



TRANSCRIPT OF THE OPEN CABINET MEETING

Wednesday, September 18, 2002

Province of British Columbia

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Hon. Judith Reid
Hon. Joyce Murray

Wednesday, September 18, 2002

The cabinet met at 9:02 a.m.

Opening Remarks

Hon. G. Campbell: Okay. We'll start the meeting.

We have a number of items on the agenda today. The first item is basically some information that the Minister of Education is bringing forward on graduation requirements and the process she wants to launch.

We're going to have an update from Ted with regard to the community charter and the plan he's trying to lay out to move forward. We have a number of comments from organizations around the province who have engaged in the discussion about the charter.

We are going to hear a progress report from Murray with regard to the employment and assistance program that's been put in place. We're going to have an update from Colin on Pharmacare pressures as part of our ongoing information with regard to what's taking place in the health care system. Sindi is going to give us an update on the legislation she has before the House. Then we'll be adjourning.

Just to give you a quick background. We have a number of issues that we're going to face as we move into the fall, as you know. There are some very significant reports

coming out with regard to health care and health reform. Senator Kirby is bringing his report out, we understand, in October. He has been working diligently across the country with a number of groups to try and get to the core of the issues that we're confronting in health care. Mr. Romanow's report is due out in November.

I have spent some time reading some of the reports that Mr. Romanow has put together, and I can tell you that they're a little bit.... They take me aback a little, because there are very few times that you see the word "patient." There's an awful lot of institutional rhetoric; there's an awful lot of status quo rhetoric. There's very little that looks like he's getting to the core of the issues we face. I think we're going to have some very significant debates, both provincially and nationally, as we move forward to try and make sure we have a health care system that works for patients.

We also have, as a result of the Premiers' conference we had in Halifax, a commitment from the federal government that the Prime Minister is willing to meet with the Premiers with regard to health care prior to any final decisions as a result of the Romanow report. We have encouraged the Prime Minister to make sure that's prior to the tabling of a federal budget as well. We have reiterated the call for additional support from the federal government for a re-establishment and restoration of the partnership between the provinces and the federal government, and we're hopeful that there will be a positive response with regard to that.

[9:05]

The Prime Minister, through his Minister of Intergovernmental Relations, also said they would be glad to meet with the Premiers with regard to Kyoto prior to a final ratification of that. That's very important to us. The federal government has been working on its plan for some time. We have said quite clearly that it's critical we know how the plan works and what the federal government's plan is. There is no clear definition of that plan yet. As Premiers we've asked for the Prime Minister to make sure that we have that information prior to any final decision being made and that if there was a commitment made, there would be a meeting with Premiers prior to any ratification vote or discussion or decision made in the House of Parliament.

We're going to have a busy fall with those things as well as all the other issues that we're dealing with in British Columbia. We want to make sure that we're getting information out to the public to make sure they understand some of the challenges we face.

With that introduction we are going to start today with "Graduation Requirements" and

Christy. Christy?

For Decision: Graduation Requirements

Hon. C. Clark: Thanks, Premier.

We all know that education is the key to our future. We know that we have entrusted our school system with making sure that young people in British Columbia have the tools they need to be able to compete and to cope in what is an increasingly complex world.

In the last 15 months we have focused as a ministry on increasing accountability; on providing more choices for students and parents; on creating more opportunities for parents to be involved in their children's education; on giving more autonomy to school districts to make decisions that meet local needs; and of course, above all, on improving student achievement.

Today I'm delighted to talk to you about the steps we're taking toward that objective by proposing some changes to the high school graduation program. The changes I want to outline over the next few minutes are intended to do a few things: (1) improve student achievement; (2) ensure that every graduate has a solid foundation of core studies under their belt when they graduate; (3) raise graduation rates without watering down the quality of the diploma that young people receive; (4) prepare students better for employment and post-secondary options; and (5) increase parent, student and public satisfaction with our public education system.

That's why I'm proposing that the graduation program be redesigned in a way that puts the needs of students first. We do have a good education system in British Columbia, so the question is: why change it? The results, I think, speak for themselves.

We did a recent survey of graduates in the ministry, and it made it clear that students believe the system is not meeting their needs. The 2002 graduate transition survey followed up with students who graduated from high school in 2001. It has some sobering statistics to show us. Fewer than 40 percent of high school graduates surveyed believed that high school prepared them well for employment. Only 50 percent were satisfied with how well school had helped them develop life skills. Only 63 percent of those surveyed were satisfied with how their schools had prepared them academically. If those were letter grades on a report card, that would be an F, a D and a C - marks I don't think that anyone would be happy to see on their child's report card.

We also have some staggering statistics with graduation. About 25 percent of students -

that's one in four students - do not graduate from high school. For male students the number is even higher; about 30 percent don't graduate. For aboriginal students that number is 60 percent.

The implication for those statistics is tremendous. We know that 80 percent of the people who are on social assistance in British Columbia and 90 percent of the people who are in jail are people who didn't graduate from high school. We know that non-high school graduates are less healthy. We know that they're less likely to participate in our democratic system, less likely to read newspapers, less likely to be involved in our communities. That's a big cost, both human and financial, for British Columbia.

If we are going to do better to prepare students for the world they're facing, that they will face tomorrow, we need to do things differently today. We've started that process by focusing on, as I said, increased accountability, more student choice and enhanced parental involvement, but we need to do more on student achievement. That's why we must make B.C.'s graduation program more relevant and more interesting for B.C. students. Students who find their education more relevant are more likely to graduate. They're more likely to contribute to our economy. They're more likely to contribute to our society and our civic life.

We started this process by conducting a broad stakeholder consultation. We talked to students, parents, administrators and teachers. We talked to former students. We talked to post-secondary educators. We talked to students who were not successful in graduating from our high school system, students for whom the system didn't work. We held 105 consultations across the province to discuss the graduation requirements and to identify how students could be better served. We also had a good look across the country, the continent and the world to see what's happening in other jurisdictions.

[Back To Top](#)

[9:10]

The results of the initial consultation identified five areas where we need improvement. First, in British Columbia we have by far the highest number of provincial exams of any province in the country. Yet we are not measuring in those exams many of the basic skills and attributes that we would expect of our high school graduates. We must ensure that students have a strong foundation in the core areas like reading, writing, mathematics, social studies and science, and we must ensure there is a broader range of skills possessed by high school graduates like technology skills. So there is room for improvement in our assessment program.

Second, the system needs to value the interests and talents of all students by raising the profile of a range of destinations: university, colleges, trades, employment. They're all important, and they should all be equally valued. We heard during the consultation that we are often far too focused in our high school system on university preparation. Students and their parents don't feel that our system does an adequate job of preparing young people for other destinations. In fact, most students don't feel their studies connect them to their futures, and we saw concrete evidence of that in the 2002 transition graduation survey. Most concerning is the fact that this is coming at a time when British Columbia is facing a looming skills crunch that's going to potentially hobble our economy if we don't address it.

Third, we heard that the system is far too rigid for students. They need more choice, more flexibility, and they need to be able to feel their education is relevant to them. It's not too rigid just for students; it's also too rigid for many school districts. Right now the ministry restricts the number of locally developed courses that can count toward graduation. As a result, we limit the ability of school districts to be able to meet student and community needs. We don't allow them enough opportunity to be able to develop innovative, locally developed courses that are relevant to a broader range of students. So there is room for improvement there as well.

Fourth, we need to improve transitions to post-secondary education, to training, to employment and to the community. Students who leave school before graduation often don't have the skills they need to get work or even other kinds of training. Students who do graduate aren't being given the opportunity to explore all the options that should be available for them.

Fifth, we need to make changes to the curriculum, because students find that the math and social studies courses available to them lack the relevance to their goals and learning needs. They find that career and personal planning doesn't adequately prepare them for getting a job after high school. Students with diverse interests find themselves facing a limited selection of courses. There's something else we've all heard about, and I know that Sindi and Colin are both keenly aware of this. Too many students are not physically fit and not prepared to take on an active lifestyle after they graduate. These are all key challenges that students are facing, and if we're going to do things better, we need to start by addressing the challenges.

Let's look at each of our proposals in each of the areas. They can fall into several broad categories for the purposes of the presentation. The first one is measuring achievement of all graduates in core areas. The second is enhancing choice and flexibility in the system for schools and school districts, and the third is creating a variety of pathways to

a variety of destinations, such as a full spectrum of post-secondary training or other career choices.

Let's start with measuring achievement. As I said, right now our assessment program is narrow. Even though we offer more than 20 grade 12 provincial exams, we only require that students have one to graduate. That's language arts in grade 12. That is not enough to ensure there's a high level of achievement amongst all students.

We heard during the consultation, loud and clear, that the current exam program focuses schools far too much on students heading straight for university. We're proposing to make the assessments broader and more meaningful. We recommend requiring comprehensive provincial exams in four curriculum areas - language arts, social studies, science and math - instead of just in language arts. We'd spread these comprehensive exams over a three-year period rather than requiring a single exam in grade 12, and we'll broaden assessment through the creation of graduation portfolios.

Students would start assembling a portfolio as part of a new education and career planning course that we would like to introduce in grade 10. They would learn about provincial standards in six achievement areas: critical thinking and problem solving, education and career planning, civic and community involvement, employment skills, information and technical skills, and fitness and personal well-being.

[9:15]

Teacher-mentors would encourage students to be creative in meeting those standards. For example, for the civic and community involvement standards, students could enter evidence of community volunteer work or involvement in projects aimed at building a healthier school environment. That's just one example. There's a whole range of possible evidence that students could enter. The point is, though, that students would have many, many opportunities over their three-year graduation program to demonstrate their competence and achievement in all those areas. Since we know every child's learning style is different and we expect good results from setting clear standards, giving students choices about how and when they meet them makes sense.

The concept of grad portfolios has been strongly supported by the deans of education. Portfolios will give students a chance to showcase their abilities in different areas that the exam programs don't cover. That ties directly into my next point, which is the need to improve choice and flexibility. We heard a lot during the consultation about the rigidity in the system. The province mandates too much of a student's graduation program course load, and districts are restricted in their ability to develop courses of local

relevance. Furthermore, districts feel obliged to offer all 20 courses for which we have provincial exams. Too often this rigidity and this exam focus mean that students can't access the courses they want. They're restricted in their ability to receive credit for any post-secondary courses they take or for locally developed courses. We're proposing to change that with this.

We're recommending giving school districts more opportunities to develop courses of local interest. For example, they might want to offer courses related to the oil and gas industry in the northeast or wood manufacturing in the interior. We want to ensure that all locally developed courses, of course, meet a provincial standard. We also recommend giving students full credit toward graduation for any post-secondary course they take. That would encourage excellence and give students a whole range of additional choices that will ease the transition into their post-secondary studies and potentially, I think, help them finish both the graduation program and their post-secondary studies earlier.

We are also recommending making credit options out there better known and making secondary school more flexible for students. We want to make it possible for students to get the courses they want on line if they are available and if they can't get them at their local school. In addition to these improvements in flexibility, we're also proposing a range of changes to give students more choices. They include expanding students' access to required courses through changes to the curriculum.

