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Open Cabinet

Open Cabinet Transcripts



TRANSCRIPT OF THE OPEN CABINET MEETING September 29, 2003

Province of British Columbia EXECUTIVE COUNCIL

Premier and President of the Executive Council
 Minister of State for Intergovernmental Relations
 Minister of Children and Family Development
 Deputy Premier and Minister of Advanced Education
 Minister of Agriculture, Food and Fisheries
 Attorney General and Minister Responsible for Treaty Negotiations
 Minister of State for Early Childhood Development
 Minister of Community, Aboriginal and Women's Services
 Minister of State for Women's and Seniors' Services
 Minister of State for Immigration & Multiculturalism
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 Minister of Finance
 Minister of Forests
 Minister of State for Mining
 Minister of Health Services
 Minister of State for Mental Health and Addiction Services
 Minister of Human Resources
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 Minister of Public Safety and Solicitor General
 Minister of Skills Development and Labour
 Minister of Small Business and Economic Development
 Minister of Sustainable Resource Management
 Minister of State for Resort Development
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 Hon. Roger Harris
 Hon. Colin Hansen
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 Hon. Susan Brice
 Hon. Joyce Murray
 Hon. Rick Thorpe
 Hon. Rich Coleman
 Hon. Graham Bruce
 Hon. John Les
 Hon. George Abbott
 Hon. Sandy Santori
 Hon. Kevin Falcon
 Hon. Bill Barisoff

The cabinet met at 9:04 a.m.

Premier's Opening Remarks

Hon. G. Campbell: Okay, thanks, everyone. We have a fairly quick agenda this morning, but I did want to go through a couple of things that have happened in the last month or so. We're going to have a more detailed report from Colin on some of the health issues we've been dealing with over the last month. I'm going to talk a little bit about the first ministers' meeting, and Colin will do a little more. Tom is going to outline another step in the literacy strategy.

[9:05]

Everyone should know that tomorrow is Raise a Reader Day. It is a major fundraising effort from CanWest Global to make sure that people know about the opportunities that reading presents. They support communities all over the province. It's important, I think, for everyone to think about how they can contribute to that. It will be taking place, I know, at least in Vancouver, and in Victoria there will be activities taking place this year.

We have committed to matching the public donations to Raise a Reader, because we think it has really provided

significant support across the province. We want to keep doing that.

For anyone who does want to contribute, they can just go to canada.com, Raise a Reader's website. Or they can phone 1-866-637-READ. READ is 7323, for those of you who are wondering what the numbers are for that. It's important to be literate and numerate at the same time.

George is going to do a little bit of an overview for us on what took place throughout this dry season and how we got through that. And finally, John van Dongen is going to talk to us about two of the major issues that we faced in the agricultural community. They still have major impacts in the agriculture community - BSE and the avian flu.

It is important to recognize that the agriculture and particularly the ranching community, really for almost 18 months now, has been struggling under this challenge of effectively not an open border with the United States - the lack of integration that has taken place. John will give us a little bit of an update on that.

Before Colin starts, I do just want to take a moment on the first ministers' meeting that we had a couple of weeks ago in Ottawa with the Premiers, the territorial leaders and the Prime Minister. I think it was a positive meeting for a number of reasons.

The first reason is, of course, that we went there to try and close the sustainability gap in health care. I think the provinces have understood for some time that since the unilateral action that was taken in the mid-nineties, the provinces have had difficulties sort of keeping up with some of the challenges that health care presents and provides us with. And it's everywhere.

I know people in British Columbia are still worried about the health care system. I think that with this new funding formula we have an opportunity, when you combine that with the additional \$3 billion we put into the health budget, to stabilize the system and start focusing on the reforms and the care that we need to, as opposed to: where is the next dollar going to come from for the things we need to do?

I do want to say this. Frankly, I forgot to say it at the first ministers' meeting, and I shouldn't have. I mentioned it briefly, but you should all know that the British Columbia officials that we had back in Ottawa for the week prior to that meeting and throughout that meeting did just a phenomenal job. They would have made every single one of you proud. They would have made everyone in British Columbia proud. They were not just keeping people focused on what the objectives were. They were looking for answers. They were looking for solutions and working well with the federal officials. I think we all owe them a great debt of thanks for their leadership and for their professionalism. They really made British Columbia proud, I think, as they went through that exercise. It was a tough, round-the-clock exercise. I wasn't getting much sleep, and I can tell you this: they were getting a lot less. I think we should all recognize the contribution that they made.

What we did was not find a solution forever, but we did find a stabilizing funding formula with the federal government giving the provinces \$18 billion over the next five years and a larger amount over ten years. I think we have to recognize that the ten-year formula is a ten-year formula, and we hope that it's going to be there. We know it will be there. There won't be any unilateral actions to take it away.

To put it in context, it means that British Columbia will get an additional \$5.4 billion as a result of the contributions that the federal government will make. Now, that's a lot of money, and we know it's a lot of money. But if you think of this, it's \$5.4 billion, and we're already committed to spending about \$110 billion in that same period of time.

It's not a huge jump. It does give us, though, the kind of solid foundation we need to try and continue to pursue some of the important reforms that Colin has undertaken with the ministers of state, which we know are delivering better outcomes. It allows us to really focus on dealing with some of the critical issues that are in front of us like wait-list reduction, and it allows us to get out in front of what a lot of the issues are that we've been having to face.

When you know the dollars are coming and when you know that with our three-year commitment as well as with the federal commitment, our health authorities are in a position where they can plan, where they can deliver. Delivery is the service, certainly, but it's the human resources, and it's the technology plant and all of those things that are critical to delivering the reduction of wait-lists that we all want.

[9:10]

The federal commitment will raise the federal commitment to between 20 and 25 percent of health care funding. I think that is going to be significant for us as we move ahead. I also think it's important to note that part of this agreement had to do with accountability - what we call accountability. We should know that British Columbia has actually been in the leadership on that, but I also want to say this. I've asked Colin and his staff to embrace accountability fully. I want British Columbia to be the leaders in terms of accountability. I want us to be out front, both lining up our program of what we're going to provide to people, providing the public with the basic information that they want. I've had a chance to talk with a number of people over the last couple of weeks, and I think it's clear that we can lead. We want to lead. It works better for the system when we're leading. Rather than turn our backs on that, I think we should take it head-on. The Health ministers will be working on that, but I think our British Columbia Health minister should be preparing to report back on comparable evidence-based indicators for a range of procedures by the end of 2005.

I know that people say: "Well, why does it take so long?" It takes so long because you want to make sure that these are medically based, that they're outcome-based, that they make sense, that the wait-lists are in fact legitimate wait-lists. There has been great work done in Saskatchewan with regard to this, which we're picking up on. The Western Canada Waiting List Project was recognized by other provinces as a result of what Colin and his colleagues have been

doing. I do look forward to us laying out the standards and laying out how British Columbia is doing against those standards.

We already know that we do exceptionally well in a number of categories. We've got the best life expectancy of any province in the country. We're the healthiest jurisdiction of any province in the country. We have virtually no lineup for cancer treatments. Those are important indicators, but we also know that there are some places where we can do better. I think by establishing the standards that we're striving for, we actually will focus the efforts of everyone in trying to reduce those wait-lists and not just improving the quality of care that we give in British Columbia but including the public in dealing with that. I think there is a real opportunity there for us to be a leader in medically accepted wait times and to do that and lay that out, certainly, by December of 2005.

I want to say, too, that one of the things that I think was most gratifying at the first ministers' conference was the meeting we had with aboriginal leaders - the Assembly of First Nations; the ITK, which is the Inuit body; and the Métis National Council. Again, British Columbia has been a leader with regard to this. Our aboriginal health report clearly shows that our aboriginal communities are behind the general public. I don't think there's anyone in this room and I don't think there's anyone in the province who thinks that is acceptable. The encouraging thing is our own medical health officer has told us that if we work together with the aboriginal leadership, if we create a proper program of focusing resources - both federal and provincial - on providing aboriginal communities with health care, we will be able to raise aboriginal health indicators up to the same level as the general public within ten years. Now, ten years is a long way off, but I think it is a goal that we should set for ourselves. I can tell you that the aboriginal leadership - and particularly I mention the grand chief, Phil Fontaine - has been committed to working with us on this. They have a concrete and positive program that they're ready to move forward with. I think it's also fair to say that the federal government recognizes that it has a responsibility to uphold in this regard. I think there's real opportunity for us to see real progress with regard to aboriginal health, and that's important.

Another issue that we raised - and British Columbia raised this issue - was the whole issue of a national pharmacare program. I know that for all of us in B.C., as we wrestle to create Fair Pharmacare, we were concerned about it. The fact is that we are the standard that other provinces are striving for at this point. We should not rest on that, but we should at least take some confidence that again, our officials did a great job in putting together a Pharmacare program that provides pharmaceutical therapies and opportunities to people across the province in a range of areas that are clearly critical in the long term - not just in terms of reducing wait-lists but also in terms of improving quality of life.

We made some very important steps with regard to that. First, there was an agreement that we would work towards creating a national formulary. Now, you may know that there are 13 formularies across the country right now. The estimates are that you would save between \$100 million and \$200 million a year by combining those formularies and having one administration that was using them, etc. That's a first step, and that will save a substantial amount of dollars.

[9:15]

There was also agreement that we would move towards a national purchasing agency. There are enormous savings in going to a national purchasing agency - enough savings in a national purchasing agency and a national formulary that we could assure that every child in Canada gets appropriate immunizations. Instead of choosing which children are properly immunized to prevent preventable diseases and which children don't get the same immunization, we could say across our country that every child gets an appropriate immunization. I think that is a very critical thing that we can do, and we will advocate it.

I have asked Colin to make sure he is leading on that. I'm glad to do whatever is necessary at the Premiers' table, but I should also emphasize that I think Colin has got great respect from people around the Health ministers' table. I had a chance to meet with Minister Dosanjh. I think he is interested in pursuing this. I know that the Prime Minister is committed to pursuing this. So as we move down that twin roadway, if you want, towards a formulary and the purchasing program - and it's important to note that we already have some institutions in place, like the Canadian Blood Services, that may well be able to accelerate some of that - I think Colin can take a strong leadership role in that. All Canadians will benefit, not just British Columbians, and all children will benefit. I think that's a thing that we can all take some confidence in as we move ahead.

