

Second Session, 38th Parliament

OFFICIAL REPORT OF

# DEBATES OF THE LEGISLATIVE ASSEMBLY

(HANSARD)

Thursday, February 23, 2006 Morning Sitting Volume 6, Number 10

THE HONOURABLE BILL BARISOFF, SPEAKER

ISSN 0709-1281

**PROVINCE OF BRITISH COLUMBIA** (Entered Confederation July 20, 1871)

## LIEUTENANT-GOVERNOR Her Honour the Honourable Iona V. Campagnolo, CM, OBC

#### SECOND SESSION, 38TH PARLIAMENT

#### SPEAKER OF THE LEGISLATIVE ASSEMBLY Honourable Bill Barisoff

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THURSDAY, FEBRUARY 23, 2006

The House met at 10:03 a.m.

Prayers.

#### Orders of the Day

#### **Supplementary Estimates**

Hon. C. Taylor presented a message from His Honour the Administrator: supplementary estimates (No. 1) for the fiscal year ending March 31, 2006.

Hon. C. Taylor moved that the said message and the estimates accompanying the same be referred to the Committee of Supply.

Motion approved.

[1005]

#### Committee of Supply

#### SUPPLEMENTARY ESTIMATES

The House in Committee of Supply; S. Hawkins in the chair.

The committee met at 10:07 a.m.

On Vote 48(S): contingencies — negotiating framework incentive (all ministries), \$1,000,000,000.

**A. Dix:** I appreciate that there may be places on earth where \$1 billion is not a lot of money and that you would come to a place and ask to spend \$1 billion without explanation. Perhaps the Minister of Finance could actually open the debate and explain what the \$1 billion is for and kind of lay out and make the case to the House as to why the House should approve \$1 billion in spending.

Hon. C. Taylor: I'm very pleased to do this because it does give us a chance once again, and on the record, to talk about the negotiating framework that we have put forward to our public sector workers. The negotiating framework involves three pieces. The main piece in terms of the wage mandate is \$4.7 billion. There is an additional piece, if contracts are signed for longer term, where they can share up to \$300 million extra, but this piece we're talking about today is the \$1 billion incentive that we had put on the table for our public sector workers.

The idea is that because this money has come into revenue largely because of natural gas prices, but also other increased revenues, we had a decision as to how to spend that \$1 billion. We have decided to make it available to our public sector workers at the negotiating table as an incentive for signing contracts before their expiry date.

**A. Dix:** The minister will, I'm sure, understand that we'll have some questions today about this. There was

a famous B.C. politician — he was Leader of the Opposition at the time — Bill Bennett. We're naming a bridge after him now. The Minister of Children and Family Development will know him well. He had a famous quip. I think his speech writer wrote it for him. It was: "Not a dime without debate." Do I have it right, minister?

Interjection.

**A. Dix:** I think the Minister of Children and Families is suggesting that it was his father...

The Chair: Order.

[1010]

**A. Dix:** ...but in fact, I think it was in 1974 he said it. I think it still applies — not \$1 billion without debate

I wanted to ask the Minister of Finance, first of all, to clarify in a broad sense: when you talk about the public sector, who is in fact eligible for the entitlement? Does it include excluded staff? Who's eligible for the entitlement? Who is envisioned to receive this billion dollars? Does it include groups? Does it include doctors? Who are all the groups that we might expect to be eligible to this entitlement?

**Hon. C. Taylor:** We have 90 percent of our contracts up on March 31. There are a number in June as well, and it is intended to cover those public sector workers.

**A. Dix:** Just to be clear in terms of.... The billion dollars is just explicitly for those collective agreements. It doesn't include any money for excluded staff?

#### Hon. C. Taylor: It does include management.

**A. Dix:** So can the Minister of Finance explain how it will include management? What will the framework of that discussion be, and who's having it?

**Hon. C. Taylor:** It's important to realize, when we're talking about this, that the nurse managers, for instance, are on the floor working with the nurses who are in the union as well. So it's important that they also be treated in the same way.

The Chair: Member for Vancouver-Kensington.

**A. Dix:** I appreciate — and certainly my constituents in Vancouver-Kingsway appreciate — that employees should be treated in the same way, but of course we know that hasn't been the case over the last four years.

The minister will know that the government — she wasn't part of the government at the time — she represents engineered the largest layoff of female workers in the history of Canada in the last four years, at the same time giving some excluded staff the largest pay in-

creases in the history of excluded staff in British Columbia — deputy ministers and the like.

The question I have for the minister is: in terms of the distribution of funds to excluded staff and within collective agreements, how is she apportioning that? In the case of the last four years, justice was apportioned, shall we say, unequally.

I have in my constituency, in a general sense, probably 2,000 health care workers. The justice that was apportioned by the government over the last four years was a 15-percent pay cut for some, breaking a collective agreement — a collective agreement, by the way, that the Premier personally promised those workers he wouldn't break — right? So in that case, justice was accorded them with a 15-percent cut for some and privatization of their jobs and their layoff for others.

I'll tell you the case of one health care worker who lost their job in my constituency of Vancouver-Kingsway — a single mother with three young children, 50-percent cut in her wage. She's now working three jobs. When we talk about the apportionment of justice, can the minister talk a little bit about how this process, this billion dollars, will help that worker whose job was privatized, who's doing effectively the same job — backbreaking work — and who's doing two other jobs as well, how this billion dollars will help her and whether in fact some of the apportionment of funds might be considered to go to that worker, as opposed to, say, a deputy minister making — I don't know — over \$200,000 a year?

[1015]

Hon. C. Taylor: Just to make it clear, this does not go to deputy ministers, and it doesn't go to CEOs. There are lots of people in management positions who also went through the zero increase, and so they are included in the broad bargaining that we're talking about.

The issues that you have raised are important issues in some health sectors. We've certainly looked at the differences between sectors but also, I must say, within sectors. That's one of the reasons why in this negotiating framework we are trying to say to the union leaders and to our employers: "Please come to the negotiating table and start to talk about some of these difficult issues."

The decisions that they make will happen out of that \$4.7 billion. That is the wage mandate. That's not what we're talking about today. What we're talking about today is the billion dollars that is comparable to a signing bonus, which is available for those workers whose union leaders in fact manage to negotiate a contract before their contract expires.

The media did the math for all of us the day I stood up in November and talked about this — a billion dollars, about 300,000 workers, about \$3,300 per worker that will be available cash if they do, on the other hand, negotiate a contract. If they also negotiate a contract that's a longer-term contract, there will be bonus dividends at that end to make sure those workers share in the economy.

How that bonus money is actually used, because we know there are some unions that would like to talk about pensions or training out of that, will be determined at the negotiating table, but that's the approximate breakdown per public sector worker.

The issues you're talking about — that within unions there are some levels that need perhaps more of an increase than others — will be dealt with in the \$4.7 billion, and it will be talked about at the table.

A. Dix: I guess I want to ask the minister how it's going and what in terms.... It seems to me perfectly legitimate, in terms of the negotiations that she's talked about, that employers — in many cases to the same people on multiple tables — are responsible for different tables at different times and that employers and unions could be negotiating in good faith difficult, challenging collective agreements and not being able to meet these imposed deadlines — right? It just happens from time to time, and it happens actually quite frequently as the minister will know.

Can the minister talk about the flexibility of that, how the process is going and whether in fact she envisions people being able to achieve this realistically given that 90 percent of the tables, as she says, are up right now — how it's going and what flexibility there will be with respect to genuine negotiations, good faith negotiations, that are going on but don't conclude before this artificially imposed deadline?

You've got a huge sort of level of negotiations now going on, and I would presume that all sides are working hard and negotiating in good faith as they will, as they always do. So I guess the question has to be: what is the flexibility in the process, and how is it going?

Hon. C. Taylor: There is a lot of activity, I would say, at all of the tables. This announcement of course was made in November, so things have been happening since November on this issue. We have been moving along in discussions. Various ideas have been brought forward, some by the employers but a lot by the union leaders, in terms of what works for their particular sector. I would say from that point of view there's lots of activity, and we're quite encouraged at this point.