Another example. In order to graduate, students must complete one of three grade 11 math courses. One is theoretical, and it tends to be of limited interest to students who aren't planning to attend a post-secondary university or science-related career. The second course is less theoretical, and the third has mainly a very practical focus. All of those make sense to offer, because not all students need the same type of mathematics, depending on what they're going on to do, although all of them need a basis in mathematics. But there is a problem. Schools are not required to offer all three courses, so many schools offer only the theoretical mathematics so that they don't close doors for children who are hoping to go to university. Then those young people who aren't planning to go to university aren't able to access the two other courses that might be relevant to them. As a result, a lot of young people don't get the mathematics grounding they need. That's just one example.

The point is that we think all schools should be required to make available to students all the courses they may need to make their own individual goals for graduation. We found broad support in the consultation for changing the current career and personal planning and fine arts applied skills requirements. The BCTF, in our consultation - they

were intimately involved in the discussions - suggested that a single four-credit career and personal planning course be introduced into the graduation program. That's what's being proposed. Career and personal planning will be rewritten and retitled for grade 10, and it will be deleted for grades 11 and 12.

We also heard that the social studies curriculum is too rigid and that students want more choices available to them. That's why we're proposing to add a course that is issues-based, one that will focus on citizenship, government and democracy. We have a real problem today, given the fact that young people are falling off the voters rolls and are choosing not to participate in our democratic system. We need to address that. We need to introduce civics and a democratic background. We need to give young people a better grounding in British Columbia and Canadian history. That's why we want to offer an alternative to the current social studies classes.

[Back To Top](#)

[9:20]

While choice and flexibility are important, we also have to ensure that the education system addresses the total student academically and physically. That's why we're recommending - and I anticipate there will be some discussion about this - that physical education be required in grades 11 and 12. Our health care system and our society will be better off if our citizens are better prepared to lead active lifestyles.

We're proposing, however, that young people can opt out of taking the organized phys ed classes. We need to recognize that for personal reasons, not every young person wants to participate in an organized PE course. If they're able to demonstrate they have a competence and that they're taking time to do some extracurricular activities that involve physical activity, and if it meets the provincial standard, they may be able to not participate in phys ed. The point, though, is that we want young people to be more active, and making phys ed mandatory will be one way to do that.

One of the most innovative areas of change involves the creation of program concentration areas. Students would be required to focus their studies in one or more pathway. The list of pathways is not yet final, but this flower chart sort of gives you an idea of what we've been thinking about. Obviously, we'll be consulting about the specific titles. Here are the kinds of areas we think make sense and that we would like to take forward as part of our public consultation: the humanities, science and applied science, social science and human services, business and marketing, fine arts and entertainment, trades and technology, tourism and industry, and sport, physical

education and recreation.

As you can see, each of those is grounded in the required core courses we believe every student needs to have in order to graduate. I want to be clear. We are not introducing streams. We are not suggesting dual graduation certificates or school-leaving certificates. These are areas of focus. Students would not be locked into one or penalized for pursuing just one, nor would they be penalized for choosing one pathway over another. They will all lead to the same graduation certificate. Students would be free to choose more than one concentration, and they would be able to change concentration pathways through the program, as long as they complete 16 credits in any concentration at the grades 11 and 12 levels.

There are many reasons to take this approach. Research shows that young people who focus their studies are much more likely to succeed in transitions to work and to further education. That means a higher graduation rate and a higher success rate in the adult world. This approach would also help expand the current focus to a range of destinations in addition to university preparation, which, after all, is the destination right after school for only about 20 percent of B.C. students. By introducing pathways earlier on at grade 10, we can assure that young people understand the full range of options for their futures, and we can support them to choose and be fully engaged in pursuing the one that best suits their individual strengths and needs.

This has been a lot of information I've downloaded on you today, so I want to recap what I've talked about just very briefly before I conclude and we start our discussion.

First, we're recommending changing the exam program to move from 21 course-based exams to five comprehensive exams in four key subject areas: mathematics, language arts, social studies and science. We would then include nine - maybe more, maybe fewer - optional grade 12 provincial exams that students may take in university, like biology, physics, history.

Second, we want to require students to make focused choices on one or more pathway concentrations. Third, we want to increase local school districts' ability to develop locally relevant courses. Fourth, we're recommending introducing portfolio assessment to broaden the measures of student achievement. Fifth, we're recommending including grade 10 in the graduation program to improve student achievement and planning. Sixth, we're proposing increasing student choice and flexibility in how students can earn credits in grades 10, 11 and 12. Seventh, we want to make physical education mandatory in grade 12.

Finally, we're proposing to allow students to take courses in post-secondary institutions that would count for credit toward graduation. This is an ambitious plan, and it will require a great deal of discussion not just in cabinet but with the general public at large. These are proposed changes. What I'm asking from you today is an approval that we move forward with the framework I've outlined to be able to go to talk to the public about some of these ideas and have a consultation.

[9:25]

What we're proposing to do as a result of that public consultation is come back in January or February with some final recommendations for approval and discussion. After we've had a full opportunity to canvass public opinion and get a sense of what, broadly, our citizens would like from our education system, the results of these recommended changes will be clearer to me.

We will increase and protect our province's high educational standards. We'll ensure more comprehensive and meaningful assessment of student achievement in the graduation program. We will allow more local flexibility and will provide more choices for students about their studies and their futures.

These changes are consistent with our new-era commitments about giving school boards more autonomy and control, supporting more flexibility and choice in schooling, working with educators and employers to expand job training and skills opportunities, and devoting more of our education dollars to improving student achievement and less to bureaucracy.

Research we've done suggests that these changes can make a positive difference for many, many children across British Columbia. I look forward to our discussion about some of these elements we've discussed today. Thank you very much.

Hon. G. Campbell: I'm clear that what you're saying is that you have some proposals you'd like to take out for public discussion through this fall. Then you would come back next spring with some recommendations as a result of those.

Hon. C. Clark: Yes.

Hon. G. Campbell: Okay. I've got Bill Barisoff first. Bill.

Hon. B. Barisoff: One of the first ones you mentioned was about the three math courses and course offerings. I guess one of my concerns, if it becomes mandatory for

schools to offer these, would be that in the past they've only offered the academic stream. What about small secondary schools across the province that would have difficulty meeting some of these requirements to offer all of these courses?

Hon. C. Clark: You're quite right. The reason many of those courses aren't offered now is because they are having difficulties in doing it. Otherwise, I'm sure they would be.

We want to discuss how we can make sure that those are more available, particularly through on-line learning, perhaps through cooperation with other districts and sharing some best practices across the province. I believe that it can be done. We recognize that there are currently some obstacles in the way of doing that, but it's something we have to do.

What's happening is that a lot of young people just aren't taking math at all because the only math course available to them is the one that's so theoretical that it won't have a lot of relevance and it may be something that is overly challenging for them. We need to find a way around it. I think that distance and electronic learning and working district to district and sharing some of those resources might be ways around that.

Hon. B. Barisoff: My other question is.... First of all, I would like to say that by and large, I think the direction you're taking is an excellent direction. Where we're moving with the graduation requirements is probably something that should have been done years ago.

The other one is the career and personal planning in grade 10 only. My concern with grade 10 only would be that some of the kids at that stage of their life aren't ready to make that commitment to move into a particular stream. Would they have the ability to take that in grade 11? Is there a movement there that will be flexible enough to allow students to make different choices in grade 11 or 12 to move on to different areas of expertise?

Hon. C. Clark: Absolutely. We know that some children are ready to make their decisions very early about what they plan to do, and some children aren't. In creating the program pathways, what we're doing is saying that we won't penalize young people if they want to switch. All they need to do in order to graduate is make sure they have 16 credits in their area of core concentration, and that will give them some latitude to switch. They won't have to make a choice in grade 10 and then be stuck with that choice.

Hon. B. Barisoff: Would they have a career and personal planning course offered in

grade 11 also, if they choose not to make that decision in grade 10?

Hon. C. Clark: Well, in their course in grade 10 they'll talk about what they'd like to do. They'll be asked to explore possible options. Then they'll have a teacher-mentor who will work with them throughout grades 11 and 12 and help them through the process to make sure that they have all the options and information available to them throughout those second years. We aren't planning to offer CAPP, though, in grades 11 and 12.

Hon. G. Campbell: Judith.

[Back To Top](#)

[9:30]

Hon. J. Reid: Christy, I like the direction you're going in with regard to more flexibility, more choices in schools. I think children are often frustrated because they do know that knowledge can be obtained outside school, and yet it sometimes isn't recognized in school.

There's a question I would like to follow up on with regard to the on-line learning. There's more and more available through on-line learning, and in the past there's been the correspondence branch for children to take courses that weren't necessarily available in their school. How will a decision be made, or at what level, that an on-line learning course would indeed be acceptable? There wouldn't be flexibility if that was a provincial decision. For example, if the student wanted to take a math course that they could access from someplace in the States or who knows where around the world, which met their needs, who would actually make the decision that it would be applicable to their credits for graduation?

Hon. C. Clark: The Ministry of Education currently and will continue to hold the stamp of.... We're the keeper of the standards for all curriculum that's recognized in British Columbia. Right now we do recognize externally developed curriculum. There are some examples - actually, quite a few examples of that - in our B.C. school system where we've had a look at a curriculum from a private institution or a public institution or an institution in another jurisdiction and said: "This meets our standards; we're prepared to accept it." That power resides in the Ministry of Education, and we don't propose to water that down. It's important that we protect the brand, that we protect the B.C. Dogwood, as something that's a valuable asset for young people.

Hon. J. Reid: With physical education, you're talking about an alternate activity. I'm

presuming you would say that if somebody was, say, on a ski team or something like that, it might qualify for that requirement.

I'm presuming the decision, then, would be made within the school as to what the equivalent standard would be. So while I certainly appreciate that we need to keep up our educational standards, while we're talking about flexibility and choice, if it would take a year or two to get a certain course acknowledged by B.C. as being equivalent, that's not going to provide that flexibility and choice.

I see a dilemma there, because there is an awful lot offered around the world. Perhaps with the physical education, maybe you could answer who would make the decision whether that's equivalent and how we could have a process which might be streamlined so that if we're serious about looking at new options or looking at equivalencies, decisions could actually be made in a timely manner.

Hon. C. Clark: Well, right now - and this wouldn't change dramatically - the Ministry of Education sets standards for curriculum. We set outcomes, and then how schools actually meet some of the curriculum will be up to them. That's particularly true in phys ed. Teachers have some latitude in the classroom in the way they want to teach and what kinds of materials they want to draw on. We set a general curriculum, and we set standards. We'll continue to do that.

But right now, for example, there are young people who are taking skiing in some parts of the province, and that's counting towards their physical education. That's perfectly acceptable according to the standards we set. That's not going to be something we change. We need to be very careful about guarding the integrity of the B.C. Dogwood diploma, and we need to make sure that the same standards are being met - whatever district and whatever school a young person happens to go to across the province.