It is our goal in British Columbia to continue to lead on the health file. Again, I think Colin has done a very good job of that. We should recognize not just that we've led with B.C. Centre for Disease Control and what they did in dealing with SARS and other activities, but that we're leading in research and development projects and are recognized for that leadership across the country. I think we've got a great opportunity ahead of us with the stable funding we've been able to secure.

Obviously, I have always felt that the way to make sure we had the kind of foundation for the health care system we need is to have a strong economy, a strong fiscal regime. I think we have done that. As the Minister of Finance pointed out a couple of weeks ago, because of the disciplines you've shown, we're looking at a significant improvement in our financial situation. I can tell you again that when I was in Ottawa, there were a whole bunch of provinces that are part of equalization and that were pretty pleased to see that British Columbia was going to be putting into the pot instead of taking out of the pot. We've still got some work to do on equalization. On October 26 we'll be in Ottawa meeting on equalization with the provinces, because it is a critical part of a number of provinces' financial base for their health care and social systems. I do think the first ministers' meeting was an important step.

I want to say one last thing that was critically important. It wasn't just the money, but it was that the provinces worked together. It was that the provinces not just worked together; they stayed together. It was actually back in British Columbia in August of 2001 when I can recall sitting at the first ministers' table - it was the first time I had been there - and one of the Premiers said: "You know, it's funny. The federal government seems to always do a little better than us on health care, and I don't know why." I said: "Do you think it might be because they speak with one voice and have one message, and we have 13 voices and 13 messages, and we say them when we feel like it?" We took it on at that meeting to accept the responsibility of health care, to tell Canadians that there was a challenge in front of us.

We created the Premiers' Council on Canadian Health Awareness and started to put information out into the public realm that I think Canadians want to know as we move to sustain our public health care system. At the time, we said that it was important to have a new financial partnership with the federal government, and you may recall that we were told it wasn't important and that we had all the money we needed. We then had a financial arrangement in 2003, which we said at the time was not going to be satisfactory to get us through to the kind of stable funding that we needed.

This year, this fall, this September - because we stayed together, because we assumed responsibility for what we had to deliver - I think we were able to secure the ten-year funding strength that we need to get on with the kinds of reforms that are necessary. I do think it is important for us to recognize that this takes a long time. I wish that we could have had that funding in place and that all of the problems we may face as we go through the weeks and months ahead would be solved. That obviously won't be the case. We've seen with our commitment to train more doctors that it takes almost ten years from the time that decision is made to the time that the doctors get on the floor of a hospital or out in a community. We know that to train our nurses, it is four to five years. So this has got to be a long, ongoing, disciplined response to the needs of the people that we serve. I think we at least have got the strong foundation that we can move forward on.

[9:20]

Just so you know, we are going to come out of that meeting, and we are going to push the national pharmacare plan. It makes sense. It makes sense for Canadians; it makes sense for British Columbians. We're going to continue to push on that. We're going to be leaders in terms of accountability. We have been in the past, with the accountability contracts. We're going to improve on that, and we're going to push that down through the system.

Colin is going to continue to take an important leadership role as we lay out the kind of wait-list strategies we will have in British Columbia that, hopefully, will be leading the way in Canada in terms of delivering services and care to people in the communities all over the province. I do want to again say thanks to the staff and thanks to Colin for the work that he did.

Any questions on the meeting from anyone? Okay, we will move on to the agenda. First on the agenda will be Colin, with his update.

Colin.

For Information: Health Update

Hon. C. Hansen: Great. Thanks very much, Premier. I think it would probably be fair for you to have titled this section of our program "How You Spent Your Summer Vacation," because nobody should think that this was somehow a three-day process. There was a tremendous amount of work that was done by Premiers, going back to the Council of the Federation meetings in the spring. That, in turn, led to meetings of Health ministers and Finance ministers on several occasions throughout the summer and Premiers getting back together again - and, as the Premier rightfully pointed out, a tremendous amount of work by officials. B.C. officials were front and centre in all of that, but with great support from other jurisdictions, as well, in Canada.

What was motivating this was reflecting the positions taken by all of the major political parties federally, who all put health care at the top of their agendas in the federal election campaign. The goal of the provinces and territories was really to reflect on that new commitment and say: "How can we, as provinces and territories, assist the federal government in delivering on those priorities that they were setting forward for Canadians?"

What came out of that, obviously, in the election campaign was a focus on wait-lists and wait times. That's not to say that this was the only aspect of health care that was seen as being a challenge for Canadians, but it did become somewhat symbolic for the broader challenges that we're facing.

Before I reflect a bit on the actual first ministers' meeting, I want to talk just briefly about what we've been doing as a province over the last number of months to actually deal with some of our challenges around wait times and wait-lists. In the last six weeks we've increased funding to the health authorities by \$25.7 million for surgical procedures in this year alone.

To break that down, it includes about \$5 million that we're putting into cardiac surgeries and procedures: an extra 160 open-heart surgeries; the purchase of new medical devices that some of you will be familiar with - drug-eluting stents. They have become very important for some cardiac procedures, and we're able to fund more of those as a result of this money.

On top of that, the Premier also rolled out, a number of weeks back, an additional \$16.7 million that would provide approximately 1,600 orthopedic surgeries, like hip and knee replacements. The final amount of \$4 million is targeted on diagnostic procedures such as MRIs, CT scans and breast imaging scans. With that additional money, we anticipate that we'll be able to increase the number of procedures by 13,000 diagnostic procedures.

It's important to note as well, when you look at wait times and wait-lists in the province, that about 10 percent of all of the knee replacements that are done in B.C., about 20 percent of all of the hip replacements and about 50 percent of all cardiac surgeries are done on an emergency or urgent basis, so they never actually appear on any wait-lists. When we start talking about median or average wait times, it's important to recognize that a significant number of these procedures are in fact done on an emergency basis and never make those lists in the first place.

There was a Stats Canada survey done in the fall of 2001 - and it was repeated in the fall of last year - not looking at doctors' impressions of their wait times, as some surveys do, but actually asking Canadians what their experience with the health care system was. What I found quite satisfying with this latest StatsCan survey, which was just released about two months ago, was that B.C. actually has the shortest median wait times for access to specialists of any province in Canada, and we have the shortest median wait times for access to diagnostic procedures. When we say median wait times, that means the point at which 50 percent of citizens have got access to the care that they need.

[9:25]

When we hear the stories on the 6 o'clock news about people who have waited years for procedures that you think should take much shorter, those are real stories and real people who are experiencing pain and should be able to get access faster. They are the exceptions, not by any means the rule in our health care system, but we do need, obviously, to address that minority of cases where people are in fact waiting far too long.

The other area where B.C. has made significant progress is around access to elective procedures - non-emergency surgical procedures. There we have significantly improved from where we were at in 2001. We're ahead of the Canadian average in terms of having shorter median wait times than the Canadian average, but we're still not the best in Canada in that regard. Clearly, there are areas where we can do better.

The other thing that's interesting that comes out of those surveys is that one in four British Columbians who are waiting for procedures feels that the wait time is unacceptable. Even though we've got a pretty good track record compared to other provinces, British Columbians - more so than any other province in Canada - feel that they're waiting too long. We need to do more, and we need to focus on that.

The other thing that's interesting that occurs when we're trying to deal with wait-lists is that sometimes the more you do in terms of procedures, the more you cause wait-lists to in fact go up. For example, last year we increased the number of hip replacements by 14 percent. Even with that increased number of surgeries, the number of people on the wait-list increased. What I found interesting in some of the discussions with my colleagues in other jurisdictions is that they found the same phenomenon, and nobody could really explain it.

If you look at just the aging population and those demographic shifts, it should account for probably about a 4 percent increase in the demand for something like hip or knee replacements, when in fact we're increasing not just by double digits but in some cases by 20 percent the number of individuals who are seeking that type of procedure. In fact, one Health minister told me that they increased the number of joint replacements in their province by 30 percent in one year, and the number of people on the wait-list went up by 30 percent over and above what they did. It is a phenomenon that we are still trying to better understand, to be honest.

When we talk about the first ministers' agreement that came out of those meetings, it's important for everybody here to recognize the role that our Premier played in those discussions. He was really, truly seen as a leader among Premiers, and we would not have achieved those successes had it not been for the role that he played.

I'll start, first of all, by just talking about the agreement that we had on aboriginal health. Aboriginal peoples in Canada have significantly worse health outcomes than the rest of Canadians. That was flagged by our provincial health officer, Perry Kendall, in a report that he put out about two years ago. It's one of the best reports that have been done in Canada around health outcomes of aboriginal populations. He pointed to the facts of their shorter lifespan, their higher suicide rates. There is more chronic illness. In that, B.C. is not unique. Every jurisdiction in Canada is facing those similar challenges.

I found from Perry Kendall's report that it's both a good-news and a bad-news story. I guess the bad news is the fact that health outcomes are so different for aboriginal populations than for non-aboriginal populations. The good news is that we are closing that gap. For example, Dr. Kendall flagged the fact that infant mortality rates among aboriginal populations are decreasing even faster than they are decreasing for non-aboriginal populations, so we're making progress generally in getting better infant mortality rates. The gap is narrowing so significantly that he actually feels that those infant mortality rates for non-aboriginal and aboriginal populations will in fact meet within a very short number of years. There is good news on the horizon.

The Premiers and the aboriginal leaders strongly supported the Prime Minister and the need for an action plan to improve health services for aboriginal peoples. The goal is to work with the federal government to close that gap in terms of health status. The federal government has committed to a national aboriginal health strategy that will bring aboriginal communities up to the same level of health indicators as the rest of the public over the next ten years.

[9:30]

Within this next year, there will be a blueprint put in place by federal and provincial Health ministers and ministers responsible for aboriginal affairs and aboriginal leaders themselves across Canada to allow us to move forward. The goal will be to improve access to health services for aboriginal peoples, to ensure that they benefit from system improvements and to establish an agenda for federal investments in prevention and health promotion.

It's an important beginning, and all the parties have agreed that work on it must proceed quickly. To support this, the federal government announced an aboriginal health transition fund. The federal government will use this fund to assist with new ways to integrate and adapt our existing health services in a way that will benefit aboriginal peoples.

Secondly, an aboriginal health human resources initiative. This is aimed at increasing the number of aboriginal people who choose health care professions, to assist in adapting current health professional curricula to provide more culturally sensitive focus and to improve the retention of health workers to serve aboriginal peoples, particularly in

remote communities.

The third part of this announcement by the federal government is to invest new federal dollars in health promotion and disease prevention, focusing on suicide prevention, diabetes, maternal and child health, and early childhood development. Some work has already been done on this, both nationally and in British Columbia. Through meetings that the Premier and I have had with aboriginal leaders in B.C., we've already started down this road of making sure that we can work together to make some significant progress.