In terms of flexibility, and I assume you're talking about whether or not this billion dollars will be there after March 31.... I assume that's the question. There is no flexibility on that, and I'm really glad actually to have this opportunity to speak broadly to all of those people that I know are sitting at home watching this breathlessly. It is a chance to speak directly to people once again about this billion dollars. This was unexpected revenue that came into the books this year. British Columbia is very proud of the fact that we are now GAAP-compliant. That's something that this government has done. We believe in accountability and transparency. We are the only province in Canada that has reached this level of accountability and transparency.

Therefore, we must follow the GAAP rules. GAAP, of course, means generally accepted accounting principles. There are rules that are governed by the Public Sector Accounting and Auditing Board. It is national;

this is not a British Columbia board. It is national, and they set the accounting rules.

The rules are these. Any money that comes in, in one year must be dedicated and assigned during that year; and therefore this money, which we have put on the table for our union sectors.... If they can reach a negotiated settlement before our year-end, which is March 31 and does match 90 percent of our contracts, then those signing bonuses will go to the individual employees.

[1020]

However, if they have not reached agreement and if perhaps some have and some haven't, whatever is left of that \$1 billion will immediately go to paying down the debt of British Columbia. So that money is not lost to the people of British Columbia. It just goes to a different area. It's no longer a signing bonus because the contracts won't have been signed, and therefore it will go to paying down the debt for British Columbians.

**The Chair:** I stand corrected. Member for Vancouver-Kingsway.

**A. Dix:** The member for Vancouver-Kensington is here. He does such an outstanding job, I can understand.... I'm delighted to be associated with him.

Interjections.

The Chair: Order.

**A. Dix:** I think what this speaks to, though.... We've known about these deadlines for a while, and clearly, in the budget that was tabled before the last election.... I know the Government House Leader will appreciate this. It speaks to what a mistake it was for the government to shut the House down before we debated the budget last March, kind of in an unprecedented way. They knew when the election was and everything else. They shut the House down because they didn't want to have a debate.

Interjections.

**The Chair:** Order. Order, members. Continue, member.

**A. Dix:** It is relevant, I say to the Minister of Environment. He's new on this. I understand he was a legislative intern, so he'll appreciate all of this very well.

Interjection.

**A. Dix:** Well, it is relevant to the bill — the fact that we didn't have this debate. The Minister of Finance in her statement describing the bill said that this was the result of unexpected revenues in the natural gas sector.

We know that the budget that was introduced unbelievably, inexplicably and massively underestimated revenue in the natural gas sector. The reason that we waited so long to start these negotiations.... And the Minister of Energy is delighted with this. The fact of the matter is that it did. We could have had a debate about this last March; therefore that's the relevance of the remarks. I say to the Minister of Environment that any time he wants to keep me relevant, I'm delighted.

I guess the question is — that's the challenge — why the minister started so late. If there's a lot at stake, if this is serious, if there's this huge negotiation and if people can negotiate in good faith and still not meet the deadline and they lose out for their members, isn't that the wrong circumstance? Shouldn't we have started this process significantly earlier in order to meet those deadlines?

Hon. C. Taylor: Well, you're quite incorrect that in March you could have had a discussion about natural gas. Natural gas was sitting at the rates that we had predicted, and it did so right through until September — which in fact was after the September budget update. Even then you couldn't have that debate about natural gas.

What we didn't expect was Hurricane Katrina. It would have been interesting if you could have predicted that, but none of us did. That pushed the natural gas price up to \$11 immediately. Within eight weeks it had sagged back down. It went up again in December, up to almost \$14, and back down again. Currently, it's sitting just under \$7. That kind of volatility is not something that last February, in that particular budget, was either anticipated or predicted or could have been debated no matter how many faces you make.

Therefore, what we must discuss is what we're doing now. In November we actually encouraged unions to start coming to the table early, and we were ready. We have done everything we can within the department to make sure that we are not going to be the ones holding up any of this process. We've brought in a special adviser. We've hired two extra people in PSEC. We have moved some of our internal audit people around so that in fact they are ready to go as well. So every step of the way, we're making sure that we are not holding up any of these negotiations, and we are encouraged right now by the amount of activity.

The only thing that can slow things down or waste time is if everyone wants to talk about accounting principles. There is no point. We should be at the negotiating table talking about workplace issues and wage issues.

[1025]

A. Dix: Well, on the record, last September we said they were underestimating natural gas revenues. I said it in interviews and analysis of the budget. So I don't know. I guess the hon. minister could say we were just guessing and that we couldn't know that, but really what estimates are.... The purpose of estimates is to estimate, and so I think, in fairness, the minister.... It's fair to say that they underestimated revenues and that they could have made this decision and started these negotiations quicker, which would have made for easier and better negotiations.

That's the discussion. They started late, and they put a very hard, artificial deadline on those negotiations, which makes them difficult. That's the question I was asking, and I think it's a reasonable question, but I'm delighted to move on.

I wanted to ask the minister, just with respect to those bargaining units whose bargaining doesn't end March 31, how the deadline applies to them.

**Hon. C. Taylor:** It is always possible for people to negotiate contracts before the expiry date. That's certainly what we're hoping.

**A. Dix:** In those cases, if it's negotiated prior to the end of the collective agreement, will they have access to the money?

Hon. C. Taylor: We have always said we will treat all of our workers in the same way. They will not have access to that billion dollars because, of course, it does have to go to debt. But we have made allowance in our forecast allowance so that if, for instance, the teachers, which is the most significant unit.... Their contract is up the end of June, and we will ensure that they are treated in the same way as every other public sector employee.

**A. Dix:** I want to ask the minister about the amounts. She did the calculation, I think. It's always risky doing this based on what the media says, but I think it's about right — about \$3,400, like the minister said, per worker.

I just want to ask the minister about the impact of that, like at a personal level for people who are not at the top end of the wage scale but who are in the Hospital Employees Union — how she feels in terms of a one-time payment; how \$3,400 sits with LPNs who've lost \$5,500 as a result of Bill 37, lab assistants who've lost \$8,300 and admitting clerks, HEU members, who've lost \$7,728.

Hon. C. Taylor: I would say again to the member, of course, that the issues you are raising will be discussed and negotiated within the \$4.7 billion. That's where those wage negotiations will happen. The \$1 billion is completely separate, and that is available as a signing bonus for those employees and unions that in fact manage to sign a contract before it expires.

I would be shocked to know, but I'd be interested to know, if the member opposite doesn't think it's a good idea to have offered this extra money to every employee.

**A. Dix:** Right here, right in Vancouver-Kingsway, with our constituents who have been made to pay and pay and pay every month for these policies: the largest layoff of female workers in the history of British Columbia — something that is a shame on this government — and these personal wage cuts.

I think it's a legitimate question. When the minister says these negotiations.... The other money isn't connected to the billion dollars. It is connected, because the minister has connected the two. Is that not right? Is this billion dollars not connected to signing agreements

over the next few years? Is that not what the money is for? Is, in fact, the debate today not also about these issues, fundamental issues of justice for women workers, in particular, in the HEU?

**Hon. C. Taylor:** I will say again that the billion dollars is there for those public sector unions whose unions manage to reach a negotiated settlement before the end of their contract.

**A. Dix:** I wanted to ask.... I think one of the challenges, one of the places that the Minister of Children and Families and I agree and one of the struggles as we go around the province talking to people in the community living sector, is the issue of recruitment.

There's a particular challenge, I think, in the community living sector. You've got care workers who must have, essentially, two years of education at community college, which costs a significant amount of money these days. Tuition fees, as the minister will know, have increased very significantly at community colleges across British Columbia. There's a huge challenge in that sector.

[1030]

As the minister will know, \$13-an-hour wage for people working in that sector makes it impossible in some cases for the agencies to recruit, but it really is an inaccurate reflection of the incredible value of their work, as the Minister of Children and Families knows, because he struggles with this every day.

We have more people — and this is good news — with developmental disabilities living longer. So there's a huge challenge in that workforce in terms of how we put together incentives to bring people in and to maintain and retain people working in that workforce. It's a huge challenge for us as a society going forward, because we're going to need a lot more people.

Over the last few years we've seen — as a result of very aggressive bargaining from the government and other agencies — a reduction in their wages. How does the minister see this billion dollars, or how does the minister see rectifying these kinds of fundamental issues of recruitment and retention as we go forward in these negotiations?