Hon. G. Campbell: I'm not sure that actually answered the question, though. The question is if you're trying to create flexibility and you tie up the flexibility in a process that says, "We've got to go through all of this before we can do it," you actually have removed the flexibility from both the school board and the student to accomplish the goal. How do you actually provide for that?

I think skiing is easy. Most people say, yeah, skiing is easy, but what about being a tour guide for Burns Bog who is wandering around explaining to the public what's going on, who's outside in the fresh air getting exercise, doing all of that? Do people think that's physical education? How would we decide if that was physical education? Who would decide if that's physical education? Is it going to be a four-month process or a three-

year process before that decision is made? I haven't noticed a lot of stuff flowing through government quickly. That's why I'm wondering how this is happening.

Hon. C. Clark: In answer to that question, we aren't building a process where we will, in the Ministry of Education, go through page by page in minute detail over a period of years every proposal that comes from every school district so that we can give it the stamp of approval. We're talking about setting general outcomes and guidelines that we expect school districts to meet.

So we want to protect the standards, but within that, we do want to have flexibility. So the answer is no, we aren't intending to build up a big bureaucracy to try and make sure every tiny, minute detail of this is managed.

[9:35]

Hon. G. Campbell: Okay, I'm just going to go a bit past the jargon there. What's the outcome for the physical education program in grade 12? Is the outcome that we're...? I mean, what is it?

Hon. C. Clark: I couldn't tell you right off the top of my head. It's a long written outcome that we have for every single program for every single course, but it's quite general, and it sets out general outcomes that young children.... For example, the grade 4 outcome in mathematics might be that the child must be able to do fractions. Now, how the teacher teaches those fractions and the resources the teacher draws on to make sure the child learns that will vary from class to class and from school to school. So they have that flexibility there, but we require.... Parents have the right to know that too. Parents should know what it is a child is expected to know at the end of the year so they can be able to assess whether their child is getting an adequate teaching experience, learning experience.

Hon. G. Campbell: Joyce.

Hon. J. Murray: Christy, can you tell me how parents have been involved to date in bringing this to the place where you have it, how parents will be involved as you move forward to make final decisions and how the parent councils will have a chance to grapple with this?

Hon. C. Clark: The consultation included all of what we refer to as stakeholders in the Ministry of Education including BCCPAC, which is the B.C. Confederation of Parent Advisory Councils. They sent quite a number of representatives to all of the meetings

that we did. We did a full-day seminar out at UBC. Different PACs have made different presentations, different submissions to the ministry about it. So we have a good sense of where the parents' leadership sits on many of these issues.

We do, though, in going and talking to the public, want to talk to parents and citizens more broadly, because not every parent is involved in their parent advisory council and not every citizen is a parent. Very broadly, we will be inviting any member of the public to submit - through a letter, through a formal submission, through an e-mail through our website - their ideas about what it is we're proposing and to offer other ideas, too, that perhaps we haven't raised in this framework for discussion.

It will be a very public process. We'll be encouraging anyone with ideas to take part in a public debate through letters to the editor and opinion pieces in the newspaper. I know there are a lot of trade associations, a lot of post-secondary associations and other kinds of groups out there that have a real interest in where this is going and that want to be part of provoking that debate and making sure their opinion is presented publicly. We'll be encouraging that debate to happen over the coming months.

Hon. G. Campbell: George.

Hon. G. Abbott: Thanks, Premier.

A couple of points. I'm very supportive of all the recommendations that are being made here.

I first want to comment a little bit on CAPP. It's something I've actually heard about a fair bit from my kids, who have all pretty much made their way through high school. For reasons that escape me, what in theory should be pretty good - career and personal planning - really failed to take flight in terms of how high school kids adapted to it. I guess back in the Dark Ages when I was in high school, we used to call it guidance.

A Voice: It didn't take flight either.

Hon. G. Abbott: I failed that one. Actually, I didn't.

Interjections.

Hon. G. Abbott: Nobody failed it. That's right; you couldn't fail it.

[Back To Top](#)

I know that area's gone through different iterations over time, but as you look to the new CAPP or the new way of dealing with it, I hope that in the consultations the ministry looks particularly at why CAPP didn't grab it with students. I think that if we're going to replace it, let's replace it with something that does.

The second point I want to make is around sports. I'm pleased with the recommendation on 11 and 12 physical education, because obviously a lot of the indicators that we have point to health problems emerging in young people as a result of physical inactivity. So I generally endorse it.

[9:40]

I think the critical thing, though, is that what we develop in grades 11 and 12, if it hasn't already been developed in kids, is a lifelong love of sport. Now, when I think back, again, to grades 11 and 12 phys ed, generally it was pretty rigorous, and not everybody is looking for that rigour. But if you think of sport in the broader sense in terms of community recreation or games or fun activities - that kind of thing - which have all the beneficial effects that doing a half marathon or running 10K or whatever does, there's probably a couple dozen sports, from racquet sports through football and basketball, and so on, to skating, skiing - those kinds of sports, all those activities....

I think if we succeeded in actually introducing kids - I don't know what you call the course, community rec or sports or physical activity - to those sports, chances are that they will take on at least a few or some of those sports as lifetime activities. I think if we succeeded in that, we would succeed in making, as those kids grow older, a healthier society. I very much endorse this and do hope that, as I understand, you're going to be able to build in that kind of flexibility so that kids actually will have that opportunity.

Hon. G. Campbell: I've got Geoff next, but I just want to springboard off of that.

I think that if we talk about physical education being sports, you take a whole bunch of kids and they immediately disappear on you. That gets back to the point I was making earlier: is physical education teaching kids about hiking and, you know, birdwatching? How expansive are we making this? There's a whole range of physical activities that don't....

I can remember when I was a kid playing football, and people used to say, "Let's get rid of that," because everyone was breaking their legs or whatever they were breaking. I want to just let everyone know I played with a helmet on a regular basis. I think that's

one of the things. We want to open that physical opportunity up to kids if we can.

Interjections.

Hon. G. Campbell: I didn't say all the time. "Regularly," I said.

Hon. C. Clark: I agree with that. For example, yoga is a physical activity that's a valuable thing for a young person to do. I wouldn't necessarily define it as a sport, but that should be in the range of things that we consider.

Hon. G. Campbell: Geoff?

Hon. G. Plant: I'm tempted to wonder about Nintendo. My thumbs need exercise.

I think there is a whole host of interesting ideas here, and as you start to tease out only the two or three we've talked about, you start to see they're complex challenges. One of the challenges you face, obviously, is to not allow complexity to become a stumbling block.

I do think there are challenges, for example, around adjusting, if I can put it this way, the attitude of 15- and 16-year-olds in a way that makes them responsive to thinking longer term, specifically responding to your proposal that we move CAPP down to grade 10. But I also think that if you see that not necessarily at this point in terms of the detailed prescription, but rather a recognition that we do have to find a way to get kids to start thinking about these things earlier, and give them more options and tools, then you're going to have a very good public discussion.

The same is also true of the physical education thing. I was sitting and thinking about my experience as a parent where I know some kids are role models for other kids in their schools because they participate actively in sports. We have to be careful to ensure that we still make a place for them rather than simply create an option that drives them out of the school system where they're already very fit. They're playing hockey at a high level or whatever it is.

Again, I'm confident that those issues will be explored. That leads me to my question, which really builds on Joyce's question. You answered Joyce's question about how you want to encourage a discussion. What I need to know is: what tools will we have as elected officials and what tools will PACs and school planning councils and school boards have to help them with that discussion? Will there be a paper or something to respond to? Clearly, you have a pretty highly developed set of proposals. For me,

anyway, it would be very useful to be able to take something out into my community, let people read it and then have that be the basis for them to respond.

Hon. C. Clark: Yes, we will. We'll be making sure that information is distributed not just to MLAs but to school districts and PACs around the province so everyone can have a good grounding for the debate.

Hon. G. Campbell: Rick, Ted, Gord and Shirley.

[9:45]

Hon. R. Thorpe: Thank you, Premier.

Christy, where do you see computer literacy fitting into the competencies in these proposals and going forward?

Hon. C. Clark: It will certainly be part of the portfolio assessment. Computer literacy will be one of the competencies that they're looking at. There's also a trades and technology pathway that young people can pursue. It will fit into both. That is clearly an incredibly important thing to have in our graduation program.

One of the things, for example, a young person could submit as part of their portfolio is a website they designed, which would clearly demonstrate their technological proficiency. Or they could demonstrate that they had done a research project through the Internet for their social studies course - those kinds of things - to actually show proficiency in using the Internet and using technology.

Hon. R. Thorpe: On career and personal planning, you mentioned that you see teachers doing some mentoring. Do you see other people in the communities participating in the mentorship-type programs to assist our young students?

Hon. C. Clark: Absolutely. It's important for us to welcome community members in and to allow them to offer their skills and wisdom to young people in schools - not just their skills and wisdom but also their models of success for young people so that they have a sense of what they can achieve.

The pathways model, I think, will make it much easier for people outside the system and people within the system to be able to connect, because it will be easier to know where to connect. Also, though, on the portfolios boards that are examining the portfolios, school districts will be welcome to include community members in those assessments

as they do them. That's going to be, I think, a real new opportunity for the community to get involved in schools.

Hon. R. Thorpe: Okay, thank you.

My last question. We want to raise the standards by introducing the five comprehensive exams. We want to make sure that we have a leading-edge economy, that we're very competitive. How do you see us benchmarking our performance so that we can actually monitor our victories or areas that we need to focus on? How do you see benchmarking our performances?

Hon. C. Clark: We collect a lot of information in the Ministry of Education, which we haven't in the past put to much use. In the last year we've really beefed up our data-mining capacity. We're starting to build up real useful data about where we're at in specific areas, in specific districts and in specific schools that we will be able to make available to school districts and to the public.

Once we have that information, we can start benchmarking against it. That is the critical component of accountability contracts. Each accountability contract is a process through which the school district sets goals and then measures itself against those goals for the coming year. That's where the benchmarking happens. It's going to be district by district.

We will continue to participate in the international assessments and national assessments that we do. We've got our foundation skills assessment. The achievement task force that I announced a couple of weeks ago is going to be talking about different ways of measuring success so that we can measure how far kids have come throughout a year, not just where they ended up the following year.

We're trying to better mine the data we have so that we have more information to provide to the public. We're also thinking about ways that we can collect more and more useful data.

Hon. R. Thorpe: Thank you.

Hon. G. Campbell: Ted, Gord and Shirley.

Hon. T. Nebbeling: Christy, I would like to touch on another aspect of this whole issue of getting students to feel not only committed but comfortable within the system. I agree with the steps that you are considering. This is a step forward.

One area that I personally am concerned about is the environment in which students actually get their education opportunities. I think there is a problem between urban opportunities and rural opportunities. I'm focusing in particular on the extracurricular activities that I believe are really essential bonding opportunities for students to have team spirit and feel comfortable to get together with their student colleagues.