Now I can turn to the actual first ministers' meeting itself and just give you some of the highlights that came out of that. One of them, as the Premier mentioned, was some progress toward a national pharmaceutical plan. The agreement itself did not actually achieve what we could call a national pharmacare program, but there are some very significant first steps. The establishment of the national formulary is a goal that has been put in place - and also mechanisms that will allow us to have better access to breakthrough drugs in a more timely way and to take advantage of some of the bulk purchasing or innovative pricing strategies that we may be able to achieve by all jurisdictions working together. There has been a task force of Health ministers that has been put together to help move that agenda forward.

The other important strategy is one that probably got the most focus. That is around wait-lists and the targets toward reducing wait times nationally. What they've agreed to is commitments that will ensure that there is meaningful reduction in wait times by March 31, 2007. An important distinction came out of that between wait-lists and wait times. We know that the number of people on wait-lists is likely to increase just because of our aging population. What the important focus is around is timely access to care. It's one thing to have more people seeking those kinds of elective procedures like hip and knee replacements. What we need to focus on is: once they are put on a list for that type of procedure, let's ensure that they can get access to it in a more timely way than we've experienced in years gone by.

The wait-list reduction fund that has been established as part of this recognizes that there are a lot of factors that influence access to surgical procedures. What's important is that what's been put in place is flexibility. You may recall that in the election campaign, the federal government kept talking about five key areas of wait time reduction. They were cancer, cardiac, diagnostic procedures, joint replacements and eye surgeries - in particular, cataract procedures.

What we tried to point out to the feds as early on in that process as we could is that every province was at a different starting point in that. For example, for the federal government to come in and say that they're going to focus money on the reduction of wait times for cancer treatment and that those dollars would only flow when provinces have actually shown improvement wouldn't help B.C. at all. We are one of the only provinces in Canada that does not have any significant wait times for cancer treatment. Even in areas such as elective surgery for cardiac treatment, with the new moneys that we put in, cardiologists feel that we are going to be able to bring our wait times down to what is considered to be an acceptable standard. What was important to achieve out of that was flexibility, and we did achieve that, so we will be able to meet some of the needs that are specific to British Columbia with those increased dollars.

[9:35]

The second goal of the first ministers' agreement is to create a human resource action plan. It is to build on a lot of good work that's already being done, and in this area B.C. is very much considered a leader - I think thanks to the work that Shirley is doing with advanced education in this province.

You know, when I heard other provinces talking about how they had increased the number of doctors they were training by a couple of dozen, I was able to point out that we are actually almost doubling the number of doctors that are trained in this province over the next couple of years. Other provinces bragged about the fact that they were going to be increasing the number of nurses they were educating by a couple of hundred. I was able to come back and point out that we're actually increasing the education opportunities for students to go into nursing by 2,000 a year, which is about a 50 percent increase over what was in place three and a half years ago.

So we're well on the road to improving, but what's important is that the health care labour force is no different from any other aspect of our labour force in Canada and that they are very mobile. People can move from province to province. As we educate more health care professionals in British Columbia, they have the ability to move to other provinces, just as other residents and other health professionals can move to British Columbia.

There is very much a need for a national approach to this. It is not a case of one province being an island unto itself. I think what came out of the first ministers' meeting was a real commitment on the part of all first ministers to move forward with a national approach to making sure that we're not dealing with health care human resources in the crisis atmosphere that we had four years ago, but rather that we're doing the long-term planning and making sure those students are being educated into those professions going forward.

The other part of it is to ensure that health care providers are provided with meaningful input when it comes to health care reforms and planning for those human resource needs in the future. Again, B.C. is a leader in the agreements that we have in place with the B.C. Medical Association and the framework agreement that we have in place with the B.C. Nurses Union, which provide for meaningful input by those organizations in terms of our health care reforms as we move forward.

Another key area is home and palliative care. It is an area that we certainly recognize in B.C. as an area that needs more resources, and this will enable us to move forward in a meaningful way in the years ahead.

The national pharmacare plan, wait-lists, human resource plans and home care - those are four major areas that were flagged in the discussions.

Just to quickly highlight a couple of the other commitments that I don't think have really received much profile. One is to establish a best practices network and to share information and find solutions to barriers to progress in primary health care reform; to accelerate the development and implementation of the electronic health records and access to telehealth, which will improve access in rural and remote communities across Canada; to accelerate the work on a pan-Canadian public health strategy. All of this sounds like a lot of work, and in fact it is, but the good news for British Columbia is that in every single one of these areas, we are well on the road to implementing these already. We do have a kick-start in these areas. We are in fact leading Canada in many of these areas.

With our health care redesign project that we have had underway for the last two and a half years, we have completed a lot of the infrastructure change that was needed to make the system sustainable. Other provinces are looking to copy what we have already embarked upon. The best news now is that we can focus a lot of attention on some of the specific initiatives and programs, because a lot of the big-picture work has in fact already been done. That puts us ahead of other provinces when it comes to implementing these programs.

In these discussions I think what became obvious is that other provinces see us as a leader in terms of our Pharmacare program, as the Premier mentioned. It is recognized as the best in Canada. We want to play a national role in making sure that other provinces can in fact have programs in place that help get them a little bit closer to the very first-class program that we have here.

[9:40]

The Premier commented a bit on the dollar side of it. He mentioned that B.C.'s share is about \$5.4 billion over the next ten years. It certainly is not the panacea to our challenges, but every bit helps. If you look at the additional money that we will get in British Columbia in just this coming year alone, it amounts to about ten days of health care spending. So it's useful, it helps, but it's not the panacea.

We have a lot to be proud of in this province in terms of redesign, which we are now well down the road on - our Fair Pharmacare program, which I mentioned earlier. Chronic disease management is another area that other provinces are recognizing B.C.'s leadership in and looking to learn from our experience and the successes that physicians and other health care professionals in B.C. have already achieved. Cancer treatment and cancer outcomes are other areas where B.C. is seen as being the best in Canada and where other provinces want to copy our success.

As one member of the delegation of British Columbians that was there in Ottawa, I do want to say how proud we were of the role the Premier played in those discussions. I can say without hesitation that without the role you played, Premier, I don't think any of these successes would have been as big as they were. I know that the other Premiers look to you for leadership and that it was only because of your role that we got the successes we did achieve.

Thank you.

Hon. G. Campbell: Well, thanks. I think that every Premier actually made a huge contribution, so it was great that we just stuck together. I just want to mention one thing. There was some comment by some federal MPs that they wished there had been other things discussed there. One of the things that I think they didn't get out of this was that some of the proposals that have been made by people like Senators Kirby and Keon are actually now possible because we have a stable funding formula.

I think one of the things the Prime Minister understood by the end of three days was that provinces deliver health care. The federal government talks about it. I think one of the most important parts of that is that as we deliver that health care.... You have to recognize that what they're dealing with in Newfoundland is different than what's going on in British Columbia, and it's certainly different in Nunavut than in British Columbia. There are 25,000 people in 30 communities in Nunavut. How they deliver health care to those people is clearly a significantly different challenge than what we do in an urban centre like Toronto, Winnipeg or Vancouver.

One of the great things about what actually happened was that the Prime Minister decided he was going to count on us to deliver health care. The agreement we have put in place, which all the Premiers signed, basically says that there are objectives we've set. I think British Columbia can in fact not just meet those objectives but be an example for others to follow. Hopefully, we'll be able to meet that challenge as we go ahead.

I wanted to say one last thing - on wait-lists. One of the challenges you have with wait-lists is effectively scheduled surgeries. Scheduled surgeries are often thrown off because of emergencies or because of critical surgeries that can't wait in terms of people's lives. As you look at the whole issue of wait times and how we deal with them, part of that is an issue of capacity. We have to think of how we can do that and how we can deal with patients in a way that.... Most people are willing to wait some time for their surgery, as long as they know it's medically safe for them to do so, but they like to make sure they get that surgery delivered when they're told they're going to get it. We still have some significant work to do with regard to that.

I should also say that in terms of measurement, the measurement will cost some money to develop. Hopefully, getting those measurements developed and investing those dollars will provide an even better quality of service to British Columbians.

Thanks, Colin.

Next we have Tom Christensen.

For Decision: Literacy

Hon. T. Christensen: Thank you, Premier.

As all members of cabinet know, one of the priority commitments we made in this year's Speech from the Throne was to make British Columbia the most literate jurisdiction in North America by 2010. It's interesting that we've had a good discussion this morning around some of the significant progress being made on health care. I would suggest, and I think most of you would agree, that improving literacy in terms of our population will actually have a very significant long-term benefit in terms of health outcomes. We know that our literacy skills really are fundamental to our ability to play a meaningful role in our communities, to play a fulfilling role in our communities. All of those things play very much into our health.

Minister Bond and I have just returned from a meeting of Ministers of Education of all the provinces and territories. I am very pleased that one of the priority areas coming out of that meeting for the first time ever is that there will be a pan-Canadian focus on literacy. That is very much due to leadership shown by British Columbia on the literacy front, and I fully expect that we will have a very meaningful role to play in leading that discussion.

[9:45]

Really, I do have to take my hat off to Minister Bond as a veteran of those conferences - given that I'm relatively new to my portfolio - in providing some real leadership around that table in ensuring that we came away from that conference with some very concrete priorities and a plan to ensure that we followed up on them, rather than just talking about them this year and then coming back and talking about them next year. We're making some very significant progress and hope to make some significant progress on the national level in terms of literacy.

I want to take a quick couple of moments to go over some of the things we're already doing this year and some of the steps we've taken towards that goal of making British Columbia the most literate jurisdiction in North America. We've invested \$5 million with Literacy Now to allow them to assist communities in their focus on literacy and developing literacy skills in different ways in different communities around the province. I think we have some very good work to look forward to there.

We have recently, within my ministry, invested an additional \$10 million in textbooks. Those funds will be matched by school districts, so that is an additional \$20 million overall for textbooks this year. We have recently provided an additional \$1 million to Computers for Schools to assist them in obtaining and refurbishing computers that will be valuable to students around the province. Computers for Schools, over the last decade, has played a very meaningful role in ensuring that we get more computers into schools. This will be a huge addition for them, allowing for about 12,000 more computers to get into our schools.