Hon. C. Taylor: We are very aware that there are certain specific areas where, whether it's because of recruitment issues or because of comparatives with people in the private sector, there are issues. That is why we have said not all of the sectors will reach the same agreement, and even within the sector not all the employees will necessarily reach the same increase in their base salary. This, I think we all have to recognize, will be a challenge for the union leadership, as well, to look within a sector and recognize where those problems are. But underlying everything we have said is that it is important to look at the relevant labour market, and what you have identified is a relevant labour market issue — recruitment.

**A. Dix:** I want to talk a little bit about the sector, though, because in fact it's been so challenging for

many agencies to recruit in-sector that in the case from CSSEA, they sought exemptions to see wages increase and to recruit at \$16 an hour and, in fact, wages above \$16 an hour. Now we find that agencies have been ordered, instructed, to roll back those wages by March 31 — right in the period that we're talking about, this bonus period.

Is the minister aware that those agencies that went outside the collective agreement because they simply couldn't recruit for critical, critical supports in the community have done this, and that now, on the instructions presumably from the Ministry of Finance, are being asked to roll those wages back in advance of the new collective agreements coming into place?

**Hon. C. Taylor:** I'm sure that the member opposite realizes that I am not the negotiator. I am not at the negotiating table. The responsibility of the Minister of Finance was to determine how many dollars could, in fact, be put forward in the negotiating framework that we've done, and we've done that.

Today is simply about the \$1 billion that we have put on the table as a gesture of goodwill towards the public sector workers whom we value and appreciate and respect and really hope can reach a negotiated settlement. So today is about the billion dollars, and this entire session is not about negotiating.

**A. Dix:** This is a specific problem with respect to negotiating, though. It was the minister who set the bargaining framework. It's the minister who decided it was a billion dollars in this case and gave this incentive, which is designed, presumably, to drive these negotiations.

Is the minister not aware that there are some social agencies that are rolling back wages by approximately 20 percent right now, and in fact, right in the midst of these negotiations? Doesn't she think that endangers the capacity of those agencies to negotiate the agreements and take advantage of the billion dollars?

**Hon.** C. Taylor: I am not a negotiator. I am not at the negotiating table, and I will not deal with those issues.

**A. Dix:** We're talking.... The Minister of Finance says that she's not dealing with those issues. She is dealing with those issues, and I think she'd agree she is.

[1035]

She made the decision to put this billion dollars, and that's what we're talking about today.... This billion dollars is surely relevant to the negotiations — the billion dollars that we're talking about. She made that decision. She made the decision that that money, not the negotiators.... The negotiators can't go to the table, as she's very clearly said, and say: "Well, you know, it's no problem. We've got a few more things to work out. Let's sign the agreement on April 15." She said they can't do that. She made that decision that they can't do that for reasons of government fiscal management,

because you can always pay that money out next year. There's nothing stopping you doing that. It's just when the money is under the accounting principles you referred to, when the money is counted and costed, but....

So the minister has made that decision, and I'm saying there's something going on right now in the government, right now with CSSEA that's affecting their ability to take advantage of the billion dollars that we're debating right here in the House. That is employees being asked to take what amounts to a 20-percent pay cut in a sector where they were recruited. The reason they went up to 16 was to recruit these employees in a sector where we desperately.... The Minister of Children and Family Development will tell you this because I think he's visited even more communities than I have on this question. He'll tell you we desperately need those workers. So I'm saying to the Minister of Finance that surely she should look into this issue which is a fundamental issue, and it fundamentally affects the ability of those workers to take advantage of that billion dollars.

Hon. C. Taylor: I'm sorry that the member either doesn't understand GAAP principles or else doesn't support GAAP principles, which would be very interesting for us going forward as a government, but the fact is that it is not my decision that April 15 is not acceptable for this billion dollars. It is the Public Sector Accounting and Auditing Board at the national level that makes these rules. We will follow them because we believe in budget accountability. We believe in balanced budgets, and therefore, we are committed to make sure that we take care of taxpayers' dollars.

My role has been to design the negotiating framework and decide how many dollars we believe the tax-payers can afford to put towards our public sector unions. We're saying \$1 in every \$2 of all of our future spending over the next four years is going to these negotiations. Now we believe that's fair, and also fair to taxpayers, but I will tell you that there are a lot of people who think we are being too generous here. I gave a speech yesterday, talking about the budget. It was a broad community that was there, and they said: "Well, what happens if all of that billion dollars...

Interjections.

The Chair: Order, members. Order.

**Hon. C. Taylor:** ...is not used up by March 31?" I said: "Well, it goes to pay down debt." That got the biggest cheer of anything that had happened, so let's be clear here.

Interjections.

The Chair: Members.

**Hon. C. Taylor:** This is a gesture of goodwill that we are putting forward to our public sector workers,

but if it is not taken up and if the contracts aren't signed before they expire, then it will go to paying down British Columbia's debt.

The Chair: Members. I wish to remind members again, and this is several reminders now, that should they wish to make comments, they must do so from their own seats.

A. Dix: Hon. Chair, I say through you to the Minister that it's not an issue of GAAP principles; it's an issue of choice. She made the decision to do this billion dollars in this fiscal year, and that's just the decision she's made. That set the framework of the negotiations. I don't think she could well have decided to do that in the next fiscal year, and we'd have a vote and a debate in the parliament in the next fiscal year about this money, but she made the decision to do that for government financial management reasons. That's not about imposing GAAP principles. That's just an observation

With respect to these issues again, because we've talked about issues of justice and so on, I'm just curious who it is who thinks that members of the Hospital Employees Union, some of whom lost 50 percent of their wages and have had to sign agreements with Sodexho and others at significantly less than they previously made.... Who is it that thinks that's too generous?

Hon. C. Taylor: You have to realize, when you look at government budgeting as a whole, that you do have to make choices. By saying we're giving \$1 of every \$2 going forward in the next four years to our public sector workers, that means there's only \$1 left to do all the other things that you will stand up later today and demand that we put more money into.

Therefore, these are choices, and there are people who would have preferred that we put more money into the other side of the scale. That's just true. We have decided as a government that this is a fair offer for our public sector workers, and the differences that you have cited are differences of, if they are relevant, labour market issues that will be dealt with at the negotiating table.

[1040]

**A.** Dix: I think one of the things that's critical, though, surely is in terms of good faith negotiations. The minister says that she has nothing to do with the negotiations, but if you look at it from the perspective of the health care workers or other people who live in my constituency, they have gone through a different process. They signed collective agreements and went through a general election in 2001. The Premier of the province said they would be respected, and then they weren't. Then agreements were imposed on them not by public sector employers at the negotiating table but by this government.

Is the minister giving the assurance to those workers that, unlike the past four years when the government has repeatedly imposed agreements and broken

contracts for workers, such as hospital workers who work very hard, who do work that's really important...? The minister may think I'm overstating this. These are my constituents. These are people I meet with every day. She, I'm sure, has hospital workers in her constituency as well in Vancouver-Langara. These are people who are really committed to their families, to supporting their families. Many of them have to work two and three jobs and can't be at home.

They were, in their estimation, betrayed, and now the minister is saying: "Sign a deal with us before March 31." Is she committing that the practice of breaking contracts, which the government practised in its first four years, has ended?

Hon. C. Taylor: Hon. Chair, what I'm saying today is that we are putting \$1 billion before you in a supplementary estimate, and that we would appreciate the House supporting and signing off so that as soon as some of our union sectors do come to agreement, we can write the cheques immediately to the public sector workers.

**A. Dix:** I'd expect that the House will sign off. That would be my prediction. I'd predict that — not just because there are one or two more people over there than over here, although that's one reason, but because I think the House will support the spending.

#### **J. Horgan:** It's a GAAP principle.

**A. Dix:** I don't know if it's a GAAP principle, but the House will support the spending. But I think it's reasonable. I mean, we're 45 minutes into a debate on a billion dollars of spending. I think it's reasonable to ask a few questions. We've talked about those workers in my community, and those are the people I'm here to represent. I can tell you that they have profoundly suffered over the last four years, and the \$3,400 a worker....

I'm just asking the minister: does she not think, for people who have lost hugely more than that and can't afford it, who signed their mortgages...? They can't do what the government did, with the bills in the last session, to the HEU workers. They can't do that. They can't go to the Bank of Montreal and say: "Sorry, I'm going to rip up my mortgage. I'm not going to pay for a little while. I'm going to pay 15 percent less." They can't do that.

