

Three, ensure your ministry remains prepared to support mission-critical government services such as emergency social services and children's services.

Four, effective workplace preparedness. Disasters can hit while people are at work. We need to look after the health and safety of our staff. Therefore, we need to have workplace plans. For example, conducting an annual earthquake response exercise will ensure that your staff is familiar with the proper safety procedures.

Five, a current business continuation plan. As ministers we need to make sure that government can continue or get back to business as quickly as possible after a disaster — for example, the government's ability to provide economic supports, such as providing necessary financial support to children and families.

Emergency response. When flooding or an earthquake hits, pre-approved emergency plans are in place. Those plans are activated automatically. The provincial emergency program along with response ministries will activate operations centres and begin directing response operations. These centres are equipped and located in Victoria, Vancouver, Kamloops, Nelson, Prince George and Terrace. Our role as cabinet will be to support and provide direction to the response effort. Your home phone or your cell phone may not work, but you can make contact with the provincial emergency program by means of any of 400 amateur radio operators across the province or by using satellite phones located in every provincial emergency program office and the Ministry of Transportation district offices.

B.C. emergency management structure. The chart in your books — and on-screen, for those out there — outlines the different parts and levels of government involved in an emergency. Specifically, it shows the role of cabinet or an ad hoc committee of cabinet. There are a number of powers available to me as a minister relative to emergencies in British Columbia. I will not detail them to you today. They are available to you in your material.

In closing, B.C. will be subject to a major earthquake at some time in the future. In 1948 we had an 8.1 magnitude earthquake in the Queen Charlotte Islands. The recent 7.3 magnitude earthquake in Turkey resulted in 17,000 deaths. Plans are in place to respond to any type of emergency. We have tested them, and we are ready to use them. We are prepared to support your ministry by providing subject matter, expertise, presentation or tours of any provincial emergency operations centre. I encourage you to become familiar with those agencies within your communities.

[11:50]

Premier, my experience with the recent challenges to our preparedness leads me to believe and to have confidence that our ability to respond is there. We can respond. We can prepare better, and we will also continue to work to ensure the public safety of British Columbians. We, as cabinet, must be part of that preparedness.

I would ask anyone that wants further information to contact the provincial emergency preparedness website at <http://www.pep.bc.ca/>.

Hon. G. Campbell: Questions?

Hon. T. Nebbeling: In years gone by there was a very large emphasis by the PEP program leaders to get communities really involved in readiness for any natural disaster. I've seen that dwindle over time. Is there a new attempt to get communities once again revved up to be ready so that when something goes wrong, they have some local understanding of how to deal with these disasters and some local equipment available to get an organization acting quickly?

Hon. R. Coleman: Well, Ted, I don't think it's actually dwindled. We have seen an increase in the volunteers, particularly in our emergency responses. We have a lot of community emergency response coordinators now in municipalities and communities across the province. We have identified where our ambulance and fire services were to back that up. We have a tremendous number of volunteers, which most people don't actually pick up on, that we support. That's the search and rescue people across the province who are continuously being trained through the Justice Institute and other programs. I think that if anything, we have actually improved our preparedness in the last couple of years.

Hon. T. Nebbeling: Okay. I have not noticed that, really. In the past — if I quickly can say, Mr. Premier — many communities had an emergency day once a year. I do not recall — for example in my riding, in the communities — that I have seen that happen over the last number of years. Maybe I haven't paid enough attention, or we maybe should check if that still happens.

Hon. G. Campbell: Okay. Thanks, Ted. Thanks, Rich.

Orders and Proclamations

Hon. G. Campbell: The next item is orders and proclamations.

We have an order that proclaims October 14-20 as There Grows the Neighbourhood — Affordable Housing Week. There's an order proclaiming October as Community Living Month. There is a proclamation of Co-op Housing Day on October 17. There is a proclamation of Depression Screening Day on October 11. Yesterday, October 2, was declared Mahatma Gandhi Day.

October 5 is World Teachers Day. I think it's important in our province, which puts education so high on our list, to recognize that the most critical part of our education system is the teachers that we have in the classroom. We're very fortunate to have great teachers in British Columbia, and on October 5 we will be celebrating World Teachers Day.

We have an order that authorizes the Minister of Sustainable Resource Management to resurvey and sell 1.75 acres of Crown land in the University Endowment Lands.

We amended an order-in-council to transfer administration, control and benefit of Crown lands to Canada for the use of the 'Namgis first nation. We have also amended an order to transfer the administration, control and benefit of Crown land to Canada for the use of the Skidegate first nation.

We've made a number of regulatory changes. We're amending the existing regulation under the Motor Dealers Licensing Act to supersede disclosure rules with new rules under the Cost of Consumer Credit Disclosure Act. We're amending the existing regulation to allow the registrar, under the Motor Vehicle Act, to enforce the Cost of Consumer Credit Disclosure Act.

We have an order that approves the PST exemption for machinery and equipment use in manufacturing, logging and exploration, discovery and development of petroleum, natural gas, coal and mineral resources.

We have amended the existing regulation under the Mortgage Brokers Act to supersede disclosure rules with new rules under the Cost of Consumer Credit Disclosure Act, and we have brought into force the Cost of Consumer Credit Disclosure Act and regulations that we undertook to do earlier on.

We have appointed eight new directors to the B.C. Hydro and Power Authority. Those names are included in your binder. There's Stephen Bellringer, Elmer Derrick, Alice Laberge, Peter Powell, Wanda Costuros, Ken Finch, Nancy Olewiler and Jack Weisgerber. We have rescinded the previous appointments of ten directors to B.C. Hydro. We have rescinded the appointment of David Lane as a director of B.C. Hydro and Power Authority.

[11:55]

We have appointed eight new directors to the B.C. Lottery Corporation. Their names are: John Bell, Kevin Jardine, Don Pettit, Rick Turner, Bruna Giacomazzi, Mary MacGregor, Evaleen Jagger Roy and Art Willms. We have rescinded the previous appointments of the eight directors of the B.C. Lottery Corporation. We have appointed Kathleen Miller as an ADM for the Ministry of Transportation and Liz Gilliland as an ADM to the office of the Premier. We've rescinded her appointment as an ADM to the Ministry of Community, Aboriginal and Women's Services. That covers the orders-in-council for today.

Any questions?

Thank you very much. Thank you for attending. The meeting is adjourned.

The cabinet adjourned at 11:55 a.m.

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