As the Premier mentioned earlier, it's Raise a Reader Day tomorrow. Many of us will be participating in that, flogging newspapers to ensure that we're assisting in raising funds for Raise a Reader in the province. We'll be matching those funds for the first time ever. Again, those are funds that do make it to communities all around the province and provide very effective literacy programs at the community level.

A couple of weeks ago I was at Newton Elementary in Surrey and joined Surrey school trustees Shawn Wilson and Mary Polak there for an announcement around some additional literacy tools for both parents and teachers. While this wasn't a.... Well, it was about \$750,000, so that is a lot of money. More importantly, what it was is an investment in a number of tools to better enable parents and teachers to focus on literacy and to assist our children in improving their literacy skills. Those tools include a new literacy website, which will really be a one-stop shop to come and learn about best practices in teaching literacy skills. It will certainly be useful for teachers in that regard but also for parents in terms of what they can do to assist their children with developing literacy skills.

Part of that announcement was a book for every kindergarten child in the province - to ensure that our children, when they enter kindergarten, are getting their very own book and something that will really instil in them an appreciation of books, of reading, and something that they can take home to use with their parents, grandparents or other caregivers to develop that bond around reading at home. That is something that we hear time and time again from teachers - that it's important that there be that support for students reading at home.

We have also developed some new tools around numeracy resources to help improve children's math skills. Many of those are directed towards teachers, but there is one in particular, a guidebook called Math for Families, which again is a tool to assist parents in really bringing some basic numeracy skills into things our children are doing at home. Really, it tends to make math fun so that you are, hopefully, learning while not really recognizing that you are learning. Again, it assists our children in gaining those skills.

We will, this fall, be developing easy-to-use guides to reading and writing standards. Again, we have reading and writing standards that our teachers use to assess their students' reading and writing skills. By making those more plain language and easier to understand for parents like some of us, that allows parents at home to be better involved in improving their children's reading and writing skills and in assessing themselves how their children are doing.

[9:50]

The final element of that literacy tool announcement was that we will be developing a kindergarten portfolio, which will be a tool that allows kindergarten teachers to very early on determine where a child is at in terms of their pre-literacy skills as they enter kindergarten. What I'm going to talk about today actually ties into that quite nicely. What we want to ensure is that we're identifying early on in kindergarten children who perhaps don't have pre-literacy skills that are as well developed, so that we can pay a little more attention to them and level that playing field early on in kindergarten so that those children, too, get a strong foundation of learning as they move forward.

I think the common link among all of these tools is that really, they're enabling tools. They're things that assist teachers, and - critically important - they are things that assist parents to be more involved in their child's learning.

Today I am very pleased - and as I say, this ties in with the kindergarten portfolio - to introduce a new program that will build on those literacy initiatives that we've already undertaken and really will expand the scope of our focus on literacy. This new program is called Ready, Set, Learn, and it's a program that will better help parents to prepare their children for kindergarten.

The first question is: why do we want to do this? Well, we know that some children are better prepared when they enter that first day of kindergarten than are others. We know that the research shows that by the time a child reaches age three, some children have been exposed to 30 million fewer words than have others. Literacy experts have a term for that discrepancy. It's called the oral deficit, and that really is this huge language gap.

It's a fact that children who are exposed to books and who grow up in homes where their parents encourage them to talk and to spend time with other children are better prepared for kindergarten. Certainly, those of us that have young children or grandchildren, or otherwise have an opportunity to interact with young children, know that intuitively. We know that if we read with our children, we can see their curiosity; we can see their appetite to learn about new things. They ask questions about the book they're reading, and they're excited about learning through books and otherwise.

What we as parents have to always struggle to do is find means of assisting our children in that adventure of learning. What we fully expect is that this new introduction-to-learning program will better enable parents and will help to close that oral deficit gap and start more children off on the right foot at school. What we're hoping is that Ready, Set, Learn will help get children and their parents excited about going to school.

I also believe that Ready, Set, Learn will build on the strong partnerships that already exist in many cases between schools and their communities. We know that a school that is supported by its surrounding community has a better opportunity to meet the needs of the students in that school. We know that there are very good examples across the province of linkages between schools and the broader community. Certainly, there are some very good examples of the community school model - some of which have been there for a number of decades now - which integrate a number of services that the community provides into the school setting and, really, provide a broad support network for the students that are there.

We've seen new initiatives in the last couple of years that have looked at broadening what is happening in what we think of as the traditional school that is open between nine and three and delivers education in the classroom - to really look beyond that limitation. We know that in the Boundary school district, for example, they're now locating child and family centres within schools to broaden the services available at a school.

We know that in the Alberni school district, they're looking at an initiative called Here We Come, which is actually very similar to what I'm talking about with Ready, Set, Learn. They have an initiative to invite three-year-olds and their parents into the schools to have them become more familiar with the school and what they can expect from the school as those children age. In the Central Okanagan district there is a very significant initiative to link child care centres to schools and to house child care centres within the schools - again to make that link to younger children within what has been our sort of traditional K-to-12 school model.

[9:55]

On the other end of things, we have a school in the Saanich district that will soon be renovated to add a seniors centre, making the link to our older citizens. That's thanks to a partnership there between the school district and the municipality.

These are just a few examples of the many programs that support the view that schools really are more than a nine-to-three operation. That's important because we know that the more connected our children are to their families and to their communities, the better they do in school. We really need to be looking at additional ways to try and facilitate those connections. This is what I'm proposing we do in terms of Ready, Set, Learn.

Ready, Set, Learn will be a provincewide program to introduce three-year-olds and their families to their neighbourhood elementary schools this fall. The Ministry of Education is taking the lead on this initiative because it is a school-based program that builds on the work that has already been going on in many districts, as I just referred to.

Really, in doing this, we're looking for opportunities to partner with the Ministry of Children and Family Development and the Ministry of Health as this is moved forward. We expect that Ready, Set, Learn will provide the tools and the information for parents that will help children get the support and develop the skills they need at an early age so that when they do get to kindergarten, they are a further step ahead.

We're proposing that elementary schools in all 60 of British Columbia's school districts will have the opportunity to host a Ready, Set, Learn open house and information visit. Schools will work with local early childhood service providers to plan these school-based events.

What will happen is that as parents or caregivers attend these events with their three-year-old, they will receive a book - this book here, My Animal Friends - that parents or caregivers can read with their child. I can tell you, I've read it with my three-year-old daughter, and it received very positive reviews. I know the Minister of Finance has read it with his two-year-old son, and it received very positive reviews.

Most importantly, it's a book that certainly we didn't just pick off the shelf. It's been recommended by Ministry of

Education staff in terms of what it teaches or how it enables learning. When you read it as a parent, you actually see it happen, because you're reading and your child starts asking you questions - or finishing the sentences for you in many cases. That's part of the learning exercise. That's where you really, firsthand, learn the value....

Interjection.

Hon. T. Christensen: Exactly.

Really, you know, the ultimate test I always find, as the parent, is as soon as you finish, the child says: "Read it again." I think we went through it about six times the first time I was reading it to my daughter. I know it will be a popular resource for three-year-olds and will be a very positive book for parents to read with their three-year-olds.

Hon. R. Coleman: Did you finally get it, after the sixth time?

Hon. T. Christensen: Yeah, after the sixth time, I did finally understand it.

In addition to the book itself, and equally importantly, we'll be providing a tool kit to parents, which is really an information kit with helpful tips on preschoolers' learning and development, so that they can use that in conjunction with reading with their child to see how their child is doing and to perhaps highlight whether there is something that they may wish to be concerned about.

They'll receive information from the school in terms of future education programs that they might be interested in as their child ages. They'll receive information for families about community resources. Again, those will obviously differ from one school to the next and from one community to the next, but it's important. Quite frankly, as a parent, you don't.... Unless you very deliberately go and seek out the resources in your community, you rarely find an opportunity that's a one-stop shop to find out what resources are in your community for families. I think that will be a very important information tool. They will also receive referral information for families who are concerned about their child's potential health and development issues.

We recognize, obviously, that schools are going to need to do a little extra work in order to make this initiative successful, so we will be providing districts with an additional \$2,500 for each participating elementary school. As I said, our goal is to have Ready, Set, Learn up and running in local elementary schools starting in mid-November this fall.

[10:00]

There are a number of expected benefits to Ready, Set, Learn. Some of those you can certainly see on the monitor in terms of the list. We certainly expect it will strengthen the connection between schools and families. We expect that, based on some of the feedback we've received from districts that are doing things like involving preschools in their elementary schools. They tell us that it really does create a link between those younger children and that school.

Certainly, we believe it will better connect families with early childhood development service providers in their community. It will give parents more information about school programs, and it will help every child get off to a good start. But I think, certainly from my perspective as a parent, that most importantly what Ready, Set, Learn will do is better enable us as parents to assist your children.

As parents, all of us want our children to do as well as they can, and we want to know what we can do to better assist our children in succeeding. What this toolkit and this introduction to school - Ready, Set, Learn - will do is provide some of that information to better enable parents to play that meaningful role that every single parent in the province wants to play for his or her child.

We know, certainly - and I've seen this over and over again in the last eight months as Minister of Education - that parents want to play a very meaningful role in their child's education. We've taken steps to ensure that they can. We've ensured that parents can volunteer in their schools. We've ensured that parents have a very meaningful role on school planning councils, so they're having a very direct involvement in what the priorities are of the school that their children attend.

And we created Achieve B.C. I think Achieve B.C. is a tool that is perhaps very underestimated. It provides a wealth of information to parents, really from pre-birth right through to adults who are looking for additional learning opportunities. The Ready, Set, Learn information kit for parents will be on the Achieve B.C. website. It will be available in a number of languages so that all parents have this information available to them.

In summary, Ready, Set, Learn will connect families with early childhood development service providers, increasing the chance that vulnerable children will get the services that they need early, when those services are most effective. It will give schools the chance to let parents know about programs offered by the school. It will provide this great book that parents can read to their three-year-old - and to other children if they have them. And it will offer information that will help families better prepare their three-year-olds to be successful in kindergarten a year and a half later, when they actually enter kindergarten.

Ultimately, what it will do - and this is the primary goal - is help ensure that more children come to school prepared and ready to learn. I think we can all agree that all of those goals are important and all of those things are important if we are going to reach our overarching goal of making British Columbia the most literate province in North America by 2010.

Hon. G. Campbell: Thanks, Tom. So you're asking for approval for this program - \$2,500 per school. I assume that's within your budget and has been approved by Treasury Board already.

Hon. T. Christensen: It's certainly within the Ministry of Education budget this year. Really, the ultimate cost will depend on the number of schools that participate, but we've budgeted for all schools to participate.