Does the minister think that for those workers, this is sufficient incentive to go forward? And does she not understand the profound sense of injustice that I hear every day? I canvassed virtually every house in Vancouver-Kingsway during the election, and I heard this again and again and again. Does she not think that those workers deserve, I think, a full and fair explanation of what happened to them — and whether the Minister of Finance agrees with me that what happened to them was profoundly unfair?

Hon. C. Taylor: It is our responsibility as a government to put forward a negotiating framework that

we believe is fair to our public sector workers. We have done that. It is \$4.7 billion of taxpayers' money that is going into the wage negotiations that will happen at the tables, not in this House.

In addition to that, we have said: "If you will sign longer contracts and if the economy is doing better than we are currently predicting, then you will share up to \$300 million at that end of the contract. But in addition, if you sign before your contract has expired, there is a signing bonus that is available to each and every public sector worker within that union, and its value is approximately \$3,300."

Now, that is not something that the health care workers or any other workers would be dismissive of. We are putting it out there because we believe it is an additional way of trying to reach out to our workers.

[1045]

**A. Dix:** I'm not saying that health care workers will be dismissive. I'm saying the government has been dismissive of health care workers and that the government has put forward this process and said: "We want you to sign. We want you to go to the table."

In that case, the government has not really, with some of the workers in the public sector who make the least and, in my view, do the most difficult and hardest jobs — Hospital Employees Union members, the workers in our hospitals.... I mean, the work that they do in the hospitals is extraordinarily difficult and extraordinarily important. All of us know this. All of us see now, in fact, the decline in quality of that work in hospitals where that work has been contracted out.

By the way, those workers won't get anything from this. Those workers earning \$10, \$12 an hour won't get anything from this. Does the minister not think that those workers who have really suffered and have been forced to sign concession contracts with Sodexho and other political contributors to the government...? Does she not think that those workers deserve a break too?

- **Hon. C. Taylor:** Today we are bringing forward a supplementary estimate of \$1 billion that we hope the House will support, which will allow us if and when public sector worker unions reach a negotiated settlement before their contracts are done to pay those workers an additional signing bonus of up to \$3,300.
- A. Dix: Is the minister not concerned about those workers whose jobs have been contracted out, who are struggling in the broad public sector? They're working in public hospitals on contracted agreements and are being paid poverty wages. Is the minister not concerned with that, and does she not think that there should be supplementary estimates for them?
- Hon. C. Taylor: Today we are talking about part of our negotiating framework, which is up to \$6 billion, in total, of taxpayer dollars. One dollar of every two that's going to be spent in the next four years we are dedicating to our public sector workers because we respect them and because we appreciate the work that we do.

The negotiating tables are very active. We are hopeful that we will be able to reach some conclusions. Today, though, we are talking about the \$1 billion that we are asking to have passed in supplementary estimates so that we can, if those negotiations conclude tomorrow, start to sign the cheques for those workers.

**A. Dix:** Well, can the minister tell us if she expects any deals to be signed tomorrow?

- **Hon. C. Taylor:** As I've said before, I'm not the negotiator, and since I'm not at the negotiating table, I would not know.
- **A. Dix:** So the minister does not stay in touch with the public sector negotiators with respect to the progress of negotiations?
- **Hon. C. Taylor:** Hon. Chair, in fact, we are constantly in touch, but as you would know, I would think, sometimes negotiations get settled very quickly. Right now I can say that it's very active, and we're very hopeful.
- **A. Dix:** The minister has suggested that the reason we need to act today.... This reflects, I guess, our responsibilities as legislators in terms of how we want to react to this, because \$1 billion, as I said to the minister, is still \$1 billion, and it's an important debate. I think she'd agree that it's an important debate. We're just starting it. We're 50 minutes into the debate now, and it seems to me that it would be good advice to the House as legislators, in terms of how we want to act and react to this debate, to know if something is coming quickly.
- Hon. C. Taylor: I have no knowledge if something is coming tomorrow, but, as I said before, we are trying to be proactive, and we have been trying right from the beginning to be ready so that we will never hold up the process. If in fact this debate continues for many weeks, that's fine. But we will have to conclude it before March 31.
- A. Dix: Let me assure the minister that there is absolutely no chance that the debate will last for many weeks. I just want to get back these questions fundamentally because I think they go to the government's approach to negotiations and everything else. We've had, I think, a process over the last few years where we've seen remarkable and dramatic increases in the salaries of deputy ministers. The Minister of Economic Development will know this. The government itself hugely increased the take-home pay of cabinet ministers when they gave cabinet ministers access to the capital city allowance in 2002. That was done I think it was in 2001 without any negotiations at the same time.

[1050]

When we raise these issues of fairness, they're issues of real concern, because the strategy of the government — in negotiations and in dealing with the

broad wage bill of the public sector over the last few years — has been to pay more to people at the top of the scale and to cut the salaries of the people at the bottom of the scale. That presumably was a mandate dictated by the Minister of Finance of the day. My reasonable question I'm asking, if we approve this billion dollars in funding, is whether the government is still on that line or whether the government recognizes, in asking for this \$1 billion, that they overswung, and that not only has that hurt the individual workers — the workers who live on Euclid Avenue in my riding personally and profoundly, but that it has hurt the public sector and hurt recruitment in the public sector?

Hon. C. Taylor: I am sure that the member opposite actually does support collective bargaining, and I'm sure that he also would believe that the negotiations about wage settlements should happen at the negotiating table.

A. Dix: Well, I agree with that, actually. It's the government that hasn't agreed with that over the last four years. They've come here again and again and settled negotiations in this place, sometimes without any negotiations at all — three months ago, but also before that. So I appreciate this change in policy of the government that these issues should be resolved at the negotiating table, but low-wage workers — HEU workers in my constituency, hospital workers who go to work every day doing jobs that, frankly, are very difficult, challenging jobs — weren't given the same courtesy. The minister will agree those issues weren't resolved at the bargaining table.

The government came in here and broke their contract, privatized their jobs or cut their wages by 15 percent. That's what happened. That wasn't dictated at the negotiating table. Those decisions were dictated by a previous Minister of Finance. So I think it's reasonable to ask if.... I'm delighted, I guess, to hear that the minister now believes that those issues should be resolved at the bargaining table, because I happen to agree with that.

Hon. C. Taylor: Madam Chair, was that a question?

D. Chudnovsky: Thank you, Madam Chair, and good morning to you and to the minister and to her staff.

I'm pleased to be able to rise this morning and ask some questions about this \$1 billion. I wonder if I might begin by asking the minister what the government's purpose was and is in making this \$1 billion available in this way through negotiations. What was the philosophy, the rationale, the reasoning behind the government's decision to make these funds available?

Hon. C. Taylor: I confess that I'm shocked that you would even question that we want to give extra money to our public sector workers. But if you'd like to know the thinking behind it, it was because we felt, having put forward a fair-wage mandate of \$4.7 billion, having put forward an additional \$300 million, should our workers sign longer contracts, that we had this opportunity — largely because of unexpected events this fall with natural gas — to do even more for our public sector workers. So this is our effort to reach out and see if we can't, in fact, help negotiations move forward and contracts be signed before the end of their due date.

D. Chudnovsky: The minister suggests that we on this side would question using money in this way. There's a difference between questioning and asking questions, and I'm sure the minister is well aware of that difference.

An Hon. Member: That's a new one.

The Chair: Order. Continue, member.

[1055]

D. Chudnovsky: Let me suggest to the minister that from the point of view of my constituents, many thousands of whom will be impacted by the set of negotiations which is now underway, the notion that this is, to quote from the minister, "extra money" is nonsense. It may from the point of view of the minister seem like extra money, but for thousands of public sector workers, it's a tiny little bit to pay back for what was lost, and it doesn't come close to dealing with that.

The minister, earlier this morning, talked about this initiative as being a way of showing workers in the public sector that they are valued, appreciated and respected. I think it's worthwhile to say that workers in the public sector in my constituency feel undervalued, unappreciated and disrespected. It is unlikely, in my estimation, for what it's worth, that this initiative is going to do much to make them feel much more valued, appreciated and respected. We've had a number of years in which government policy has in dramatic ways undervalued, underappreciated and disrespected these folks.

I wonder if I could go back to the issue of who is eligible for this money. The minister was questioned about that a little bit earlier, and I didn't.... There are a number of pieces of this that I don't think are complete.