In urban areas it is not a difficult thing to participate. In rural areas - and I've been confronted with this a number of times - because of the circumstances of, for example, travelling from one community to another community to get education, students in these rural areas do not have that opportunity of the bonding experience that I believe extracurricular activities create. A bus system may not work with the schedule of the extracurricular activity.

[Back To Top](#)

[9:50]

In the discussions and the consultation that you undertake now, is there room for that type of issue to be discussed as well? I think it is part of the problem - that rural students often bail out.

Hon. C. Clark: That's an excellent point, Ted, and that's certainly going to be part of the discussion we have about making physical education mandatory in grades 11 and 12. One of the issues that will certainly arise as a result of that is: how are we going to make that possible in rural communities?

My point is to say: "All right, look, let's have a discussion about this, so we can make sure that young people are more active in a whole range of areas and that they learn to love an active lifestyle they can carry through with for the rest of their lives." We may find different ways of getting there as a result of the consultation, but you're quite right. The issues in rural communities on that particular subject are a much bigger challenge than they are in urban communities, and that will be part of our discussion.

Hon. T. Nebbeling: Right.

Hon. G. Campbell: Gord?

Hon. G. Hogg: In a number of conversations we've had, you've talked about students and their failures or the failure rates today and whether or not they fail or the school

system fails the student. I'd like to see that dynamic as part of the dialogue or consultation process in terms of what the responsibilities are that exist within the context of the school environment. What are the responsibilities that exist within the context of the community, and what are the responsibilities that exist with the students? While we know those overlap and there's a dynamic in that, it touches on some of the things that Ted was referencing as we start to talk about it.

If we do believe, as you've been saying, that it is the school that fails the student and not vice versa, then what we're talking about now is broadening the context within which we can provide options for students. We're not talking about streaming students. We're talking about creating a number of options for them and, hopefully, creating a number of options within that context where their passion for learning will be triggered, will come alive, will be able to find a way to go.

You've made reference to the excellence of our curriculum that exists in British Columbia and wanting to protect that and the integrity of that type of excellence. We do that with 19 exams, provincial exams, that we use to test that, and we want to reduce that and look at that. The consultation processes that you're talking about are internally referenced, and we continue to test.

Depending upon whether we look at SAIT or the OECD reference points, I think we're at different levels in British Columbia. The consultation process I find exciting in terms of being able to address those different areas of responsibility. I'd also like to see, within that context, referencing externally so we look at evidence-based research that tests outside of it so that when we're giving the discussion paper - which Geoff made reference to - to parents to look at, there's also some reference in that with respect to what's happening internationally.

We talk about a world without boundaries and borders and being able to search for and look for education and learning as well as job opportunities around the world. I think we need to continually look at and have reference points outside of that, whether that's the SAIT or the OECD reference points that do that. I encourage the direction that we're going, but I would like us to look at some of those responsibilities within that context as they sit in those three areas, consistent with what you're saying and, secondly, that we use evidence-based research so the consultation process is not just looking internally but externally worldwide in terms of those reference points.

What are other jurisdictions doing? How are we going to continue to compete there? How are we going to maintain this high level of excellence we have so it's not just for that 20 percent that move on, but so we can find ways to encourage the passion and

excitement of other students in learning, and learning in a holistic fashion? Not just the 20 percent that want it in an academic fashion, but how do we learn emotionally? How do we learn to become good citizens and participants in a free and democratic society? If those could be part of that consultation process and framework, the external referencing, I'm quite comfortable with the direction you're going with it.

Hon. G. Campbell: Shirley and then Katherine.

Hon. S. Bond: Thank you, Premier.

I want to pick up on Geoff's comments about the magnitude of the suggestions that are here. I'm very glad there's going to be some time for further dialogue and debate about the issues, because there are significant changes suggested here, and some need the input of people outside of the typical system.

One of the things I thought about very carefully, as I looked at this, was the possibility you've suggested around locally developed courses, which would allow us to focus on areas of expertise in particular regions in this province. I think that's a great concept. Having said that, that needs to be worked through very closely with post-secondary institutions so that there's articulation and so that students can look at the issues of where they're going to train and how they're going to do that.

[9:55]

As I have sort of worked with the industry and the skills and training side of the agenda, one of the things that's become clear is that there's been a fundamental disconnect between how we train in this province and the type of work and the type of workers and the type of skilled employees we need. I'm hopeful that as we explore a new system that would encourage that kind of development, we would look at the disconnect that currently exists and ask people who actually have a sense of how that should be done how we should be doing that. We shouldn't assume that we in the system understand how to do that particularly well, because I don't think we have in terms of the skills training agenda.

I guess for me, as I look at the changes that are proposed.... I thoroughly appreciate any increase in flexibility and choice, but with that has to come a fundamental program change. We simply can't assume that by adding more choice, students are suddenly going to choose another option, another pathway. I'm very interested in the pathway concept, but with that has to come the kinds of options that allow students to take another path. You've said there's not going to be streaming, but in essence, we need

the kind of opportunity that allows a student to make another choice rather than simply the university-bound direction.

I appreciate the introduction of pathways, and I'd be very interested as we develop this in terms of the trade and technology side of that, because it is more than just changing perception. It is fundamentally changing some of the methodology and the programs that lead to that.

Just in terms of the discussion around physical education, I don't know what it's like, having not been on a school board for some time, but I do know that PE is currently a recreational emphasis, as George has pointed out. If we're going to say that it is significant and important to health and well-being, we have to look at what we offer there, what the outcomes are and what we expect at the end of that program. Currently, I know the experience I've had is that it is a recreational emphasis. It tends to have a great number of fees associated with it, too, because we do things like skiing and curling and all those kinds of things. Looking at PE, if we're going to say it's significant and fundamental, it needs curricular change of a fairly significant magnitude.

I guess, finally.... There's so much we could discuss, and I'm looking forward to the ongoing dialogue about this. I guess I'm not at all opposed to introducing rigour to the system, because competency is absolutely critical. But I am concerned about the impacts it will have on those populations, and students in particular, that we've already said are challenged by the current system. If we simply add more rigour or higher standards or all of those kinds of things, how do we then balance the system to address issues such as aboriginal graduation rates and those kinds of things? I simply think we have to balance the move forward in terms of.... Rigour is important, and competency is important, but how at the end of the day do we address some of the concerns? As Gordie points out, we've said the system is failing these students, so as we change the system, we have to ensure that the changes we're making actually address the broken parts of the system for those students. I think that as we go forward, that will be really important.

It's exciting work. It is very dynamic, and there is nothing more important in terms of what we need to do for the students in this province. I look forward to a healthy debate, and I think, from my perspective, that post-secondary institutions need to be an integral part of this discussion - not simply from the university side but colleges, who provide training opportunities, and making sure we link the new changes to those opportunities for students.

Hon. G. Campbell: Thanks, Shirley.

Katherine.

[10:00]

Hon. K. Whittred: Thanks, Premier.

Actually, Shirley touched on or at least introduced the comment I was going to make, and that is the articulation that I'm assuming will take place between the school system and the post-secondary system. I point that out because the single biggest driver of why students choose to take a course is whether or not that course has value at a post-secondary level - that is, not only at the university level, but it might be at BCIT, at the college level - whether it's accepted as an entry-level course for apprenticeship or whatever the case may be. In terms of selecting high school.... School boards or districts may choose to introduce any number of local courses, but those courses will in fact have very little value to students unless they are given value by the post-secondary institutions. I'm assuming that will take place as part of the process.

Hon. C. Clark: Yes. Our initial consultation included the deans of education. They were intimately involved in that. This continuing consultation process will, of course, include them.

This issue of the connection between post-secondary and secondary is one that's come up a lot. It was raised by the Select Standing Committee on Education as well. Both Shirley and I have recognized that it's a big problem for young people, because they don't necessarily say: "Oh well, I'm switching ministries now." They think, "This is my life, and I want to go from high school on to a trades college or to a university," or whatever.

This idea that we would allow post-secondary courses to count for credit toward your high school graduation certificate will be an important change, I think, in making that transition easier. It's something that's done very successfully in Washington State. They call it Running Start. That's the model we've been looking to work from with this new change. I hope that will enhance the connection between the two.

Hon. G. Campbell: Anybody else?

I think this is a very important discussion we're engaging in. I want us to engage in it fully. I have a couple of concerns, though, because it still sounds pretty institutional to me when we talk about it. We hear we're worried about how kids are going into post-secondary institutions. If I were a kid, I'd think that's a college or BCIT or UBC. There

may be lots of kids who actually don't think that's where they want to go after high school.

One of the challenges. I can just tell you that when I went around the province for a number of years, I don't remember anyone coming to me and saying: "Boy, did you guys nail it on CAPP." When I hear we're doing CAPP and we're going to move it down, I get very nervous about it, because it sounds like we're going to have a bunch of people trying to get kids to think about where they want to go. I can tell you that at the high schools I go to, kids say: "I'm not sure what I want to do."

I've got a 20-year-old son who is not quite sure. He's got an idea of what he wants to do, but he's not sure what he's going to do. If we think about ourselves, the people here who knew 20 or 25 years ago that they were going to be sitting here today are pretty lucky, because most people don't have that path. I've had seven different jobs since I graduated, and none of them necessarily flowed from where I thought I would go when I was in high school. There's a little bit of presumption that somehow or other institutionally we can create that sense of confidence or comfort or whatever, when I hear some of the words that are coming out.

It seems to me we should try and turn this a little bit, where we're actually thinking about recognizing that different children have different talents and different abilities. How do we respond and build on those talents and abilities that are their interests, as opposed to trying to fit them into boxes that are in our interests and are more convenient, etc.? I'm assuming that's what we're trying to do.

I read one of the comments in the newspaper from one of the people in education about streaming. I'm not for telling kids they have to figure out where they're going. I am for us recognizing that different kids have different talents, and if we honour those talents with those kids, they're going to do a whole lot better in whatever endeavour they take on in their lives. I think we have to find a way to open this up enough so children, young people, feel that connection. Frankly, kids that are in grade 10, 11 and 12 aren't children anymore. They're younger than we are, but they've got an awful lot of ideas in their heads about what they want to do, how they want to do it and what their interests are. I think lots of times they feel like, frankly, we get in the way.

I do think we want to make sure we're focusing in on what kids' abilities are. I also think we have to be honest with them. We do have to be rigorous. They do have to be able to read. We do have to be able to create for children the opportunity to be computer literate, to be Internet literate. In some jurisdictions, as part of your graduation they give you an Internet driver's licence. They actually teach you how to drive around the Internet

and find the information, gather it and use it as a research tool, etc. I think the more we can do to open up those opportunities for kids, the better off we're going to be.

I'll reiterate the comment - I can't remember who made it, whether it was Geoff or George - that I hope we get the information out to parents and kids in the system so they understand some of the challenges we face and are told that they're really allowed to come up with some solutions for us. I think that's what's going to make the discussion worthwhile over the long term.