Hon. G. Campbell: For every elementary school in all 60 districts to participate.

Hon. T. Christensen: Every elementary school.

Hon. G. Campbell: Any questions from anybody? All right. So that's approved. I think that's an excellent start.

Let me just talk briefly about literacy. You know, we set a goal for ourselves in the throne speech that we wanted to be the most literate jurisdiction in North America. I think it's very important that we start with kids as young as they can be. But we also should recognize that in spite of the fact that we sit in a relatively comfortable setting around the table, reading our cabinet documents, there is a substantial number of British Columbians who are challenged by literacy, by day-to-day literacy.

I think I might have mentioned this story before. When I went to Port Alice and visited the mill, one of the stories they told me was about a gentleman who'd been working for them for over 30 years. They had to change his equipment, and they discovered then that he was not literate. They were trying to work with how they could make sure he maintained his job in a new position at a new place and work through the challenges that his literacy challenge presented to him.

I think this is a bigger thing than we sometimes think, because it seems invisible. People that do have challenges with literacy are incredibly ingenious at hiding that challenge, at doing things without being able to read.

[10:05]

We're going to be having a literacy meeting in November of this year. That meeting will be much broader than simply.... First of all, I want to say that starting with the kids is most important because that deals with the problem in the long term. It's going to be how we deal with this across the communities.

Linda Mitchell from Literacy B.C. has agreed to chair the Literacy Advisory Committee on how we'll deal with the dollars from Literacy Now. I think we clearly know - and we've talked to a number of the library councils from across the province - that libraries can play a more active role in our plan to meet the literacy challenge. We've doubled our contribution in terms of the federal cost-shared program that we have to help with adult literacy. I think this is a really important initiative.

I must admit I like the ideas that the Boundary school district and some of the other school districts have come up with, because they recognize that schools are places for all of us to actually share learning and the excitement of learning. I think this is a good step in that.

Shirley?

Hon. S. Bond: Thank you, Premier.

If I might, we did actually have significant progress at the national table in the last couple of days to the very end that you're talking about. We think that British Columbia will be asked to lead, to present a national forum on literacy - hopefully in partnership with the first ministers - because, as you are well aware, British Columbia actually prepared two papers for the first ministers on literacy. They're posted on the first ministers' website in terms of best practice across the country.

Certainly, the issue of adult literacy is one that is coming much more to the forefront of the work that is being done. It was unprecedented in our meetings recently where - I think very much following the pattern that was set by Health ministers and first ministers - we all found ourselves in the position of looking for common goals, common principles. What could we stand up together as a group and say mattered to Education ministers across this country?

For the first time we identified three priorities. That's not happened before. The first issue is literacy, and I think - I hope - we will be asked to lead and host possibly a national forum on literacy. Second was aboriginal education; third was post-secondary access - many of them linked to the topic of literacy.

It is another place where we've seen the leadership in the Health ministries actually now having an impact on us as Education ministers. I think your comments certainly reflect the comments of other Education ministers across the country, and we certainly anticipate being the leader in this agenda item in the next six months.

Hon. G. Campbell: Great. Thank you very much.

The Council of the Federation also endorsed a national strategy on literacy, so we seem to be moving in sync there.

George - an update on the drought preparedness for 2004.

For Information: Drought Preparedness

Hon. G. Abbott: Thanks, Premier.

It's a pleasure for me to bring an update here on our drought management efforts in 2004. To set the context, though, we need to think back to 2003 because there we saw a very protracted drought in British Columbia - one of the worst since the 1930s. It was a bit of a wake-up call for communities and for the province as a whole around better water management.

The protracted drought back in 2003 manifested itself in a number of ways. Forest fires was one of the big ones, but there were also some severe water management issues in several communities in B.C. - most noticeably Summerland, for example, and 100 Mile House came very, very close to actually running out of water.

We tend in British Columbia to take water for granted because we have a lot of great lakes and rivers and so on, but in 2003 we saw just how, with the finite resource, the competing uses of domestic water, irrigation, industrial users, fire protection - all of those - keenly need that resource. Communities like Summerland and 100 Mile were forced to take some really gut-wrenching decisions as they tried to meet the demands of their many users.

What we wanted to do, Premier, in preparing for drought for 2004, was look at that experience of 2003 and try to ensure that we didn't have a repetition of that very difficult period that we went through in 2003.

[10:10]

What we saw early in the year, in April and May particularly, was that pretty much all of the indicators pointed to certainly dry conditions again for 2004 and a very real possibility of drought. In May we put the plan in place to deal with the drought situation, and in June, July and August we brought that plan into action. Fortunately, in late August we had some pretty widespread rains across British Columbia and some relief in terms of water supplies, although groundwater remains a big issue in terms of the recharge of that groundwater.

We are continuing our action. We always want to be prepared every year to ensure that as we move forward, the precious resource of water is always available when people turn on the tap.

The visual we have here is a look at the drought outlook effective April, looking particularly at the snowpack. Snowpack is one of the key indicators for water availability and drought. What we saw in April was that the snowpack was, on average, about 60 to 80 percent of normal in the province. You can see that the blue area along the coast is in the normal range, but that virtually the rest of British Columbia ranges from 50 to 90 percent of normal. It was setting up to be a difficult situation in terms of the availability of water.

With the snowpack 60 to 80 percent of normal, the snowmelt was two to four weeks earlier than normal, which again has an important impact on the availability of water supply later in the season. The lake and groundwater levels were well below normal, and this was looking as if it could again be a very difficult year, rather like 2003.

One of the areas that was of particular concern was eastern Vancouver Island, in particular the Cowichan lake and river systems, and it was important and absolutely necessary to put in some early restrictions there. In many ways, what happened there is a very good model for the rest of the province. We had the provincial government, local governments, first nations and industry all working together to try to manage that critical resource in Cowichan Lake and Cowichan River, and it was successfully managed, notwithstanding the very difficult situation.

One of the measures we take into account is the predictions we have from Environment Canada in terms of the season ahead. They certainly expected above-normal temperatures, as we can see from this particular graphic, with warmer temperatures across much of western Canada, including British Columbia. In terms of precipitation, the expectation was drier than normal - again, not a welcome index, particularly when combined with the low snowpack and other elements.

The situation is also, I think, made more difficult by the supply-and-demand equation in British Columbia. Not only did we have the expectation that on the supply side, what was already a finite resource might be even more restricted by temperature, precipitation, snowpack, and so on, but we also have the fact that British Columbians use more water, typically, than other Canadians. We also have an agricultural industry that uses a good deal of water. All of this was setting up to be a difficult issue.

As we moved forward in developing our plans, we based those on the key priorities which we had identified in 2003. Those key priorities were to protect drinking water supplies.... Again, every British Columbian expects that when they turn on the tap, they're going to have safe and secure drinking water there for them. That's got to be a key priority for provincial government, for local governments, first nations and others.

[10:15]

We wanted to limit the economic impacts. When one's confronted with a choice between drinking water and irrigation, normally it's drinking water that prevails, but has a big impact on the fruit growers and so on. Obviously, no one wants to see that kind of Sophie's choice having to be made in terms of which resource you protect and which you don't.

We also need to protect fish and wildlife. We need to maintain flows in streams to at least some base level to protect fish. In difficult times, that's another difficult decision to be made. And of course, a key priority was to promote water conservation. That's the way, hopefully, in which, moving forward, we see the benefits of that finite resource maximized by all levels of government.

In June, July and August we undertook some actions which I think were very welcome, particularly by local government leaders, first nation leaders and so on. One of the things we did - Bill and John co-hosted this with me in Penticton - was to have a water forum. It was really well attended. I think there were in excess of 200 participants in that from local governments all around the province. All the feedback I got and I suspect Bill and John got, as well, was very, very positive. This was regarded as a very good initiative. At that, we released our best practices guide for managing water. We had some great guest speakers. I think a lot of good ideas for better water management and drought management came out of that forum. I do hope we have an opportunity to actually do it again, because I think it was very, very useful.

We also have offered \$2 million in planning grants to communities to help manage through this. About 30 communities to this point have accessed and been approved for those planning grants. Again, it's going to be very useful.

We talked about the handbook. It contains very valuable, commonsense information on the management of water supplies. There was a Use Water Wisely tour. I think at this point 30 or 35 communities have been visited with this, helping promote water conservation through a range of means.

The next slide coming up here is August conditions. What we see in looking at this... Note particularly the orange and yellow areas. The yellow areas are areas that were dry; orange, very dry. We were shaping up for a difficult situation, particularly in the Okanagan, Thompson and Cariboo areas and eastern Vancouver Island - not a great situation at that point. Fortunately, as I noted earlier, later in August we started to see a shift in terms of precipitation patterns.

Just a note about the conservation tour. Thirty-five communities will be participants in this. We are looking to continue this through October. Really, the aim here is just to ensure that everybody understands some of the simple steps that can lead to a significant reduction in water use.

Just a note here, an example of the tour and the opportunity to meet people in these communities and talk about these issues. Again, this has been very welcome in all of the communities that we visited.

In late August to September we had significant rains, which brought relief. We were beyond a drought situation in most communities by mid-September. Reservoirs were in good shape, but it's important to note that groundwater was not yet responding. We do still have a long-term challenge in that regard. Obviously, the weather is going to have an important bearing on that, but just because we get some rains in the short term, it doesn't mean that we are beyond an area where we should be concerned. We're going to continue the activities through the winter, which we hope will lead to better water conservation planning, better preparation for drought and so on, so that we can avoid those very difficult situations that can come on us over a period of months.

[10:20]

We have continued the grants program. We're working with local water suppliers and communities in preparing plans.

We're also working with both the federal government and local governments on an Okanagan basin supply and demand study. I think the Okanagan is probably - perhaps along with eastern Vancouver Island - the best example of the challenge we face into the future, notwithstanding short-term weather patterns. We have a finite water supply in the Okanagan. We also have, happily, an area that is growing and prospering. But with that growth comes additional demand. We have to look at ways of managing that demand.

The Okanagan - again, happily - is an area that's blessed with a great agricultural industry. That industry, because of the character of the climate in the area, is very dependent on irrigation, which again leads to challenges on the demand side. So we're going to be working with the federal government, with local governments, with first nations and with water suppliers to ensure that we manage that finite supply of water just as effectively as we possibly can.