Earlier the minister mentioned that management folks.... She was clear that the management folks she was talking about are people who work in the facilities or on the ground. She said clearly that she wasn't talking about deputy ministers or officials in the ministry. But she did talk about some management folks, and I'm wondering whether we could be helped with the amount of the \$1 billion which is earmarked for those management types that she described.

Hon. C. Taylor: We will work out the numbers here. If you could go on to your next question, we'll answer that one.

D. Chudnovsky: Thank you to the minister for that.

With respect to that amount that her officials are working on, I wonder if we could be told what process is being used or will be used to determine who gets those amounts and how much they get.

- Hon. C. Taylor: As we said before, this amount of money, this billion dollars that we're talking about here today, works out to about \$3,300 no matter whether you are a doctor or whether you are an HEU worker. Whoever you are, that's the dollar value.
- **D.** Chudnovsky: With respect to the negotiations that are ongoing, which include both discussion of this billion dollars and the money that the minister has talked about in the broader negotiations, is the minister aware that there are discussions of job security, as well, in those negotiations?
- **Hon. C. Taylor:** We are not going to negotiate today in the Legislature. That's not the place for any of these discussions. We are only talking about the \$1 billion. We are asking for permission from this House for us to be able to pay out to our public sector workers a cheque of approximately \$3,300 per person.

[1100]

**D. Chudnovsky:** Far be it from me to be one to suggest that we do collective bargaining in this chamber. I have for many, many, many years been involved in collective bargaining, and it has been my point of view that collective bargaining and the resolution of differences between employer and employee should take place at the bargaining table. That's its proper place.

We on this side hold to that principle, and I certainly hold to that principle. It's others who have resolved or ended contract disputes in other ways. I'm not suggesting that we negotiate job security here today nor that we negotiate any of the elements of the collective agreements, including the disposition of this billion dollars.

My question has to do with the relationship between the billion dollars, the deadline and those issues that are at the bargaining table, which are complex and difficult. I ask again: does the minister understand — is it her understanding — that there are discussions of job security going on in the negotiations around resolution of these contract issues that include the \$1 billion we're talking about today?

- Hon. C. Taylor: The issues of job security that you have raised have nothing to do with this billion dollars. This billion dollars is simply a signing bonus opportunity for public sector workers, and I have the number that you had asked for earlier: approximately 41,000 are non-union out of a total of 308,000-plus.
- **R. Chouhan:** I have three questions, just to clarify the answer that we have received from the minister. One is that the minister said earlier that this \$1 billion is an incentive to conclude negotiations before March 31. If that is the case, then why are we talking about

non-union members being part of that scheme of things, because those management people would not have their collective agreement coming up for expiry on March 31, 2006?

- Hon. C. Taylor: We want to make sure that we're treating everyone in the same way. If you were suggesting I'm sure you're not that a nurse manager, for instance, because she's not part of the union, would not have access to the billion dollars, you would have a lot of very unhappy workers out there.
- **R. Chouhan:** I'm not suggesting anything; I'm simply seeking a clarification. The minister herself has said that this money will be used as an incentive to conclude those negotiations before March 31, 2006.

My question was and still is that if they're not part of that collective agreement by March 31, 2006, then what's the idea of including them? Why don't you have separate money for them? I'm not saying that they should not be treated equally.

- Hon. C. Taylor: You know, these excluded areas, whether it's a nurse manager or others, do have employment contracts just the way a union worker has contracts. What we are hoping to do is to offer these employees the opportunity to share in this signing bonus. If it doesn't happen by March 31, then it will go to pay down the debt for all of British Columbia.
- **R. Chouhan:** Much has been said about those 9,000 women who lost their jobs because of Bill 37 and Bill 29. I come from the Hospital Employees Union. I was a director of collective bargaining. I know firsthand how those people have suffered 9,000 women, single mothers and women of colour who were experienced. They had seniority working in the health care industry for years and years. As a result of that, the patients and the long-term care residents have suffered by not having that kind of quality, experienced care there.

[1105]

My further question is to clarify: when you're talking about this bonus money, would this be paid out to all employees — i.e., regular, auxiliary and casual employees — in an equal way?

- **Hon. C. Taylor:** That, of course, will be determined at the negotiating table.
- **R.** Chouhan: One last question I have is: could this bonus money also be utilized to address the wage gap created by Bill 37, or does this have to be used strictly as bonus money, a cash bonus, to all employees?
  - Hon. C. Taylor: It is one-time money.
- **D.** Chudnovsky: I wonder if I could investigate with the minister for a minute or two the issue of the deadline. The minister said earlier, and it's my understanding from press reports, that the deadline of March 31 is the deadline, in fact, for those contracts which

expire at that time, but that for those workers whose contracts expire later — June 30, for instance — there will be the opportunity to have an analogous, similar signing bonus later in the spring. Is that the case?

**Hon. C. Taylor:** We are hoping that we can have negotiated contracts from all these groups before March 31.

**D.** Chudnovsky: The answer to that question, I confess, confuses me a little bit. It may be that I'm not understanding it exactly right. Of course, everyone always hopes that every collective agreement is resolved in the first 15 minutes at the bargaining table. It doesn't usually happen that way, but that's because, of course, managements tend to be quite inflexible, and we have a lot of problems convincing them to come our way. But eventually it often is the case.

But back to the issue at hand. I understand that there are groups — for instance, the support workers in education and teachers and some others — for whom the contracts don't expire till the end of June. Is it the case that if those contracts are signed prior to the end of June, then this scheme will be available to them as well?

- **Hon. C. Taylor:** I've been very clear that for our public sector workers who manage to sign a contract before their contract expires, everyone will be treated in the same fashion.
- **D. Chudnovsky:** Can she tell us how many unionized workers, then, have their contracts expiring on March 31 and how many have their contracts expiring later June 30, for instance?
  - **Hon. C. Taylor:** It is 10 percent of the contracts.
- **D.** Chudnovsky: Again, I'm not 100-percent sure what that means exactly 10 percent of the contracts or 10 percent of the workers? The bargaining units are, of course, different sizes, and so I'm trying to understand what we're talking about.
- **Hon. C. Taylor:** We don't usually do the numbers that way, but in looking at our sheets, it looks like it would be about 20 percent of the workers.
- **D.** Chudnovsky: Is it not the case, then, that the deadline isn't really a deadline? There are a significant number of workers in the tens of thousands for whom the government is making available money in next year's budget to do the same thing as they're doing in this year's budget. Isn't it the case that there is a large proportion 20 percent or more perhaps for whom the deadline isn't a deadline?

[1110]

Hon. C. Taylor: We were very clear in the budget presentation that the billion dollars, which was unexpected revenue that came in this fall, is being designated for this purpose and must be put towards debt if it's not used.

Recognizing that the teachers, in particular, had a contract that is up at the end of June, we would have to make some provision, so you will have noticed the forecast allowance for next year was increased to allow that. But it doesn't have room to handle anybody else. Let's be clear that we are still hoping that the teachers, amongst others, will be able to settle before March — that would be the best situation for everyone — but we have promised to treat them fairly.

**D. Chudnovsky:** Had there been another 10,000 or 20,000 or 30,000 workers whose contracts expired later, wouldn't it have been the case — I hope it would have been the case — that the minister and the government would make allowances for them in the post-March 31 period? Wouldn't that have been the case?

**Hon.** C. **Taylor**: It's quite possible that we would never even have been able to offer this if that had been the case.

**D.** Chudnovsky: The reason that I pursue this line of questioning has to do with my understanding of how collective bargaining works. It's not an academic exercise that I was hoping that we would have, but rather a very practical discussion.

We're talking about negotiations. I'll reference in particular the HEU, but there are complications in the other sectors as well. We're talking about a set of negotiations which come in a context and for which union negotiating committees — and, in fact, the employer negotiating groups — are dealing with a situation of.... To put it mildly, there's tremendous bitterness, tremendous frustration, tremendous anger, and there is an appetite to resolve questions and issues that have been very difficult in a collective bargaining sense but also very, very challenging and hurtful in a personal sense to tens of thousands of workers.

We have a round of bargaining now where very complex issues need to be resolved — very complex issues. To reference one that I talked about a few minutes ago, the issue of job security. In the case of the Hospital Employees Union we have a union that represents probably close to 40,000 workers who are partners in providing health care to the people of British Columbia. They've been battered for more than four years.