I have one last comment. On page 11 of this, there's a comment about costs. I want it to be clear to the ministry that we won't be passing these costs down to school boards. They'll be finding those costs within the ministry. As long as that's clear to the ministry, that's fine.

[Back To Top](#)

[10:05]

Hon. C. Clark: You bet.

Hon. G. Campbell: Fine. Any further comments on this? Christy is asking for approval for this to move forward for public discussion through the fall period. There will be information made available to MLAs and to the public. I assume it will be up on the website if people want to access it through there, and we look forward to the results.

Thank you very much, Christy.

The next item on the agenda is the community charter update. Ted?

For Information: Community Charter Update

Hon. T. Nebbeling: Thank you, Premier. Good morning, everyone.

Today I'm reporting on the progress we have made in the development of the community charter for British Columbia. In May, as you all know, we published draft legislation called The Community Charter: A New Legislative Framework for Local Government. In that document I mentioned that our work was not yet finished. I asked all stakeholders to offer their feedback in order to help us finalize this innovative and very comprehensive piece of legislation. British Columbians from around the province have reacted overwhelmingly with constructive and comprehensive submissions.

We have also held extensive consultations with local governments, including a provincewide symposium. They also participated in five regional workshops. The government remains committed to early implementation of the community charter, as we have always stated. However, it is very vital that we give all the input we have received the attention it deserves and that we develop with all that information the best community charter possible.

The community charter is a major opportunity for communities in this province, and we must ensure we do it right. While we have had encouraging feedback from local governments, many of these governments have asked for some more time in order to absorb the changes that are contemplated. As well, we have received many requests from other stakeholders for meetings and input into the charter. When the charter draft is completed, we will need a thousand consequential amendments that will have to be put in place before the charter is introduced.

For these reasons, I am announcing that we will bring forward a community charter in the spring session in 2003. As the community charter plays a critical role and as the development of this charter has been pursued to create a balanced legislative framework, we must continue to use the Community Charter Council to play a role in this process. As a result of the decision to go to the spring session, I'm asking for cabinet's approval to extend the term of the Community Charter Council until February 28, 2003.

The government is committed to an early implementation of the charter, as I said, and this extension does not diminish that call. In fact, it serves only to emphasize how committed we are to listen to British Columbians and the communities in British Columbia. The additional time will allow us to take the constructive comments we have received and build the best possible charter for the future of local government and all stakeholders in British Columbia.

Thank you, Mr. Premier.

Hon. G. Campbell: Basically, what we're saying is that because of the feedback we're getting so far - UBCM has a meeting at the end of September, I think - we'll put that discussion off. We'll look at the charter for the spring session, and the Charter Council is extended until the end of February.

Hon. T. Nebbeling: That's it, Premier. Right from the beginning we have said that British Columbians have to be part of creating this charter, because all British

Columbians will be impacted by it. The overwhelming desire to participate in the process has really led me to believe that we should not only take more time but respect and consider these inputs we get from British Columbians.

Hon. G. Campbell: Okay. Any questions? Greg?

Hon. G. Halsey-Brandt: Thank you, Premier.

Ted, I certainly appreciate your announcement this morning here in cabinet, because in meeting many mayors in communities, I know they're putting together submissions - very thoughtful and far-ranging ones. I appreciate the opportunity to extend this to the spring.

My question is around phase 2 in the second go-round. We were going to look at land use zoning, elections, regional districts and that sort of thing. I think that was to be done two years after phase 1, if I recall your rough timing when we started this. Have you given any thought to that in terms of what that does to the time line? I assume that probably a lot of phase 2 stuff may be coming out now in terms of the discussion. I know I've had some comments that there are areas of phase 2 that municipalities would like to get rectified, cleaned up and changed.

[10:10]

Do you see that time line moving back as well, or can we still sort of piggyback phase 1 onto some phase 2 material?

Hon. T. Nebbeling: Thanks, Greg. One of the good experiences we have had through the consultation process is that many regional directors have participated in coming to the meetings and giving input on what they think the charter will reflect.

Yes, land use issues, land use planning, land use policies and regional growth strategies will be the second phase. I have had very preliminary discussions with various regional boards on how we can start at least talking about the framework of the process of consultation with regional boards, because we have received a lot of information through the past six or seven months. I believe the regional charter that we pursue can be fast-tracked and will certainly fit within the time frame that we originally set out.

Hon. G. Halsey-Brandt: Particularly around municipal elections and regional district elections.... We've got one coming up in November, but it'll be three years before the

next one. I think a lot of communities are concerned that if we are going to make changes that result in legislation or that need legislation to effect those changes, that should be done at least before the next cycle gets underway.

Hon. T. Nebbeling: That's an excellent point. Two responses to that. First of all, in talking about the charter, we always made it clear that we would not enact a charter until the next municipal election, because putting out a whole series of new changes would confuse and potentially complicate a local election. Again, that is one of the reasons that local governments have asked for some more time to absorb the changes.

The second point is that we recognize that for the election in 2005, again, local governments and regional districts have to have that level of comfort of working with the charter. That will make it a lot simpler for local governments to work with, but they still have to understand the nuances. That's why I have started these preliminary discussions on how we can work within the time frame that we had set out.

Hon. G. Halsey-Brandt: Thank you.

Hon. G. Campbell: We've agreed that we'll extend the Charter Council to February...

Hon. T. Nebbeling: ...28th. Thank you, Premier.

Hon. G. Campbell: The next item is Murray.

For Information: Progress Report on B.C. Employment and Assistance Program

Hon. M. Coell: Thank you, Premier, and good morning. I am pleased to give you an update on our success in reducing the B.C. income assistance caseload since this government took office last year in June. It follows the encouraging news that Finance Minister Collins delivered last Friday about the continuing growth in the B.C. economy.

Our commitment to revitalize the economy remains a key priority, and the Ministry of Human Resources has a very important role to play in that economy. The decline in income assistance caseloads shows that changes in income assistance are working and that more people are getting jobs.

This past April we introduced the B.C. employment and assistance program to provide assistance for those most in need, to provide employment opportunities for people as the economy continues to gain strength and also to promote independence so that clients are able to reach their fullest potential. We're seeing the results of that approach

reflected in our caseload statistics. The numbers are encouraging, and I'd like to spend a few minutes explaining their significance to you.

This chart shows the number of people employed in British Columbia between December 2001 and last month. Look at the difference over time. From just over 1.9 million employed last December, we now have over two million people employed. There have been 88,000 new jobs created so far this year. Each of these new jobs represents an opportunity for ministry clients to gain employment.

I'd also like to point out that there are ongoing opportunities through the 500,000 jobs that are typically changing hands in B.C. in an average year. These vacancies are created by people changing employers, retiring, going back to school or leaving work to raise a family. Because the labour market is so dynamic, it creates opportunities for British Columbians to get their first jobs or to re-enter the workforce after a time away.

[10:15]

This chart compares the number of people over the last two years that came into ministry offices to apply for assistance. In January 2002, as you can see, the number of inquiries dropped significantly compared to the previous year. That drop coincided with a big increase in the number of jobs available. For example, more than 27,000 new jobs were created in January alone this year.

The drop was also a result of the introduction of new initiatives which signalled the government's restructuring of income assistance to focus on employment and independence. By June 2002, the number of income assistance inquiries had dropped by 3,000 per month as compared to the same period in 2001. Clearly, the dynamic labour market and the proactive employment policies are having an effect on the number of people who are applying for income assistance.

Here's another look at the impact on our caseload. The blue line on top shows little change in the caseload in the year 2001. The red line on bottom shows the drop that began in March 2002 and continued a decline until June. It shows a decline of almost 19,000 cases, or 12 percent of the caseload.

Many people get jobs on their own, but others need support. That's why my ministry is creating employment opportunities for clients through new programs and policies. For example, a key innovation of B.C. employment assistance has been the introduction of employment plans which identify specific activities to assist clients to become independent. They set time frames in which to complete these activities, they identify

and address barriers that are immediate to employment, and then they refer clients to the appropriate programs. As a matter of fact, we're investing more than \$300 million over the next three years in employment programs to support clients in searching and obtaining jobs.

Here's a closer look at the makeup of our caseload. The largest decline has been in the category of clients who are expected to work, which is down 22 percent. Most of these clients have left income assistance for employment or returned to school to improve their job prospects.

There has also been a decline in the clients who are temporarily excused from seeking work - for example, a client is a single parent with a young child or has a temporary medical condition.

The caseload of persons with disabilities rose 7 percent over the past year, and that's more than 3,000 people. I'd like to highlight for you that we have maintained income assistance rates for people with disabilities. We have also increased the flat-rate earning exemption from \$200 to \$300 a month for people with disabilities, and we have made increases in shelter rates for larger families who have a member with a disability. Last spring we also introduced an employment strategy for people with disabilities, which will support people in bringing their skills to the workplace and bringing greater financial independence for people with disabilities. We have also increased spending on employment programs for persons with disabilities - up \$5.5 million, or 40 percent, over the budget last year.

As a part of our focus on employment, the ministry's job placement programs are performance based. That means that payments to our contractors are linked directly to clients getting and keeping jobs. This chart shows the number of people placed into jobs through the job placement programs. Placements averaged about 800 per month last year. In total, we have had more than 10,000 placements during the past year in these programs. This is a significant contributor to our declining caseload.

The last slide I'm going to show you depicts the results of the outcome survey that the ministry has implemented for the first time this year. The results are based on confidential telephone surveys of former clients who have been off income assistance for at least six months. The purpose of this survey is to determine whether our former clients are better off since leaving income assistance. As part of our commitment to increased accountability, this report will be posted on the website, the first one in approximately two weeks and then every quarter after that.

[Back To Top](#)

[10:20]

The report shows that more than 96 percent of people who have left our caseload left for work, returned to school, received a form of income like employment insurance, changed family status or saw their financial situation improve to the point where they no longer needed income assistance. Less than 3 percent of these cases were closed by the ministry.

The high percentage of people leaving for employment or going back to school to improve their job prospects goes a long way to the core of this ministry's mandate. Having a job gives a sense of accomplishment, builds hope and self-esteem, and provides economic security for individuals, families and the children of British Columbia. At the same time, this ministry is committed to providing assistance for those people who are most in need.

Premier, I appreciate the opportunity to share this information with cabinet. These are encouraging results. It is the first quarter of our three-year service plan. We will continue to monitor the income assistance caseload very closely and to report the progress from time to time to cabinet. I'd like to remind everyone that the caseload figures are published monthly on the ministry's website. That's www.gov.bc.ca/mhr.

I'd also like to thank my staff in the ministry who have performed an excellent job in the last year. We have made significant changes in how income assistance is delivered in the province of British Columbia, and the staff have been more than competent and professional. They've done an excellent job. I'd like to compliment them on that.

Thank you, Premier. I'd answer any questions that cabinet has.

Hon. G. Campbell: Any questions from anyone? George, Mike, Kevin.

Hon. G. Abbott: Thanks, Premier.