For next spring we believe local water suppliers will be better prepared to deal with drought. We want to continue to change how we think about water in British Columbia. Again, I think we do have a mind-set in British Columbia about an almost infinite resource. Of course, particularly in areas like the Okanagan, it's not. We're going to continue to monitor the winter snowpacks, a very important indicator of whether we're going to have challenges ahead, and of course the spring weather as well.

In concluding here, I just want to note one of the very excellent guest speakers that we had at the water forum in Penticton. People were quite amazed with what she had to say. She's the manager of the southern Nevada water authority. She talked about some of the onerous - some would say draconian - things that the southern Nevada water authority has had to do just to maintain any kind of a water supply for southern Nevada.

In many ways it was, I think, Premier, a snapshot of where British Columbia or parts of British Columbia could be ten, 20 or 50 years from now. We clearly need to take steps here to ensure that we don't become the southern Nevada of 2020 or 2050 or any other date. I think that by taking some steps today, by being better managers and better conservers of water today, British Columbia can have ample water supplies into the far distant future. We really have been blessed with a great water supply. We just have to manage it well to ensure that that resource is marshalled well and protected for the future.

For further information, Premier, for people looking for more information on water management or drought management, LWBC is the host drought information webpage. People can go to that website and not only get information on what LWBC is doing but get links to some of the excellent related programs that are being undertaken in other ministries of government and other agencies of government. I think we've come a long way in terms of the public understanding of water and water management, and we just want to continue that.

Thanks for this opportunity, Premier, and I'll look forward to answering any questions that people may have in respect of it.

Hon. G. Campbell: Questions from anyone? Bill?

Hon. B. Barisoff: Thanks, George.

I just want to reiterate the fact of that lady who spoke from Las Vegas, Nevada, and the fact of the impacts that they had to do and what they had to do to maintain that water supply. Coming from the small communities, where it was held in Penticton and what happened in Summerland, I think.... From our perspective and the perspective of a lot of the people there, they were quite excited about what she had to say. When we realized the impact of the shortage of water and the costs they had to bear to go with it, it indicated to us that we should start looking at this so much sooner and that we could alleviate a lot of those costs with xeriscape landscaping and a number of other things that can be done - increasing the size of our reservoirs to reserve that water that we can from the spring freshet.

[10:25]

I couldn't believe how many people were there and the excitement that came out of that and what they learned from it. George, I think your group should be commended, in fact, for bringing that forward. That lady certainly opened a lot of eyes up to what was happening down there in Nevada and what we should be looking at here in B.C.

Hon. G. Campbell: Thanks.

Shirley and then Dick.

Hon. S. Bond: Just a quick question, George. About the grant program, I know that one of my communities has accessed a grant. But is it still possible for communities to apply for those funds? Secondly, some of the smaller communities.... In terms of putting their plans together, are we able to provide them assistance and resources in terms of the actual "how to put the plan together"? I just know there was a bit of confusion about whether those dollars were still accessible to other communities. The tour did arrive, I know, in Valemount when I was there last weekend. It was really well received by people. I think they did a good job of that, but there is still concern about the deadlines around the grant program.

Hon. G. Abbott: There's really no hard deadline on that. Communities should continue to apply. We haven't used up the \$2 million, so the opportunity to apply is still there. We know this issue is not going to go away, so communities should be in contact with us, and we're going to try to help them. We've not only got that program assistance, but CAWS has some very good planning grants for water systems as well. I know other ministries have ways to assist additionally, so communities should never hesitate to contact the province. I think we can help a lot. I know some of the smaller communities may only have one or two staff people, so they are really stretched to try to put in place things like water management programs and so on. They should talk to us, because in most circumstances we can help. We don't want to see communities go through what Summerland and 100 Mile House did in 2003 or what Lytton, actually, came very close to in 2004. We want to ensure, again, that in every community people can turn on the tap and know that safe, secure drinking water is going to come out of it.

Hon. G. Campbell: Dick.

Hon. R. Neufeld: Thanks. That answers, basically, my question, but I did have something to add to that, George. In British Columbia we generate almost all of our electricity using water, which is very good for the environment, but in turn B.C. Hydro has some pretty extensive dams on many of our major rivers. They are in the process, also, of doing water use plans at each one of those sites, some of which - I think 20 or 23 - deal with water usage, levels in reservoirs and fish issues. They've done that in consultation with, I think, all the local stakeholders to bring those plans forward, which have to go through the comptroller of water rights. That's something that another agency, B.C. Hydro, is doing to manage water better in the province of British Columbia so that we can actually use this precious resource to our best ability.

Hon. G. Abbott: I think that's absolutely right. I think B.C. Hydro is doing an excellent job in terms of managing their issues. Obviously, they principally want to generate power for British Columbians and for sale elsewhere. But I know that they, through their water use plans, have actually been doing an excellent job of understanding the concerns and needs of other stakeholders, including the local government. I think those water use plans are a great step forward, and I want to encourage people to participate in those. I think this is a great step for B.C. Hydro. They're being a very responsive and responsible Crown corporation in what they're doing.

Hon. G. Campbell: Graham.

Hon. G. Bruce: George, I know that when you were speaking about Cowichan, you were coming very close to praising the efforts of the local MLA there, but I didn't want to touch on that. What I would like to say is that....

A Voice: Who would that be?

Hon. G. Bruce: We're still trying to find him.

In that particular process - and it is very innovative.... It actually stemmed from front-line officials, front-line people in provincial ministries, Environment Canada, the Department of Fisheries and Oceans and industry coming together and recognizing that unless we put together an overall plan, there were going to be serious consequences within our community and the other parties that come to the table. Coming off of that conference, which some of our local officials attended, there really was much more inspiration that we've got to start looking at our whole water usage and how the different users are interacting with one another.

[10:30]

Of course, I believe we have an application in there for a fair amount of money. I realize that you probably will be wanting to approve that shortly.

Hon. G. Abbott: One of the challenges we face as a government, Premier, is keeping track of all the beneficial efforts undertaken by the MLA for the Cowichan area, whose name also escapes me. On eastern Vancouver Island there's actually, I guess, the same kind of combination that is challenging for the Okanagan - that is, it's a great place to live, a great place to retire, a great place to do business. Lots of people want to move there, live there because.... Not because the MLA's good; I'm sure that's just part of the background feel for the area. Growth brings challenges. Particularly when we get the combination of growth with rather unusual - hopefully, not long-term - climate patterns, precipitation patterns, we've got some challenges ahead. But the folks in the Cowichan Valley did an exceptional job in all working to manage a very difficult situation in an effective manner.

Hon. G. Campbell: George, is there any follow-up on the water tour to see if there's any change in usage as a result of the tour and the information that was shared?

Hon. G. Abbott: Yes, there's follow-up not only on the tour itself but on the forum. All of the feedback we've received to this point has been that, in fact, both of those initiatives - the forum and the community sessions - have been very useful. In some cases, it's led local governments to shift the way they do some things, to put priority on ensuring that there are not water leakages and stuff, which are difficult. It's a long-term process, but I think everything we've seen in terms of follow-up indicates that it was a useful thing to do.

Hon. G. Campbell: Have we seen anything in terms of measurements of water consumption?

Hon. G. Abbott: I think it's a little early for that, but those things are part of the information package that we're seeking from local governments and water purveyors.

Hon. G. Campbell: Okay, thanks.

Any other questions? Thanks.

The next item on the agenda is an agriculture update from John.

For Information: Agricultural Update

Hon. J. van Dongen: Thank you, Premier. I am pleased to give cabinet an update on the two major issues that we've been facing in agriculture. If I was to characterize the current status, I would say that farmers and ranchers have certainly been through tough times, but they are weathering the storm. I think collectively, with our two senior levels of government, that agriculture is turning things around and moving ahead.

If we look at the two major industries affected, the cattle industry and the poultry industry, we see that a significant part of our agricultural economy was impacted. A \$318 million industry was affected by the May 20 announcement of BSE found in Canada, and that's the cattle industry. A \$350 million poultry industry was very directly impacted by the high-path avian influenza virus turning up in our province. These two commodities represent over 30 percent of all of B. C. agriculture, so they are very significant players in our economy.

The last time I reported on the avian influenza situation, I indicated to cabinet that it looked like things were turning around. I can certainly confirm today that things are turning around. They're looking much better. We know that the high pathogenicity AI virus we had.... We believe we have beaten that virus, and things are gradually getting back to normal.

The disease was found originally in February on a farm in Abbotsford, and then we got a number of additional cases in April. In early April, on April 5, the decision was made by the Canadian Food Inspection Agency to take down the whole poultry industry in the Fraser Valley. That decision was supported by the industry and our government, and we worked together to accomplish that. By August the depopulation was fully completed, and the cleaning and disinfection were fully completed. Farmers were putting birds back into their barns. The current situation is that there have been no new instances, and we are confident that the AI virus that existed has been dealt with.

[10:35]

The industry lost about \$185 million in direct sales by our calculations, and related support industries lost wages and direct sales of approximately \$127 million. The Canadian Food Inspection Agency, under the Health of Animals Act,

paid out about \$64 million to farmers for the birds that were destroyed. There may be some additional assistance through our income stabilization program from both the federal and provincial governments.

The slaughterhouse jobs and the processing jobs were protected to some extent. In fact, about two-thirds of those jobs were maintained, because we were able to supply raw product from other parts of Canada and the United States so that the B.C. operations of those plants were not all completely shut down. There was a lot of collaboration to ensure that we mitigate damage and that we maintain, through our existing processors and marketers, as much of our existing business as possible.

Looking at the various sectors of the poultry industry, the broiler industry, which produces the meat chickens, is the largest single segment of the B.C. poultry industry - 345 farms. They are all back in business. All farms will be shipping chicken by next week. Fifty turkey producers and 20 turkey producer-vendors are all in production, but they won't be up to 100 percent normal production until December, so approximately at Christmastime. The full repopulation for turkeys will take another year to be in full production for meat and eggs. That's the breeder operations. There will be some B.C. turkeys available for Thanksgiving, but extra birds will still have to be brought in from other provinces.

Turning to the layer industry - this is table eggs - they will not be back to full, normal production until November of 2005. Again, there's a long cycle in getting that whole industry restarted, including the breeder flocks.

Interjection.

Hon. J. van Dongen: Pardon me?

A Voice: What's a breaker egg?

Hon. G. Campbell: That's what they say in the theatre, isn't it? Breaker egg. What is a breaker egg?

Hon. J. van Dongen: A breaker egg is an egg that goes for industrial purposes. In other words, the egg is broken. It ends up in the scrambled egg mix that McDonald's uses, for example. That's a breaker egg, as opposed to a table egg, which is the whole egg that goes to the grocery store and ends up on your table.