They've been battered on the issue of money: 15-percent wage reductions — some of them, their jobs privatized and taking larger cuts than that. So it's natural and normal to expect in that context — as one who's got some experience in collective bargaining — that as a result of that situation, workers through their representatives will want to do something to secure their employ, to make sure that the climate of insecurity, the climate of job losses and the climate of losing their personal worth ends.

That's a complicated business. My question to the minister is.... I'll preface this by saying that I've heard

the minister in the press say: "These are complex issues. These are difficult issues. These are issues that people have to set their minds to and find solutions to."

[1115

I put it to the minister that if that is the case — and I believe it to be the case based on long years of experience in negotiations — isn't it an artificial impediment to progress in the public sectors? Isn't it a strategy which points to continued conflict rather than the resolution of differences and an increase in the feeling of security among those folks who work in those sectors? Isn't the March 31 deadline, especially given that it's not a deadline for a whole bunch of folks, an impediment rather than a contributor to healing some of the wounds in the public sector?

**Hon. C. Taylor:** If the opposition actually wishes that we were not offering this extra billion dollars, they should say so.

**D. Chudnovsky:** With great respect to the minister, we on this side haven't suggested anything of the kind. We're in a process where a government has an initiative that it's put before the House, and it is our responsibility and our job — and we embrace it happily — to ask the government questions.

It is the government's responsibility, with respect to the minister, to be accountable for its actions and our job to help them be so. We would happily change places if the minister wants to. But until and unless that happens, we get to ask the questions, and we hope and expect that the ministers will answer them.

Isn't it in fact an impediment to rebuilding trust and, to use her words, the value and appreciativeness and respect for the workers in these sectors? Isn't it an impediment rather than an inducement to move forward in these areas — to have the March 31 deadline there?

Hon. C. Taylor: It really is totally extraordinary that something negative can be made out of something that is so positive. The wage mandate we have put on the table, which we believe is fair to all of those public sector workers who do so much important work in our community, is \$4.7 billion. That's one of every two dollars that we're going to spend over the next few years of this fiscal plan.

Given that, and then to say we will give additional incentives if you sign longer contracts, because we believe that is for the good of British Columbia — up to \$300 million there.... In addition, we will provide an incentive for every single public sector employee of \$3,300 if in fact the contract negotiations go well. To see that in a negative light is unbelievable.

The wage mandate of \$4.7 billion will be there on April 1; it will be there on June 1. It will be there next September if negotiations haven't been solved. So the wage mandate does not go away. It will be there, and if it takes time, so be it. But if individual union sectors manage to negotiate contracts before their contracts are up, then they have access to additional funds for each and every public sector worker.

**D.** Chudnovsky: I thank the minister for her answer. I think it speaks for itself.

I would just make a couple of comments before finishing. First of all, I would remind the minister and the House that when the proposition is made — and I think I'm quoting fairly closely what the minister said: "If these unions can manage to negotiate a contract...." I would remind the minister and the House of a fundamental labour relations truism, which is that collective agreements have two parties — not just the union.

[1120]

When I was privileged to work for teachers in this province, people used to talk about the teachers' contract. It isn't really the teachers' contract. It's the contract, like other contracts, between teachers on the one side and their employers on the other. So to the extent that we hope fervently that these collective bargaining negotiations will finish happily and productively, to the extent that we hope that the people who work for us in the public sector and do the important jobs of building community as they do across the province, to the extent that we hope that those negotiations go well.... We're hoping just as fervently that the employers find a way to negotiate a contract as we're hoping that the unions do.

Finally, if I might say, the folks who I represent — in their thousands, who work in the public sector, and who are among those who provide for us the quality of life we enjoy in this province — have been treated abysmally by government over the last number of years. I'm here to speak on behalf of my constituents, and I can tell this House and members opposite that thousands of them believe strongly that they have been treated abysmally in collective bargaining by government over the last four years.

If, in the course of these negotiations, we as a community can begin to turn that around, that would be great. That would be great, because the folks who are partners in delivering health care, community services, education and post-secondary education, who are partners in taking care of our vulnerable children, need and deserve to be treated with respect and dignity.

From my point of view, if, as a result of these negotiations, we begin to turn around the situation that we have faced together over the last four or five years, that would be fantastic. But to do that, we have to be farthinking, we have to be creative, and we have to be open to finding solutions. My questions have been asked in that vein, and I hope and expect that those on the other side will hope for the same.

**C. Puchmayr:** This is certainly a good initiative that's coming forward, and I know there are some concerns on the other side that we may not be supporting it

It is important to note that this is an expenditure of a billion dollars. This is the forum where we get to ask the questions, and this has been very enlightening. A couple of things that are new that I learned today were that there are some exempt staff who will be benefiting from this as well. That's new information, and that's information that was flushed out here.

I think it's very important when you look at the record of this government in the past — with tearing up collective agreements, with basically terminating employees and hiring back and contracting out — when initiatives such as this come forward, that this side is able to clearly examine them in this estimates process so that we can put the government on record and so the government can truly tell the public what its intentions are.

I have heard the comments going back to November from the Finance Minister with respect to this funding. Understanding the process of free collective bargaining, which I absolutely respect.... I understand that the Finance Minister is the minister that is in charge of the bank, so the Finance Minister was absolutely within her rights to make those comments publicly, even though it's an issue of collective bargaining. And even though there were some collective bargaining processes ongoing at that time, I believe that the Finance Minister has the right to make those comments.

The Finance Minister can't have it both ways. You can't enjoy the right of making those comments in public and then attempt not to make those same comments in the House here, where we, the official opposition, are merely asking questions so that we can clarify the billion dollars and so that we can also ensure that the government is on record with the information that the government is giving the public. I think that's important here.

[1125

The other side might want to think that we don't want to see the billion dollars spent. We understand that there are some incredible needs out there. We are seeing a demoralized workforce. I witnessed it myself when I was in the hospital over a year ago, when the cleaners were replaced — an untrained, unskilled, demoralized workforce that were providing an inferior service. It took some time to get the standards back up, to retrain those employees and to allow those employees to have some rights. A lot of them have now unionized and are now in collective bargaining processes themselves.

There was an incredible impact to that drastic move to privatization in the health care system, the food delivery system and the cleaning delivery system that affected the entire delivery of health care services in the hospitals. Certainly, I witnessed it first hand in the hospital that I was in and in the thousands of dollars that I have spent personally on medication to overcome a serious infection that I picked up in the hospital. It was something that I had to endure and that I saw and experienced first hand, so I do speak from some experience.

The other effect we are seeing here is that we have seen young people who were looking towards some of those health care careers that we so desperately need in this province. Some of these young people were actually saying that they didn't want to get into the health care field anymore. We're seeing it in education. We're seeing that young people are getting away from education and getting into other lines of work.

I think this is a step where we're starting to look at getting some trust and building some trust. It is our job as the official opposition to put the government on record that this is in fact what is happening, that there is a rebuilding of the trust so we can go forward in the future and we can have the trained workforce we so deserve and require.

My line of questioning.... I'm certainly not going to get into collective bargaining. Collective bargaining needs to be done with two sides respecting each other and coming to an agreement. When it comes to an impasse, if it comes to an impasse, I will comment on it. At this time I'm not going to comment on the collective bargaining other than the technicalities associated with numbers. The things that will not have direct impacts on or prejudice any type of the collective bargaining, I will focus on. The other issues I will not focus on.

First of all, again, the initial announcement was made. I want to ask the minister: from the initial announcement that was made with respect to the billion dollars, what changes have transpired from that day until now with respect to who is a benefactor of that billion dollars?

**Hon. C. Taylor:** Absolutely no changes. That press conference in November — we identified at that point that there were some managers involved. So there is no new information and no changes.

**C. Puchmayr:** So what you're saying is that what you publicly communicated in November holds today. What we're doing now is clarifying that and sort of peeling the onion and getting further in.

Some of the exempt staff that are benefiting from the bonus could benefit from the billion dollars and probably will benefit from the billion dollars. I believe their negotiation process is a little bit different than the trade union one. Are some of them today privy to other bonuses over and above the potential share of the billion dollars?

R. Hawes: I seek leave to make an introduction.

Leave granted.