A question for Murray. One of the concerns I hear - and I hear it increasingly from the construction industry, particularly the housing industry, which is quite buoyant right now - is that they're having difficulty filling some of their labour positions and so on. Do you know through your contractors or through the ministry how many positions there are unfilled? I'm not talking necessarily about construction here but across the board. How many jobs are at this point unfilled in British Columbia?

Hon. M. Coell: In the ministry we ask our contractors to go out and actually search for jobs for people. Today we have 6,000 jobs available for people on income assistance in the province of British Columbia. Those are unfilled positions available through the ministry. For a number of years we saw tradespeople leave the province. We're now seeing that start to stop. I think when you look at the number of people who have left income assistance and the number of jobs created, there is starting to be a demand for people to stay here, which is good. Within the ministry we have 6,000 jobs available today.

Hon. G. Abbott: Thanks.

The second and last question I have is: if you take the information that you provided to us today, Murray, and you overlay a regional variation on that, are there significant differences? For example, are most of those 6,000 jobs in the lower mainland? Are there significant opportunities across the province, or do we have a good sense of that?

Hon. M. Coell: There are opportunities throughout the province. I think it can be said that the construction industry in downtown Vancouver right now is booming. There are a lot of jobs down there, but what we've tried to do with our contractors is that they don't get paid unless our clients get jobs and keep jobs for 19 months. So it's in their best interest to have employment prospects throughout the province, and they do that.

Hon. G. Abbott: Do you have any information at this point on what kind of value or the wages of those jobs you have are? Do you keep track of that?

Hon. M. Coell: The average wage during the last 12 months was \$10.50 an hour for all of the jobs that were found for clients for the ministry.

Hon. G. Abbott: Okay, thanks.

Hon. G. Campbell: Thanks, George. Mike?

[Back To Top](#)

[10:25]

Hon. M. de Jong: Murray, just help me with this. I'm not sure this is a question relating to data as much as it is to getting a better sense of how this is playing out. We're like, I suppose, every government in the western world that tries to move people off the

income assistance rolls and into the workforce. The results so far have been pretty positive and pretty dramatic. Is it a function of the increased employment opportunities combined with a new approach, a new stringency - the guidelines that were introduced? Is there a new aggressiveness on the part of the caseworkers? To your mind - maybe it's more anecdotal; maybe this is the ultimate compliment.... When you look at the numbers, you're making it look pretty easy. It's not easy. What accounts for the success? It's long overdue.

Hon. M. Coell: Thanks, Mike.

That's not an easy question. I think it's a mix. I think first and foremost is the sense that things are getting better in British Columbia and the sense of optimism that people have. When you see 88,000 jobs created, that's 88,000 opportunities for someone who's on income assistance to get a new job.

I think that we've created the employment programs and made them very rigid this year in that their pay is accountable to them when they find jobs and our clients are in jobs for 18 months.

You've got the support that people, who may have been on income assistance for a number of months or years, have to find employment. You've got the opportunity, I think, because of a lot of the changes we've made in the economy, and those opportunities are there. I think that we'll continue to see those opportunities for people on income assistance over the next few years.

It's a mix of things. I mentioned the staff in the Ministry of Human Resources. There was a change in culture, a change in how the rules and regulations affect the people on income assistance, and the staff have been excellent and have achieved the results that we see today because of their diligence and their program capabilities that weren't there before, which are there now.

Hon. G. Campbell: Kevin?

Hon. K. Falcon: Thank you, Premier.

Murray, I just wanted to.... As you know, I've been a very, very strong supporter of the direction you were moving in right from the beginning. Boy, this is certainly a strong confirmation of every belief I've ever had that we needed to shift from what I believed was a developing entitlement mentality in some areas of the province to more of an opportunity mentality, when folks could realize that there are opportunities now to

actually move off and beyond social assistance into the workforce. That appears to be happening.

I'm very encouraged. I want you to know that in my area in Surrey, I had an opportunity to speak to a staff member from one of your ministry offices who remarked on the rather remarkable shift in attitude that they're seeing and also tying that into the dramatic reduction in caseloads that they were seeing in the office in my area. I just wanted to pass that along to you.

Two very specific questions. One is: in terms of the new jobs that we've seen created here, do you know what percentage of those are full-time and part-time? I'm not sure if you have that information, but if you do, I'd be curious to know.

Second, the regional distribution. Do you have any information on how this is playing out throughout the different parts of the province or, maybe just to simplify it, in the northern and southern part of the province?

Hon. M. Coell: Some of that information I think I'll have to get back to you, Kevin.

The jobs within the ministry are spread throughout the province. We're seeing that the lower mainland is creating a lot of construction jobs right now, which has opportunities for people as well. The mix of part-time and full-time.... I believe the 88,000 are full-time-equivalents. Many part-time and three-quarter-time jobs are created in the economy at the same time.

I think one of the keys when you look at the presentation today is that the number of people on disability income assistance has actually risen. I think that what the mandate of this ministry has been and will be is to protect and enhance the lives of people with disabilities, at the same time providing opportunity for people who can work to find employment.

[10:30]

One of the important things for us is the strategy for people with disabilities for employment, because there are a lot of people with disabilities in this province who work, but they have a 50 percent higher unemployment rate than people without disabilities. We want to level the playing field there so we create employment opportunities for people with disabilities, while at the same time having a level of economic support that is adequate for them.

Hon. G. Campbell: Thanks, Murray.

Gulzar, Gord and then Lynn.

Hon. G. Cheema: There is a fear and probably a false perception, and that shows from your No. 5 slide. People with a disability are concerned, especially within the mental health community. You must have heard those concerns from them personally, and we have met with them many times. I just want you to clarify again for them so that they can hear from you once more that nobody with a mental illness who has been on disability 2 in the past and cannot function will be forced to go back to work.

Hon. M. Coell: That's correct, Gulzar. In the new definition of persons with a disability, we worked with the mental health community to make sure that that definition and the regulations fit those people. They'll still have the opportunity to participate as much or as little as they can in employment programs. They're open to all people. I think we've worked with that community on regulations for the new legislation. It should take into consideration their needs and support them to the level they need.

Hon. G. Cheema: For example, if I'm a person with a mental health problem and I have not been functioning, will my financial assistance change under the new regulations or not?

Hon. M. Coell: No, it shouldn't.

Hon. G. Cheema: Thank you.

Hon. G. Campbell: Thanks, Murray.

Gord?

Hon. G. Hogg: In the past we've had a number of discussions about the Child in the Home of a Relative program. Your ministry and my ministry have been working and looking at that. There's been a great deal of consternation expressed in the community. Your figures here show that it's down 6 percent. There was some expectation that that would see a commensurate increase in the number of children coming into care. That has not happened. We've continued to see a reduction in the number of children in care.

Could you just highlight, Murray, the process that took place and, in fact, what the decision is now around the Child in the Home of a Relative program compared to where we were four months ago?

Hon. M. Coell: Yeah. Thanks, Gord.

I think there's some good news there. There are fewer children coming into care, and we have more children that aren't on income assistance as well.

The Child in the Home of a Relative program is being reviewed with your ministry. We're continuing to fund the program right now into the foreseeable future. The levels of support are still there for people who had been receiving that level in the past.

I would imagine we're looking at the spring before we have any final decisions on a future makeup of the program. It appears there's a little reduction this year in the number of people applying for it. It looks like over the years there have been increases and decreases, and it fluctuates from year to year.

Hon. G. Hogg: This is the program, Premier, that allows children who are at risk or can't survive within the context of their own family to actually be moved to extended families and have some type of support within that, particularly if those families are receiving income assistance.

It is consistent with the philosophy and direction we've taken of trying to use the extended family to provide support and assistance for those children who are in need. I think it's an example of how we've looked at problems that may exist independently within ministries and how we've looked at ways of supporting those across ministries and having a consistent approach to them over time. I think it's been a really good example and a positive program for children and for families generally, inasmuch as it's kept them in their community and within the context of extended families.

[Back To Top](#)

Hon. G. Campbell: Thank you.

Lynn.

Hon. L. Stephens: Thank you very much, Premier.

Murray, I just wanted to ask you a couple of questions on whether or not your ministry has done a breakdown by gender in where these jobs have come from.

I think we're all very appreciative that we've got 88,000 new jobs. It's wonderful that so

many people on income assistance have been able to take advantage of those and prosper.

We know that a large number of the people that are on income assistance are single moms. What we would like to do, of course, is make sure that they benefit as much as possible and develop a standard of living that is there for opportunities for them and their children.

[10:35]

The employment programs that you've put in place and some of the opportunities that are there are, I think, reflected in the numbers in the presentation you made today. Can you give me some idea of how many of these single moms are working, how many are back at school and whether moms are working at full-time jobs or part-time jobs? Do you have those kinds of details within the ministry?

Hon. M. Coell: We do have many of those details within the ministry. I don't have them here with me today. I can tell you that across the board, women and men are both finding employment. I think the opportunities in a variety of different sectors are going to continue to be there for men and women. I think men and women with disabilities, as well, are an area that we want to keep open and keep the flexibility there. I can get you that information, Lynn.

Hon. L. Stephens: Great. Thanks.

Hon. G. Campbell: Thanks, Murray. We'll receive that basically just for information.

I have just one question for you, Murray, with regard to the number of available jobs per month versus the continuing demand for jobs. Do we have any analysis on the skills gap that exists and that stops those jobs from being filled? Have we had any analysis done on why, in fact, there's that large number of jobs available? I recognize the turnover we have, and that obviously creates some churn, but is there a skills gap holding us back that we have to be aware of to try and...?

Hon. M. Coell: Within the ministry what we've tried to do, where people are lacking skills but are looking forward to a job prospect, is to encourage - and we have done that for a number of years as well - people to go back to school and take the available student assistance programs. Those are identified in many instances when people are applying for the employment and training programs so that someone, if they take a year's employment or education in one of the colleges or trade schools, won't come

back to income assistance. That's encouraged as well. That's seen in the results. Some of the people leaving income assistance are going back to school for a year, and then they don't come back onto income assistance, because they've got the skills necessary. It's something we'll continue to push.

Hon. G. Campbell: The plans you're developing now with people when they come in - how structured are they? What sort of categories are we looking at? Are they pretty common?

Hon. M. Coell: I would say it's structured. What we want to do is have our front-line workers work with clients to define their needs. Someone coming in at age 19, who doesn't have an education background and hasn't worked, has different needs than someone who has just lost their job at age 50 and has all the skills to get a new job. We're identifying the skill deficits, trying to fill those in. As I say, when you look at some people's background, if they could only get into a course program for a year in a trade or one of the vocational colleges, they're not going to come back on income assistance, because they have that skill. It's developing a variety of options for people, knowing that the skill sets are always going to be different.

Hon. G. Campbell: Thanks. Graham?

Hon. G. Bruce: Premier, it also isn't just a question of a skills gap. There appears to be a huge disconnect in just the communication of where the jobs are, regardless of skill.