A Voice: Then it becomes a breaker egg.

Hon. G. Campbell: All eggs are eventually breaker eggs - right?

Hon. J. van Dongen: We have number of specialty flocks of many different species that will not be in full production until 2005-06. They have actually had the most difficulty in ramping up. We're providing whatever assistance we can. To summarize some of the actions that we took as two levels of government, first of all, it's important to confirm that the federal government, through the Canadian Food Inspection Agency, was the lead agency on this issue, but we're very involved as a province. We assisted in significant areas such as providing lab testing, and we were able to make arrangements where CFIA put in additional equipment and staffing to do tests in our Animal Health Centre in Abbotsford, which is a very modern lab. The provincial emergency program provided the essential emergency management skills we needed as part of the operation. Other agencies, such as the Ministry of Water, Land and Air Protection and the Ministry of Health, were also very active on this file. We did some innovative stuff in terms of the central composting facility that was put together. That was really a key move that was put together by ministry staff in facilitating the complete depopulation.

[10:40]

Some job protection measures were done. There was a lot of work-sharing done. As I said, we imported birds from other provinces and the United States to keep about two-thirds of our processor jobs actually in place. Our staff have done an impact analysis on the situation, to try and estimate what possible further costs we may have through our income stabilization program.

At the peak there were 120 provincial staff working on the avian flu issue, working for the provincial emergency program. Their involvement really is what helped bring the industry down more quickly. I think it's important to also acknowledge that the effectiveness of that operation, once we got it going, was such that we were actually able to save 58 flocks of layer farms and hatching-egg farms, and that was certainly helpful in the restart. Final numbers were that there were 14 million birds that actually went to market in the normal manner, and there were 3.3 million birds, both positive and negative, that had to be destroyed.

Now that recovery is on the way, we are working with the industry and the federal government on a national biosecurity conference for the poultry industry, which will be running in October in Abbotsford. It will help to develop a national biosecurity strategy and also a national emergency management program, because I think there were things we learned collectively out of this incident that we want to have in place for the future. We're also, as agreed by our B. C. and Alberta cabinets, pursuing an independent review of all of the outstanding issues in terms of how the operation was handled. We are working with the federal minister and the Canadian Food Inspection Agency on that.

I think that in summary, the avian influenza story today is a good-news story in that everyone pulled together and dealt with the problem, and we got the job done. Certainly, we're stronger and wiser for the future.

Now, turning to...

Hon. G. Campbell: Just before you go to BSE, I'm just thinking back now to where we were coming from. I think one of the most critical things we did was we brought in PEP support. I can't remember what the date was, but it was probably three or four weeks after we first talked about bringing it in. It seems to me that we need to do an independent review, as you've suggested, but similar to the kind of review we did on the fires - not a review that's looking for blame or anything like that but a review that asks: what have we learned from this? I've heard from lots of producers and people on the ground, in fact, that it was actually the chain of command and the decision-making that was taking place when we put PEP in place that made a huge difference to how we handled that. If that's the case, we should be able to erase some of those institutional walls that get in the way of doing what we need to do as quickly as we need to when we face a situation like that.

Are we doing that? The provincial emergency program coordinators that went in there I think clearly made a difference. Are we actively pursuing that kind of a response to these issues? How has that been led?

Hon. J. van Dongen: Yes, Premier, we are actively pursuing that. I had discussions with the Hon. Andy Mitchell in British Columbia a couple weeks ago. I've given him copies of the Filmon report, explained the concept, the process, how it was intended to be a constructive process that encompassed not only the mandate of the Canadian Food Inspection Agency but all the other players that were involved and needed to be involved, like the provincial emergency program. I also had discussions last week with the CEO of the Canadian Food Inspection Agency and other senior staff, explaining the concept to them. They have not yet agreed to that process, but I have certainly underscored the merits of that process, the value of that exercise.

[10:45]

It is particularly important.... I think one of the early failures in our effort was that we didn't have an emergency governance structure that formally identified all the players, put them under a single umbrella governance structure and got going sooner. I think we were very effective in doing it once we got to that point in early April, but it's something that should happen automatically in the future in a situation like this. Particularly when you have a high pathogenicity virus, as in this case, you don't have time to think about and invent stuff. You've got to have it on the shelf, ready to go, and identify all the players, get them in the room and get going.

Hon. G. Campbell: Part of that, though, is to have the provincial emergency program people who went in there under the Solicitor General and have a report back from them on what they found, what they did and all those sorts of things, so we can move that - for want of a better word - software. Wherever it goes in the country, we've got to move it around pretty fast, and there has got to be an agreement that as soon as that happens, it's taking place.

Hon. J. van Dongen: That's correct. What we need is a forum where everybody that had an involvement in this exercise, whether it's the PEP people or farmers or the processing people or the various agencies, is given a forum to present their thoughts and experiences. That is what I'm working on.

Now, the biosecurity conference we're doing in October in British Columbia, which is being co-chaired by my deputy minister and the CEO of CFIA, will certainly cover off a number of issues. My agreement with the federal government is that we are going to identify in British Columbia all the issues we think need to be identified and get them covered off either through existing processes or through the kind of independent process we talked about.

Hon. G. Campbell: Colin.

Hon. C. Hansen: Thank you, Premier.

I want to flag one other issue with regard to avian flu, that the avian flu challenge we had in B.C. wasn't just about birds and the agriculture industry. There was huge anxiety among public health officials that the potential existed for this particular pathogen to leap over to humans. The World Health Organization for a number of years now has been anticipating that we will see another pandemic around the world, and it has anticipated that the pandemic could be triggered by a pathogen that would originate in animals and then jump to humans in a way that humans have very little resistance to.

With the normal flu virus we have going around every year, we all, from the time we were born, started to build up immunity to that, in varying degrees, which we boost through vaccines. If we had a new pathogen that was to jump from animals to humans and then start to jump from human to human, we could have a very serious situation.

There were certainly some lessons to be learned from the experience we had with avian flu in British Columbia. I hope that as we do these reviews.... In fact, I don't say I hope. I understand that this is happening and that the public health officials will be very involved with this as well, to make sure there's good coordination should an incident like this ever happen again.

Hon. G. Campbell: The most important officials there would be the provincial health officials, because they're the ones who know what they're doing.

John.

Hon. J. van Dongen: Carrying on with BSE, this next slide shows the overview of the BSE situation starting on May 20, 2003, when the single case of BSE was found in Alberta. That resulted in the immediate closure of the U.S. border, as we know, our largest single customer in Canada.

By June - or immediately - cattle were not moving, and when the initial BSE recovery program was put in place on June 18 as a result of very proactive work by the four western Premiers and the federal government.... You know, that program has been criticized, but I think a lot of people overlooked the fact that there were no cattle moving through slaughter at all at that time, and that program did accomplish its goals to get those cattle moving.

Subsequent to that there were various other programs to help support the industry, and then, of course, there was the second BSE case found in Washington State on December 23. A key incident was in April 2004, when there was a move made in the United States to further partially open the border.

[10:50]

There had been a significant opening, about a 40 percent opening, in August 2003 by Secretary of Agriculture Ann Veneman. We were very grateful for that, but the move in April to open the border somewhat further was the trigger that started the legal challenge in the United States about process and really has started a chain of events that has resulted in a circumstance where the border continues to be closed. The U.S. is really bogged down in a combination of not only political issues but also legal and bureaucratic issues that were triggered in April of 2004.

We're facing a situation today, September 2004, where ranchers are asking themselves: "Well, what will be the calf price, or what will be the price for our calves this fall?" Most in our industry are cow-calf enterprises, and there's a lot of uncertainty around that. Now, we had the announcement on September 10 of a national - that's a federal-provincial - cattle industry repositioning strategy which I think is helping to remove some uncertainty, but there is a tremendous amount of uncertainty for our producers in the marketplace at the present time. The current status is that the border is still closed. We don't expect it to open this fall. Despite, I think, a lot of effort by provincial and federal governments, by both Premiers and Ministers of Agriculture, that border remains closed. It is still having a very significant impact on the cattle industry.

When you look at our B.C. programs to date - and most of these programs are part of a federal-provincial framework - we have paid out \$33 million to ranchers, and that has triggered approximately \$50 million in federal funding, based on our 60 percent federal and 40 percent provincial funding programs. Now, that may seem like a lot of money, but when you're looking at a \$318 million industry, you know, given the circumstances we've had, it's still very, very difficult. A lot of adjustments have been made for people just to survive. Earlier this month then, September 10, the federal government announced the national repositioning strategy with four points that are shown there. I've actually reprioritized them a little bit in that, really, the first two are what we're concentrating on: more processing capacity in Canada and in British Columbia, and sustaining the industry in the short term. These are our two major priorities at the present time.

In British Columbia the industry and our ministry are looking at a vision of trying to support and encourage a number of smaller regional plants. There are a number of initiatives going in various regions, such as the Kootenays, the North Okanagan, the Peace River. We're combining it as a response not only to the BSE situation - we're trying to enhance capacity for local sales of meat to local consumers - but also as a response to the new provincial meat inspection regulation that Colin's ministry announced recently. It's a combined strategy.

There are elements in the federal announcement that we are still evaluating, as we speak, in terms of our provincial response.

Again, the actions we've taken. We continue to press the border opening. It's not as big an immediate priority right now. Also, in the programming we've done, we've concentrated on trying to get assistance out quickly to producers. I think in British Columbia we've had some success with that. We continue to work with the other provinces, particularly Alberta and the western provinces. We really try and collaborate on these issues.

Last week we announced in British Columbia one component of the September 10 announcement, and that is an advance on their annual income stabilization support payment. This will provide some much-needed, short-term cash to allow ranchers the opportunity to decide: "Do I sell at a bigger loss, or do I retain and feed these animals longer than I would normally do that?"

[10:55]

These program dollars through what's called CAIS - Canadian agricultural income stabilization program - are designed to assist farmers and ranchers in situations of totally unexpected loss such as the one that they're experiencing. It's designed to be a comprehensive program that avoids ongoing proliferation of ad hoc programs. Guys like Gary Collins don't like ad hoc programs. We try and have a program that provides some predictability over time.

We asked for an extension of the application date for people to apply for the CAIS program. Ranchers, in particular, historically have not participated in government programs. They're an independent lot. They know they live in the open market. They've generally been comfortable with that, so they are not used to using these programs. We have had to provide additional support and encouragement. We're running some workshops. I think we're running about 11 workshops in the next two months throughout various regions of British Columbia to assist producers with the CAIS program. Again, I want to encourage all ranchers to look at the program.