#### **Introductions by Members**

**R. Hawes:** Today in the gallery we have 60 grade five and six students from Windebank Elementary School in Mission, in my riding, along with their teachers Ms. Heron, Mr. McGrady and Jan Minty. They are accompanied by 12 parent chaperones. They're here to look over our beautiful building, to learn how we do business here. It's all part of their social studies class. Could the House please make them welcome.

#### **Debate Continued**

**C. Puchmayr:** Hon. Speaker, I thought my colleague was going to take over the estimates debate on me.

An Hon. Member: He could.

[1130]

**C. Puchmayr:** I'm sure he could, and I'm sure you would enjoy that.

Again, let's clarify some of the goals and objectives, not of the entire bargaining session but.... What are the clear goals and objectives of this government with respect to that one component, the billion dollars, that is being offered?

**Hon. C. Taylor:** I'm pleased to do it. I think, actually, that it's important we have our visitors with us so that they understand the debate that's going on right now.

This government has 90 percent of our contracts with public sector workers coming due March 31. It's an enormous number of people. It covers our doctors, our social workers, our health workers. It has been incredibly important for us to try to think of how we could possibly negotiate in a way that would be fair for our public sector workers and also, of course, fair for the people of British Columbia.

To do that, we have designed a negotiating framework which is quite different than anything anyone has seen before. In fact, one of the union leaders at one of the meetings said that this was quite a novel and unusual idea. What we're trying to do is say that, first of all, there are some basic wage issues that must be dealt with. We looked at how much, as a government, we could afford to pay for our public sector workers, and we decided that for the next four years we would take one of every two dollars of new spending that we're going to put out there and put it towards our public sector wage negotiations. That amount works out to \$4.7 billion. That's the basic wage mandate that we are dealing with, with our workers.

Because we were trying to do things differently, we also said: "Well, if you sign a longer contract — which is obviously good for everyone if we have labour peace and if we can get by the Olympics with our labour contracts — then we will allow a dividend share to be shared with those workers who have signed these longer contracts." Its value will be up to \$300 million, and that's in addition to the \$4.7 billion.

As well, because this year we had unexpected revenues from natural gas prices that went up so quickly after Hurricane Katrina, we had another \$1 billion that we said has to be spent in this year because those are the accounting principles that this government lives under. They're set nationally. We said: "Well, perhaps we could use that billion dollars as another incentive to reach out to our workers and see if it isn't possible to negotiate some of these settlements." That billion dollars is also on the table for those unions that do negotiate their contracts before their contracts expire.

The media and others immediately did the math, and that works out to about \$3,300 per employee, so of our public sector workers — and we're talking 308,000 people — if they all sign their contracts before the con-

tracts expire, each and every individual gets an additional cheque for \$3,300. That's on top of their wage increases — as well as, if they sign longer contracts, money at the end.

We went beyond just looking at the dollars, because one thing that we heard out of the teachers' strike that happened was that it.... You know, negotiations are about more than just money; they are also about workplace issues. So we have said right from the beginning: "Bring those issues to the table. If, for instance, training is an important issue in your public sector, let's talk about it at the negotiating table. If technology would make a huge difference to where you work and how you work and how you feel about your work, then let's talk about technology." I know specifically that there are some unions that are worried about pensions, so bring that to the table, and let's talk about pensions as well.

This comprehensive package really is a change in direction. We've looked, but we can't see any other example in Canada of people doing this. What we're trying to do is say that we respect the work our public sector workers do. We would really like to negotiate settlements. We're being proactive. We on our side have done everything we can to make sure that we're not slowing down the process. So there's a lot of activity at the table, and we're hoping that in fact we will be successful, at least in some of the sectors.

**C. Puchmayr:** The minister speaks about how media and others have done the math. Has the minister done math, and could the minister explain how she supports the math that the media and others have done with respect to the \$3,300?

[1135]

**Hon. C. Taylor:** It's pretty simple, and I think everyone up here who is with us today could do the math. You take \$1 billion, and you divide it by 300,000 workers. What do you get?

Interjections.

The Chair: Order, members.

**C. Puchmayr:** Thank you, minister. What projections are there for...? Has the minister factored in whether she anticipates a full buy-in of this process? Is she concerned about the fact that this deadline is being put in place with the complexities of collective bargaining? Do concerns arise out of that that maybe the people of British Columbia should know about?

Hon. C. Taylor: Negotiations are always difficult, and I'm sure there will be some bumps along the way. I'm not at the negotiating table, but it was the responsibility of the Ministry of Finance to decide in fact what that negotiating framework would look like, and that's what we've done.

C. Puchmayr: Going back a bit to the question with respect to the bonuses and the exempt staff — the

managers. I don't believe I heard the answer with respect to: are any of them privy today to any other types of bonus initiatives available that may not be available to those in the bargaining unit?

- **Hon. C. Taylor:** Yes, there are contracts that do have performance clauses in them. In fact, some of our union workers also have incentives built into their contracts.
- **C. Puchmayr:** Could the minister do the math for me on those ones and tell me what kind of bonus incentives the exempt staff received in the last fiscal?
- **Hon. C. Taylor:** That has absolutely nothing to do with the negotiating framework that we are talking about today.
- **C. Puchmayr:** Could the minister provide that to me in correspondence?
- **Hon. C. Taylor:** That is publicly available, and you can go to any of the employers and ask for that information.
  - C. Puchmayr: I'm sorry. I didn't hear the answer.
- **Hon. C. Taylor:** That information is publicly available, and you can go to any of the employers and access that information.
- **C. Puchmayr:** Is there some type of a contingency plan? For instance, if a collective bargaining session may need an extra week or two to conclude past March 31, could you explain what type of plans are put in place there to ensure that there is not going to be a disruption of work by virtue of having the deadline so strict?
- **Hon. C. Taylor:** We hope that negotiations go well. We certainly hope that they conclude by the end of March. I have no comment on what might happen if contract negotiations go, you know, through June or next September. All of those issues will be at the negotiating table, and that's not where I'm sitting.
- **J. Horgan:** I'm delighted to participate in the supplementary estimates debate today with the Minister of Finance. I'm hopeful she won't take it personally that we want to know what she's going to do with the billion dollars. I certainly know my constituents would demand that I stand here and ask these questions. If that's uncomfortable for her, I apologize.

Just a moment ago the minister mentioned that doctors were in line for bonuses as well. Is that correct?

- **Hon. C. Taylor:** All of our public sector workers are in line for these bonuses.
- **J. Horgan:** Perhaps I'll ask it again: are doctors in line for bonuses? Yes or no?

Hon. C. Taylor: Yes.

**J. Horgan:** It's interesting. We've heard that the sacrifices made during...

Interjections.

The Chair: Order, members.

[1140]

- **J. Horgan:** ...the early part of this government's mandate were equally shared, and that of course is not the case. I don't recall physicians taking a 15-percent pay cut. Can the minister correct me? Did physicians take a 15-percent pay cut to reach the surplus that we have today?
- **Hon. C. Taylor:** Today we are in the Legislature talking about \$1 billion, which is part of the new negotiating framework going forward. This supplementary estimate deals with the possibility of incentive bonuses for each and every public sector worker, should they sign contracts before their contracts expire.
- **J. Horgan:** Can the minister tell me how many staff she has deployed to negotiate with the BCMA at this time?
- Hon. M. de Jong: I have actually been listening to the debate carefully. Members have now been here for a period of time. They understand the rules. The Chair has explained them. There is a supplementary spending estimate before the chamber. The member is correct: it is entirely appropriate to question, to poke, to prod and to find out what that money is for. But that's what this process is about. Members are engaged in it in a very skilful way. But it is not an opportunity to explore other issues, which of course, this House will have ample opportunity to explore in the future.
- **J. Horgan:** I appreciate the sermon from the Minister of Labour, but again, my question is a fairly straightforward one, and it has to do with the expenditure of a billion dollars of public funds. I want to know if the minister can tell me: how many resources are being put to giving bonuses to doctors?
- **Hon. C. Taylor:** The question was: how many in my staff are working on the BCMA negotiations? No one in my office is working on the BCMA negotiations.
- **J. Horgan:** The minister said earlier that those contracts that expire after March 31 would be taken care of through the forecast allowance. Could she tell this House what portion in dollar terms of the forecast allowance has been set aside for those negotiations?
- **Hon. C. Taylor:** If none of those workers, in fact, did settle before March and we're entirely into that June period, it would work out to about \$200 million, I believe.