It was odd. Earlier this year I was approached on the prospect of an immigration workers plan for farmworkers, so we could bring in farmworkers from other places so that the producers could have people to work on the farms, when in fact we have a youth unemployment problem here in British Columbia. During those months of June to September, people working on the farm could actually make really good bucks.

We need to be a little bit more innovative and creative in how we go about providing or encouraging that employment. Lots of people don't even identify with that. It's funny they don't, because we all cherish our farmland, and then when it comes to actually having to work on the farms, there's not that great lineup of people living in British Columbia wanting to work on the farms. The fact of the matter is that there are jobs on the farms, particularly through those months.

[10:40]

I just came back from Fort Nelson yesterday. It was one of those exotic cabinet trips

that an individual in cabinet gets to make, where you're able to fly all over the province to meet with British Columbians themselves out there. For anybody that hasn't gone up there.... It was my first, so it was an eye-opener.

Dick, thanks very much for letting me go north to check out the roads.

Quite frankly, it's robust up there. There's opportunity up there for people with and without skill. It's a ways to go all right, but it's another whole part of the province, and it's not minimum-wage jobs. It's good, well-paying jobs up there in the northern area of the province, a beautiful area to go to.

In this day and age, with the technology we have, it's funny. When you start checking out other jurisdictions as to how it is you would identify, for anybody to just go and find out, where the jobs are, very few jurisdictions in the world have any type of high-tech computer system where you can plug in and find out what jobs are available in those regions. Australia's got a program that's probably the most advanced of any. We're looking at trying to figure out ways we could incorporate some of what they've done in Australia here in British Columbia.

As Murray would find, I'm sure, from the people that are doing, particularly, the work in trying to encourage the placement of people on social assistance back into the workforce, there are probably many more jobs out there than what we actually give credit for or think that there are. Primarily, or very much so, is the fact that we haven't developed a communications system to place the people that need the work with where the jobs are and then, of course, encourage people where they may be to where they have to go.

Hon. G. Campbell: Anyone else?

Great. Thanks, Murray. That's been very significant in terms of the work, and you should congratulate your staff for the work they've done. I know there have been some significant changes that they've had to be the front lines for, so congratulate them for us.

The next speaker is Colin.

For Information: Update on Pharmacare Pressures

Hon. C. Hansen: Thank you, Premier.

Last December we rolled out some changes to the Pharmacare program that really

allowed us to deal with some of the short-term cost pressures we are facing. They were pressures that had not been recognized by the previous government and had not been funded in the budgets.

When we introduced those changes, we also signalled that we felt there were some real inequities in the way the Pharmacare system was designed in the province. At the time, we indicated that the changes we were bringing down were interim changes and that effective January 1, 2003, we wanted to move to an income-based Pharmacare system as a way to address some of those inequities. Today I just wanted to give cabinet a bit of a progress report on what those challenges are and the general principles behind the changes we are working on at this time.

Just to give you a bit of a background here in terms of what Pharmacare is. I think everybody's familiar with it to a certain extent, but basically it subsidizes prescription drugs and some designated medical supplies for B.C. residents. It is a program where under at least one of the plans, every British Columbian is eligible for some type of coverage. It's important to note that this is not covered under the Canada Health Act. The Canada Health Act covers basically your doctors visits for medical doctors - their fees, or the requirement that the provincial governments pay those fees. It also covers acute care hospital visits.

Something like a Pharmacare system is outside the Canada Health Act. It is not covered in the transfers that come from the federal government, and really, each province and territory has developed differing approaches to their Pharmacare programs. In British Columbia ours was started in 1974, and it now costs about \$720 million a year. In fact, if Pharmacare were a ministry unto itself in this government, it would be the ministry with the seventh-largest budget of any of our ministries. It is by far the most generous Pharmacare program of any province in Canada. Prior to the changes that we introduced last December, it amounted to 56 percent of the drug costs that were incurred by British Columbians compared to a Canadian average of 43 percent.

[Back To Top](#)

[10:45]

This graph reflects the changes that we made last year. It brought our percentage of the coverage down to 53 percent, but as you can see, we're still well above what other provinces are paying. In fact, the Canadian average that's here is actually the latest comprehensive data we have for all provinces, coming out of the Canadian Institute for

Health Information, and they're actually statistics from two years ago. Every province has had to face these very significant cost pressures within their Pharmacare programs. In fact, that Canadian average will have come down in the last two years. But British Columbia, even with the changes from last year, is still way up there at 53 percent compared to Alberta and Ontario, who cover 39 percent of prescription costs out of their Pharmacare budgets.

In British Columbia we have individual programs, or plans as we call them. We have benefits for seniors, income assistance families have a particular plan, and individuals in long-term care facilities in the province have their own unique plan. There are also specific plans for some chronic disease patients - those with cystic fibrosis, HIV/AIDS, mental health patients, just to give you some examples. All families in British Columbia are covered at least under what we refer to as plan E so that they aren't faced with those catastrophic pharmacy bills because of a particular illness or a series of illnesses.

Why have a Pharmacare program? Since the start of medicare, the role of drug therapy has substantially increased, and the number of drugs available has increased manyfold. If you go back to the drug costs that we were facing in our health care system 20 years ago, the number of drugs that were available to physicians to prescribe to their patients 20 years ago was really a small fraction of what is available today. Really, if you look forward, the new medications that are being developed by scientists around the world have the prospect of revolutionizing the care that patients can get, but they're also projected to be extremely expensive medications that we're facing in the future.

For many diseases that British Columbians face, drugs have also, I think, had a profound effect in the way their treatment can evolve. Drugs have allowed for reduced pressures on the acute care system. They have also resulted in reduced need for hospitalization on things like ulcer surgery and hospitalization for pneumonia, just to give a couple of examples.

When we list drugs, we look at their scientific benefit. We also look at cost-effectiveness. There is a new program that actually is being developed collaboratively by all provinces in Canada and the federal government in its role as a provider of a Pharmacare service itself to its employees, to first nations and to other groups that fall under federal jurisdiction. That joint review process will allow us to streamline the decision-making around new medications, both in terms of their scientific and medical effectiveness but also in terms of their cost-effectiveness to the health care system.

When we implement a Pharmacare system, there are really three stages. The first is a deductible, much like an insurance that we'll have on our car or our house, in which

individuals in some cases are expected to pay the first base amount. Then with some of the plans, there is a copayment for the next level. Once they reach a deductible, the next stage would be a copayment where they pay a percentage of the prescription costs. The third stage is when they hit the ceiling. That's the maximum that the individual or family would have to pay for drug costs throughout a year.

This pie chart really shows the breakdown of the different plans we have in place. I want to point out two of the pies in the pie chart here. That's the seniors plan, which is at 49 percent of our total cost, but also long-term care, which overwhelmingly is for seniors. There are a few non-seniors that would be getting care in long-term care facilities. You'll see that the seniors really cover well over 50 percent of our total Pharmacare costs in this province.

There are two really big problems with the current structure that we have today. The first is the growing unfairness of how different groups qualify for Pharmacare benefits. We are seeing, for example, huge pressures on low-income families to try to meet their deductibles, to meet their Pharmacare costs that they have to pay. I think each of us around this table has received letters from constituents who really go through significant hardship trying to reach those deductible levels, which I will outline in a second.

The second big challenge that we have is the very fast-rising cost that we have for Pharmacare. It is the fastest-growing part of our health care system, and it really is crowding out our ability to list some of these new and very effective medications that are coming available. It's also crowding out our ability to fund other vital health care services in the province.

[10:50]

Let's look at some of the drivers of health care costs. First of all is the rising cost of drugs themselves in the province, the average cost of medications. The number of drugs listed that are available is also rising, and as I mentioned before, some of these new drugs are really very expensive. There is also an increase in the number of prescriptions per person that British Columbians are needing.

The final factor is our aging population. That really brings multiple impacts with it. First of all, there are more seniors, as we know, every single year. Seniors are living longer. That's good news for those who are seniors, and it's good news for those of us who will be seniors before long. The other thing that comes along with that is we find that seniors, as they live longer, also have more chronic illnesses. With that comes the need for more medications in order to maintain their quality of life that they need.

The Pharmacare growth throughout this last decade really has a bunch of factors to it. If you start at the bottom of this particular graph and work upward, the B.C. population has increased by 18 percent, but the number of individuals who are benefiting from the Pharmacare program has risen by 40 percent. The number of prescriptions that have been issued has risen by 51 percent. The cost per prescription on average has risen by 63 percent. All of these factors compound themselves, so our total spending over that decade is up by 147 percent during that period of time. That really just takes us up to the 2001 year.

Our population is also aging, as I mentioned before. If you start looking at the next decades to come, the percentage of our population over the age of 65 is going to grow very, very significantly. In fact, it is projected that by the year 2021, the cost of our seniors program alone would amount to \$1.7 billion if we continue with the structure that we have in place today.

We have seen very significant cost increases. The cost of government clearly has gone up over this last decade, but the cost of Health itself - of the Ministry of Health Services and the Ministry of Health Planning, as we now know them - has been rising at a rate of about 7 percent to 8 percent a year. The Pharmacare budget and the cost pressures in Pharmacare, if we continue with the status quo, are increasing by 14 percent to 18 percent a year. If you look at the individual plans we have in place, the seniors plan is the one that consumes the biggest chunk of our budget, but it is also the one that is rising at the fastest rate, as you will see from the chart that's on the screen.

I mentioned earlier some of the inequities between different groups in society. If you take a low-income senior - and we define that as someone who qualifies for premium assistance, and it really amounts to about 50 percent of all seniors in British Columbia who qualify for reduced MSP premiums - they are facing no deductible at all. They pay \$10 of their prescription costs up to a total of about \$200 per person. If you take a couple, both over the age of 65, they would be facing a family cost of about \$400 a year for their prescriptions until they reach that ceiling, and then Pharmacare will cover 100 percent of the cost.

For higher-income seniors - those seniors who do not qualify for premium assistance and the other 50 percent - they face, again, no deductible, but they pay the first \$25 of each prescription until they reach an annual ceiling of \$275 per person or \$550 per couple.

Now, if you look at the non-seniors in society, low-income seniors under the age of 65, they will face a family deductible of \$800. Starting on January 1 of each year, they have

to come up with that first \$800, and then the Pharmacare program clicks in and pays their Pharmacare bills after that level, after that ceiling. Low income, again, is measured as those who qualify for premium assistance under our program. Higher-income non-seniors in British Columbia face a deductible of \$1,000, and then after that they pay 30 percent of their prescription costs until they reach a ceiling of \$2,000 per year, which is the maximum.

[10:55]

I want to give a couple of specific examples of how individual families are impacted by some of these programs. I'll use an example of Barbara, who is 36 years old and a single mother earning \$28,000 a year. She has no extended medical insurance, and she does not qualify as low income. So she would not qualify in that income range for premium assistance. Her eight-year-old daughter suffers from juvenile diabetes and asthma, and she needs \$2,000 a year worth of drugs and diabetes supplies. Barbara must pay a deductible of \$1,000, plus she would pay \$300 a year in the 30 percent copayment on the next \$1,000 of expenditures, for a total of \$1,300 a year. Pharmacare would pay \$700 of that \$2,000 bill, and that amounts to about 35 percent of Barbara's family drug costs.