Meeting the new federal BSE rules around slaughter and rendering has a cost effect on our meat processing industry. We are looking at trying to increase the level of activity in our meat processing industry to make ourselves a little more self-sufficient particularly on the over-30-months animals, which have less of a ready market and traditionally 90 percent of which went to the United States.

There are a number of existing facilities that are looking to expand, but the additional costs of waste disposal and some

of the new rules that are coming in around specified risk materials are an issue for us.

We're also working at the present time on the waste disposal issue. What used to be a revenue stream is now a cost and a disposal issue. We need to have local governments, regional governments and industry at the table to assist with that.

Some of you in the rural areas, in the ranching areas, will have heard talk about a set-aside program. There are two set-aside programs that are part of the federal announcement. We are working very closely with the B.C.

Cattlemen's Association on those. We have not made a final decision at this point, but just to let you know, we are actively working on that.

Looking ahead, again, I stress that ranchers should sign up for the program. We continue to work with the CFIA on the biosecurity protocols and a national surveillance program for monitoring BSE. We, as a country, have certain obligations now to do an increased level of testing for BSE to meet our international obligations.

We will continue to press for a border opening, although the September 10 federal-provincial announcement is designed to try and reposition our industry so that we can transition, even in the event that the border does not open. There are major expansion plans announced by the two largest plants in Canada. They're both in Alberta. They are both increasing their capacity by about 20 percent a day, which is very significant, and there are a lot of, as I said, smaller initiatives that are going to be complementing that.

In conclusion, one outcome of the BSE and avian flu crises is that it is clear the contribution that farming and ranching make to the economy. Particularly when you look at all the related industries in your communities, you're certainly seeing those impacts.

[11:00]

I spent the summer visiting with various MLAs, visiting a number of agricultural fairs and talking to farmers and their suppliers. You have to say that these people are tremendously resilient. They're prepared to tough it out. I can't compliment them enough in terms of their stick-with-it kind of approach, their persistence under very difficult conditions. I want to acknowledge how they have been very steady through some extremely tough times.

I also want to acknowledge our ministry staff. Certainly through the AI incident and through the BSE issue, which is an ongoing thing, we have had staff in a number of circumstances work incredibly long hours - very, very dedicated - and we appreciate that.

Our ministry has worked very hard to stick to our current budgets and to try and tackle the significant crises with a limited amount of requests for contingency funds. I think it's also important to acknowledge and confirm that consumers, in their support through both incidents, have been instrumental in maintaining domestic markets, which is very, very important in both situations. I think the ongoing consumer support has been very instrumental in providing moral support to farmers and ranchers. If you look at what happened in other countries in both these kinds of incidences where you have lost consumer confidence, that's a crisis of a whole different colour.

As a result of BSE and AI, there are changes happening. I know that some of these changes.... We've just seen a glimpse of them; there are more coming that will have significant impacts on the ongoing operations not only of farms and ranches but processing plants as well.

I think it's important that we acknowledge the strong leadership we've had in both industries, both the poultry industry and the cattle industry in British Columbia. Without a doubt they can be characterized as having strong leadership, and that has certainly made our job easier, working on behalf of producers in both sectors in accomplishing some of the things that we have accomplished.

In closing, Premier, I want to, on behalf of the industry, express appreciation for your ongoing work and support on these issues and to all of the MLAs in our government.

Hon. G. Campbell: Any questions? Dick? George?

Hon. R. Neufeld: Just a couple, John. So I get the numbers right, the \$33 million paid out to date, and you talked about \$50 million.... Is the \$33 million inclusive in the \$50 million, or is it \$83 million?

Hon. J. van Dongen: The \$33 million is provincial dollars, when I add up the various programs. It's our best confirmation of the provincial dollars. The \$50 million is on top of that; those are federal dollars.

Hon. R. Neufeld: Okay.

Hon. J. van Dongen: Those are, you know, as close.... They're ballpark numbers; they're not going to be to the penny.

Hon. R. Neufeld: Can you tell me how many beef cattle we have - or cattle, I should say - in British Columbia, the number of head? Do you know that off....?

Hon. J. van Dongen: I don't know it off the top of my head.

Hon. R. Neufeld: No, okay. Just a couple more, Premier.

The other thing is that I'm really appreciative of the work your ministry has done in helping the folks in the Peace country get their slaughterhouse going. Obviously, with the borders being closed this long, I think people are starting to feel that they probably won't open and that we're going to have to start processing a lot more of our meat. What other things are we doing?

I'm saying you're very supportive and I appreciate that, and so do the ranchers in the northeast, but what other things are we doing to encourage maybe a larger slaughter industry or meat-packing industry in British Columbia? Or are there things that we can do? Maybe there are things we can't do because of economies of scale. Is there something else we can do to facilitate that and actually grow that industry and find other markets?

Hon. J. van Dongen: I think it's a very relevant question. There are economies of scale in that industry, and any private sector initiative for a processing operation needs to be very, very thoughtful about where they ultimately want to position themselves in the market. It is an extremely competitive business. It's a highly regulated business with many impediments and issues such as waste disposal. In talking to our small processors, waste disposal is their number one impediment.

[11:05]

You're correct in your assessment. I think it was implied in your comment that there are a limited number of things we can do as government. I have been very clear with the industry that we as a government will not build processing plants. We will not operate them. We will not finance them. It's the private sector that has to develop these initiatives, whether ranchers get together and do a co-op type plant operation or whether they partner with other private-sector people.

There are, as I said, a number of initiatives going. What we have committed to is providing staff assistance in any way we can to help remove impediments, so advocacy. The federal government has said they will expedite processes through the CFIA, but I am searching for and we are still actively working on what can we do to assist, for example, and facilitate in the area of waste disposal. This is a very critical issue, and I don't know that people really realize how significant this is.

There may be something that we as a government can do there. I've talked to Minister Les about any ideas or initiatives that his ministry could provide to assist and facilitate growth in the industry. I think it's very critical that we don't encourage something that isn't going to be sustainable. What I believe will be sustainable, and I think what industry people believe would be sustainable, are smaller regional plants. In your area I'm hoping that possibly the northern development initiative could provide some assistance. In the Kootenays I'm hoping that the Columbia Basin Trust will consider offering some assistance to an applicant of beef producers there. It's not like we've got silver bullets, Richard. I want to be clear about that.

Hon. R. Neufeld: Okay, can I just - one final...? When ranchers come to see me, they talk about what they get for their animal when they take it to market, which is almost nothing in some cases. Yet when they go to the market to buy that meat at the store, there is one huge difference. Generally the public, I guess, and maybe even myself.... I don't understand why they get nothing for the animal, but when you go buy it in the store it's a huge price. Some place in the middle there must be a fair amount of cushion to make some money.

The average person thinks: "Well, why aren't there more slaughterhouses built?" Maybe that's something that we have to better try to explain to people. I'm not saying that's a fault of what you are doing; I'm just saying you better try to explain to people why that huge difference is between what the farmer gets for it today, which might be \$100 for a culled cow if they're lucky, and what they pay for it in the store.

Hon. J. van Dongen: That is a very valid point. In the marketplace today in the beef and meat industries we have a very bizarre situation where, as you said, prices to cattle producers are probably at historic lows. Prices to consumers in Canada are as high as they've ever been. The situation is we have more cattle in Canada than we have the processing capacity to handle. Processing plants are running pretty much full out - 79,000 cattle a week. That's the restriction in the marketplace.

The meat products that the large plants can sell to the United States are really setting the price for Canada. Consumers in the United States today are paying more than they should be. We can sell more meat from Canada into the U.S., if we had the capacity to process it. We are selling record volumes to Mexico, and we could sell more if we had more capacity to process it.

It is a bizarre market situation that you will not find in any textbook, where you've got the extremes on pricing and the very large, efficient plants - there are really three majors; two large and one medium-sized operation in Canada - are making record profits. That is starting to be mitigated now by higher buying prices on some cattle, but they have been making record profits in Canada, and that's a market situation.

Hon. G. Campbell: George.

Hon. G. Abbott: Thank you, Premier.

John, first of all, it has been a remarkably tough time for farmers. They really appreciated your visit up to the North Okanagan-Shuswap in the last few weeks and the ongoing support of you and your ministry as they face those challenges.

[11:10]

My question is around the avian flu. First off, based on the experience elsewhere in North America, what's the risk of recurrence of that? Secondly, if there is a significant risk of recurrence of that, is there any reason to be rethinking the structure and centralization of chicken production in British Columbia? Is that something we should be thinking about in terms of shifts in production over time to different parts of the province?

Hon. J. van Dongen: On your first question, I'm not going to give you the scientific answer of the veterinarians and experts; I will give you my perception. I worried as we went through the AI thing. The question I had in my mind was: how will we know that we beat this thing? Having gone through it, and looking at various patterns, I am confident that we have beaten the high-path AI virus that we had.

Speaking to risk levels today, when you look around the world, it appears to me that the incidence of some kind of an AI virus is higher now than it was, say, ten years ago. I would say that our risk levels are probably a little bit higher, because they're higher generally. I'm not sure that it's any higher because we had this incident and we dealt with it. That would be my comment there.

On the restructuring of the industry, certainly economics has tended to centralize the industry in British Columbia, as it has done in most other jurisdictions, to the extent where we had 87 percent of the poultry industry in British Columbia in the Fraser Valley. We had a small industry in the Okanagan that was somewhat self-sufficient, having both a plant and a hatchery, and we had some farmers on Vancouver Island. We no longer have a plant or a hatchery on Vancouver Island.

My sense of the industry's view in British Columbia is - and this, again, is a market-driven thing - that they are going to work back towards three regions, in a sense, where the three regions will be somewhat more self-sustaining so that they won't have to depend, necessarily, on hatchery stock from the Fraser Valley, for example. We're working with a group on Vancouver Island that wants to try and rebuild some plant capacity on Vancouver Island. There may be some other repositioning that goes on.

Those are industry-driven decisions. They will work with our vets in terms of advice and that kind of thing, but I think that's how the industry will reposition somewhat. It is quite remarkable, the level of interest from other provinces. They are clearly saying: "Thank God that didn't happen to us. We're going to look at what we're doing to make sure we improve biosecurity and look at our industry as well."

Hon. G. Campbell: Any other questions?

Thank you, John.

Okay, we're adjourned.

The cabinet adjourned at 11:13 a.m.



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