**J. Horgan:** I'd like to talk a bit, if I could, about the education sector. We know that CUPE workers and the B.C. Teachers Federation contracts expire after March 31. Can I assume that that \$200 million is exclusively for those two unions, or are there other unions that would access that money? If the minister doesn't know, why doesn't she?

#### **Hon. C. Taylor:** The majority are the teachers.

- **J. Horgan:** I love majorities and minorities, but a specific question should really get a specific answer. What other unions have contracts that expire after March 31 that are part of the forecast allowance component the Minister alluded to earlier?
- **Hon. C. Taylor:** It is a very small number, and we will get that specific number to you.
- **J. Horgan:** A direct answer that will come later. I look forward to that.

In the education sector, the B.C. Teachers Federation, I'm sure, would be delighted to take up the minister's offer, but they don't have a table to negotiate at. Has the minister calculated that into her forecast allowance? Has the minister provided any allowance to teachers, who gave a great deal of sacrifice in the fall to make a point to the public and to this Legislature that their work was undervalued and that the classes they were working in were overcrowded? Will the Finance Minister commit today to ensure that, until such time as we have a...

Interjections.

The Chair: Order, members.

[1145]

- **J. Horgan:** ...bargaining process for that sector, there'll be some flexibility for teachers beyond the imposed contract that ends in June?
- **Hon. C. Taylor:** We have said all along what we're talking about is before contracts expire, for the additional incentive. The wage mandate will sit there. It doesn't matter how long negotiations take.

I had this meeting actually with the B.C. Fed and all of the union leaders, and I have to say it was a very positive meeting. We had a chance to go back and forth and discuss the billion dollars. We had a chance to talk about the teachers' situation. From my point of view, and I have heard others say, it was a very good meeting. I think that we are all trying to do the right thing here. We're trying to have both sides negotiate in a new way that is very proactive and that, hopefully, solves the problems.

Each sector has different issues that they want to bring to the table. No two contracts are going to look alike at the end of this process. There are some areas that have problems with relevant labour markets. There are other areas that have problems with training, some with recruitment, some with pension. So every single contract that we do manage to have come to completion will be a different one.

**J. Horgan:** The B.C. Teachers Federation has no table to negotiate at. They have an imposed contract which was imposed by that side of this Legislature and which expires in June. When Mr. Ready reports back to the government and to this House on a bargaining structure, I assume and I'm hopeful that bargaining will proceed.

However, I want to know: has the minister calculated and contemplated how she can fairly address teachers if she is going to be ensuring that there are bonus dollars for doctors, who sacrificed greatly, I'm sure, during the early part of this decade? How can she ensure teachers will have access to the incentive money if they don't have today a table to bargain at?

- **Hon. C. Taylor:** The teachers' contract does not expire till the end of June, and the recommendations will come in much sooner than that.
- **J. Horgan:** Again, I go back to the minister: have you contemplated a plan, a strategy, a way to ensure that there is a fair and equitable distribution of this incentive money to a group in our society that currently has no place to bargain an early completion of a collective agreement? What's the plan?
- **Hon. C. Taylor:** The same question and the same answer. We have said to teachers that they will be treated fairly, in the way that our other public sector workers are being treated.
- **J. Horgan:** Well, I don't see how it could be fair to announce in November that public sector unions have five months to conclude negotiations and then announce to teachers that if there is a new structure put in place March 31, they have six weeks. How is that fair?
- Hon. C. Taylor: The teachers have also been aware of the negotiating framework since November. The leader of the BCTF was at the meeting that we were at. We have talked and offered opportunities for talk to anyone who wishes it. We have said that the teachers will be treated in the same way as all of our other public sector workers.
- **J. Horgan:** Well, then maybe this question to the minister, and she has the aid of her staff and the able Minister of Labour at her side as well: who would the B.C. Teachers Federation talk to today to begin to access that incentive fund?
- **Hon. C. Taylor:** I again will say that I'm not at the negotiating table. I'm not the negotiator. The teachers would certainly be able to speak to their employer.
- **J. Horgan:** I'm certain that the minister gets my point. I'm hopeful that she will work really hard to try and get an answer here.

Six weeks between the Ready deadline of March 31, which is an extension, to the end of a collective agreement — how can that be compared to the opportunity that was given to other unions when the minister announced in November that contracts expiring March 31 would be able to access this incentive?

2446

[1150]

I mean, I'm sure that our guests can do the math. There is a difference there. That's an inequity. Will the minister say today to teachers where they would go to begin those discussions? They can't go to their employer, because there's no table to bargain at.

Hon. C. Taylor: It's hard to imagine that teachers and their unions are not thinking about some of these issues, even though there will be more information coming forward. After March 31 there are still three months till the end of June. We know that the time lines have been tight for every single sector. You're focusing on teachers, but it is tight for every single sector, whether you're a doctor or HEU worker. We understand that.

Everyone has known the end of these contracts. Everyone has known that March 31, 2006, is the conclusion of a contract. If the pattern in the past has been, "We'll just let the contract run out, and we'll negotiate later," that's an issue of management of contracts. What we have said is that the wage mandate will be there. If it takes longer to fulfil, it's not going to go away. One of every two British Columbia taxpayer dollars will go to the public sector workers.

If, in fact, you can sign a contract before it expires, then there is an additional signing bonus of approximately \$3,300 for every public sector worker. I hope that there are many who are watching and thinking: "On top of whatever wage negotiation increases we get, that is an important amount of money to my family."

- **J. Horgan:** Holding out a carrot and then yanking it back is not feeding anyone's family. This government....
- **K. Krueger:** If you were government, there'd be no money.
- **J. Horgan:** I thank the hon. member from Moose Jaw for his comments.

I want to focus on the minister for a moment so that she can currently understand why there is some trepidation in the public mind and some trepidation within the minds of union officials. This government ripped up contracts. This government imposed contracts. Now those individuals, this side of the House and the public are supposed to say.... "Why don't you just trust us? We've got a billion dollars here that my friends would have applauded if I was going to put it into debt reduction, but I'm going to hold it out as a carrot for those unions that are at the table."

I'm asking a simple question: what does the union that has no table to negotiate at do? — and I get abuse

from members on the other side of the House. It's a useful question. It's one that I think would benefit the public if the minister could stand up and answer it. What does that union do?

It's been suggested that they contemplate stratagems and possibilities, but that's not negotiation. That's stratagems and possibilities. Who do they negotiate with today to achieve this incentive?

**Hon. C. Taylor:** The sector that you are talking about — their contract is not up till June 30.

**J. Horgan:** I'm certain that the minister gets the point, and I'm certain that if I keep asking it, perhaps we'll get a satisfactory answer for teachers across this province. A carrot held out as an incentive only to be yanked back under the guise of generally accepted accounting principles is not a real incentive.

Interjections.

The Chair: Order, members.

**J. Horgan:** How can the B.C. Teachers Federation, in good conscience, say to their members: "Trust the government. The government says they're going to do right by us. They always have in the past; they always will in the future"? I think that's pretty difficult for them to swallow at the leadership level, and I know it's very difficult to swallow in the schools across this province.

Again, a simple question: does the minister have a strategy for dealing with the inequity between those unions that were advised in November that they have a table they can go to, to achieve an incentive, and those union members who won't have a table until at least April 1, if not beyond?

The Chair: Minister, noting the hour.

**Hon. C. Taylor:** I'll just answer the question first, if I may, Madam Chair.

You have identified April 1 as the time that they would have the official table, but there is nothing stopping teachers right now from talking to employers. Besides which, April 1 still gives three full months to the teachers to negotiate. I don't know where your six weeks came from.

What we have been saying is that for all of our public sector workers, if they can reach a contract before the expiry date, then these additional incentive dollars will be there for each and every employee.

**Hon. M. de Jong:** I move the committee rise, report progress and seek leave to sit again.

Motion approved.

The committee rose at 11:55 a.m.

The House resumed; Mr. Speaker in the chair.

The Committee of Supply, having reported progress, was granted leave to sit again.

Hon. M. de Jong moved adjournment of the House.

Motion approved.

**Mr. Speaker:** This House stands adjourned until two o'clock this afternoon.

The House adjourned at 11:56 a.m.

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