The next example I want to talk about is actually based on a letter sent to me by one of our colleagues, an MLA who received this from a constituent. This is a couple, both of whom are under the age of 65. They are on CPP disability benefits, and together they have an annual income of \$23,000 a year. They do qualify for premium assistance, but they're still facing the \$800 deductible. The woman has anemia and rheumatoid arthritis - I'm actually reading from a letter her doctor has sent - and there are some other illnesses she is facing. I won't try to pronounce the Latin names of them. She has suffered tremendous bone loss and therefore, as well as the other medication she is on, needs medications to maintain her body integrity.

As the doctor writes: "She is unemployable and remains so for the rest of her life. I write to you to request that you waive the baseline payment for medications, as she is unable to afford this \$800." I'll read just a couple of little quotes from another letter that both she and her husband have signed: "We do not qualify for additional Pharmacare coverage. This is certainly bad news for us, as our income is so limited and we have so many medical expenses along with everyday living expenses." To add to the medical conditions she is facing, he was also diagnosed a couple of years ago with colon cancer and had surgery, so he is also facing some pretty significant medication costs.

If you look at that example, they have to come up with the first \$800 starting on January

1 of each year. It's only once they pay the \$800 of their medication costs that Pharmacare clicks in to pay the balance. In that situation Pharmacare would wind up paying about \$1,200, or about 60 percent of their drug costs.

A third example. We'll call them Stan and Val. Stan and Val are both over the age of 65, are retired professionals and have a pension income jointly of about \$56,000 per year. They both have hypertension, and Val also has lung and breathing problems. Together they need \$2,000 for their medications. They pay \$25 for each prescription starting January 1, until they both reach their ceilings of \$275 or a family ceiling of \$550 between the two of them. In this case, Pharmacare would pay \$1,450, or 73 percent of their drug costs.

Just to give you a summary so you can compare these three examples I've given, Barbara, on her \$28,000 of income, has to fork out \$1,300 for medications for her daughter. Fred and Ethel, who are non-seniors, have \$23,000 worth of income, and they have to pay \$800 starting January 1 of each year. Stan and Val, the third example, with their joint income of \$56,000 a year, would pay \$550 as their ceiling.

As we signalled when we brought down our service plan last February, we want to move to an income-based Pharmacare system. That would take the place of plan A, which is the seniors plan, and plan E, which is the universal plan that all families would fall under. We want to change those to an income-based system so that we can bring a level of fairness into it. I want to outline for cabinet the principles we are following as we develop the details of that plan.

First of all, we believe British Columbia should stay within the average of other provinces. We want to make sure our plan is comparable in terms of its benefits to other plans across Canada and, certainly, would be in the range of the Canadian average. We believe that benefits should be focused on low-income families, regardless of whether they're seniors or working poor. Really, it should be based on ability to pay.

[11:00]

We also want to make sure we maintain that universal catastrophic insurance coverage. In other words, every family in British Columbia should have that safety net so that their medication costs do not exceed their ability to pay.

Income-based Pharmacare is only one of a whole range of initiatives we're looking at to make sure our Pharmacare system is fair and that it is sustainable for the future. We are looking at measures to ensure that we have appropriate prescribing. We often hear

about people being overprescribed with medications, and we're trying to work with doctors and pharmacists to make sure we meet those challenges.

We want to develop programs to avoid the misuse of medications, and we hear lots of stories about individuals that are double-doctoring or trying to access or use medications even their doctors believe would be inappropriate.

We are also developing programs around prevention and management of chronic disease, which Sindi is working on in Health Planning. We also want to make sure we continue to manage drug costs in British Columbia, the prices of individual medications, because we want to make sure that British Columbia's consumers get the best value possible.

In summary, let me just put it this way. We recognize that medications are absolutely an essential part of a good health care system, and we also recognize that we as a society cannot afford to cover 100 percent of the costs of the medications British Columbians need. As we go through these changes, we want to make sure that we ensure fair access to medications based on ability to pay. It's with those principles that we're moving forward to develop the details around the income-based Pharmacare system.

Hon. G. Campbell: Thanks, Colin. Questions? Rick.

Hon. R. Thorpe: Yes. Colin, thank you. It's my understanding that British Columbia is not the payer of last resort and that some other jurisdictions, because of private insurance plans, etc., have made changes to ensure that the government, the public funds, is the payer of last resort. Could you make any comments on that?

Hon. C. Hansen: We have certainly looked at that approach, and I think there are some initiatives around programs which fall outside of the Canada Health Act, where payer of last resort makes sense. It is certainly a big challenge for some of the extended health plans. I think that when we start talking about the fairness and application of government programs, we want to be careful that we don't change the rules in the middle of the game, so to speak, which really puts an undue burden on other organizations.

We are consulting with them. We are not looking at this time to make the Pharmacare system based on payer of last resort, but certainly it's part of the policy work we have been looking at generally.

Hon. R. Thorpe: But to my understanding.... Is Quebec the payer of last resort?

Hon. C. Hansen: I'd have to check on that. I know there are other provinces who have developed payer-of-last-resort programs, but as to which provinces they are, I'd have to get back to you on that.

Hon. R. Thorpe: Thank you.

Hon. G. Campbell: Mike.

Hon. M. de Jong: Colin, is it fair to assume that based on the material you've presented here today, you have concluded there are disparities and inequalities with respect to ability to pay? That is the conclusion I have drawn, but is it yours as well?

Hon. C. Hansen: Yes, it is. I think it's reflected in the letters we get from individual British Columbians, those low-income individuals who are really faced with.... You take a 64-year-old on very marginal income, who is in a very different situation when it comes to dealing with that \$800 deductible, compared to the 66-year-old who may still be gainfully employed and really have a fairly good income at that age.

Hon. G. Campbell: Bill.

Hon. B. Barisoff: Thank you, Premier.

Colin, can you explain payer of last resort?

Hon. C. Hansen: What payer of last resort is, is that government would actually provide coverage for benefits for those who need coverage and need support if they don't have other vehicles to do that. So if you had an extended health care program which would cover your medication costs, then government won't pay those medication costs. That's what they mean by payer of last resort. As I say, when it comes to the changes in the Pharmacare system, that was certainly part of our deliberations, but we decided it would not be best to go down that route. There may be opportunities in other aspects of non-Canada Health Act services where we would be considering that in the future.

[11:05]

Hon. B. Barisoff: Are there cases where government would actually be paying right now where some of the health plans should be paying some of that?

Hon. C. Hansen: Well, I guess that's a very debatable point as to whether government

should or shouldn't. Today, for example, if an individual has an extended health plan with coverage for prescriptions, that health plan is designed to cover the portion that government does not cover. It might cover part of the deductible. In some of the plans, for example, the individual would have to pay the first \$25 of the prescriptions, and then the plan would click in perhaps to pay, let's say, 80 percent of the drug costs until they hit the deductible, at which time the government plan would click in. As I say, when it comes to Pharmacare, we're not considering that change at this time.

Hon. G. Campbell: I should just point out that the Premiers have been trying to work to develop a common formulary across the country, a sort of pan-Canadian formulary. We're working to look at new standards that we can put in place for efficacy and how our drug regimes are working, etc. I think it's fair to say that today in Canada, there are at least 12 different jurisdictions that have different kinds of approaches and different responses, and it's not unusual for one part of the country to be played off against another part of the country. So there's a lot of work that the Health ministers and the Premiers have been doing to try and pull that together to try and have a more cost-effective kind of approach to Pharmacare management from our....

Hon. C. Hansen: If I can just add to your comments, at the Health ministers conference in Banff last week that Sindi and I attended, it was actually satisfying that so much progress has been made already to develop that common review. What was happening was that every province was going through the same kind of scientific reviews, looking at the cost-effectiveness, and really we were duplicating that effort right across Canada. Now we're coming up with one system that's going to be more cost-effective, more timely and more science-based, which I think is really important.

Hon. G. Campbell: Thanks, Colin.

[Back To Top](#)

We have a report from Sindi.

I should just say that I think we've learned some stuff in the last year with regard to the fixed calendar. You know, we set up a fixed calendar for the spring session and the fall session. In the fall session - we go back on October 7 - there were a number of bills we put on the table for review and public discussion near the end of the session, and one of the things I think we have to develop as a goal is to move those bills earlier on. Like us, people take summer vacation and take a break, and if we push them too late, we lose some of the opportunities to get the feedback we want.

Sindi is going to give you an update on the Health Professions Act. Sindi.

Update on Health Professions Act

Hon. S. Hawkins: Thank you, Premier.

I wanted to take this opportunity to advise cabinet about the consultation paper on the amendments to the Health Professions Act and a decision I made yesterday to extend that period of consultation. The intent of the changes, when we had put the consultation paper out, was to make sure that patient safety and patient care were put first, and the proposed amendments really are not in any way intended to interfere with the day-to-day operations of colleges. Our paramount concern really is for patient safety and quality patient care.

I released that paper at the end of July and asked for input from all 21 colleges. Those are the self-regulating health professional colleges and other interested parties. We promised to consult, and we have. As you know, the changes to the Health Professions Act are the result of extensive consultations that were done by the Health Professions Council. I think they started their work in 1994, and they presented their report in March of last year in a report called Safe Choices. The report is 1,400 pages.

We took those recommendations and modelled draft legislation. I am and we are committed to incorporating those recommendations, because we believe that they will improve patient care and increase accountability. I have taken the opportunity in the last couple of weeks to meet with some of the affected groups and parties, and we've had good meetings. They've raised some very legitimate concerns and issues. They have told me that they need some more time, and they've asked for more time to respond to the proposed changes. I have to say we are committed and we have committed to making sure that we put patients first, and I have relayed that to them. I want to take the opportunity to work with the colleges to ensure that the proposed amendments reflect our principle of putting patients first.

[11:10]

The input from the colleges is very important, and I want to make sure that we respond to their request to consult some more. We felt that this was a very legitimate request. Therefore, yesterday I did make a decision to extend the consultation period through the fall. We will notify the colleges of that decision today, and we'll take the time to work with them and incorporate their feedback. Then we'll bring the changes and recommendations back to you and perhaps bring the legislation forward in the spring.

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

Just on a bit of a positive note, I think everyone around this table will be pleased to hear that at Skeena Cellulose there was a 72 percent vote by the union in favour of the contract offer, so they can move ahead there.

The Communications, Energy and Paperworkers had an 80.8 percent vote in favour of a five-year contract in the coastal region of the province. I think we're seeing the kind of cooperative relationships building in the province that are essential to building a long-term economic future for B.C.

I just thought I'd let you all know that Skeena is over another hurdle and a little bit closer, at least, to being an economic engine again in the northwest of the province.

We're adjourned.

The cabinet adjourned at 11:11 a.m.

[Back To Top](#)

[Back to Open Cabinet Index Page](#)