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OFFICIAL REPORT OF  
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LEGISLATIVE ASSEMBLY  
(HANSARD)

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THE HONOURABLE BILL BARISOFF, SPEAKER

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

**SECOND SESSION, 38TH PARLIAMENT**

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Afternoon Sitting

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MONDAY, MARCH 6, 2006

The House met at 2:04 p.m.

### Introductions by Members

**Hon. T. Christensen:** I rise today in the House to introduce three special guests from the Yale First Nation, the community of approximately 150 members located along the Fraser River 20 kilometres north of Hope. Joining us today are Yale First Nation representatives Chief Robert Hope, treaty manager Beatrice Bonnea and Yale First Nation legal counsel Robert Reiter. They are joined, as well, by one of the province's chief negotiators and the chief negotiator on the Yale First Nation treaty table, Mark Lofthouse.

Chief Robert Hope and his guests have travelled to the Legislature today to mark a significant milestone: the provincial ratification of an agreement-in-principle. The Yale agreement-in-principle marks the sixth AIP completed in British Columbia. This is a significant achievement for our province and for the Yale First Nation. I would ask that all members of the House join me in congratulating Chief Robert Hope and the Yale First Nation on this momentous occasion and wish them all the best as we head towards negotiation of a final treaty. Would the House please join me in welcoming them all.

[1405]

**C. James:** I have a couple of guests to introduce in the House today. The first is Bob Penner, who is president and CEO of Strategic Communications Inc. As well, in the gallery is a group from my riding of Victoria-Beacon Hill, the James Bay New Horizons Current Affairs Club. This is a group that meets weekly to discuss city, provincial, federal and international issues. I know a number of members in the House have had the opportunity to attend this group. It's a wonderful dialogue with very tough questions and a wonderful group of people. Would the House please make those guests welcome.

**Mr. Speaker:** Minister of Health. Oh, Minister of Economic Development. I go back in time.

**Hon. C. Hansen:** I've done my time.

I have two constituents who have joined us in the House today. Geoff Peters is a resident of Vancouver-Quilchena, but he teaches grades one and two in Coquitlam — for the past 30 years. He is also an active member of the Working and Learning Conditions and Bargaining Advisory Committee of the BCTF. His wife Marion Runcie is joining him today. She is a former teacher, having taught for 35 years in Burnaby and, as I understand it, taught the children of the member for Burquitlam and the member for Burnaby North. I hope the House will join me in making them very welcome today.

**Mr. Speaker:** My apologies. I just assume the Minister of Health is going to stand.

**N. Macdonald:** Earlier today the Leader of the Official Opposition, the Solicitor General critic, the opposition Housing critic and I met with representatives of the Canadian Association of Home and Property Inspectors of British Columbia. They're here in Victoria as part of their work to secure government action to protect B.C. consumers by putting in place standards for the B.C. home and property inspection industry.

In the gallery today are the president, from Kamloops, Bill Sutherland; Barb Bell, the registrar, from Kelowna; Dave Ferrero, vice-president, from Nanaimo; Owen Dickie, treasurer, from the Okanagan Valley. We had a productive meeting this morning, and I would ask the House to make them welcome.

**V. Roddick:** In the House today is Sylvia Bishop, a constituent of Delta South. Ms. Bishop is the assistant director of communications and campaigns with the B.C. Teachers Federation. Will the House make her very welcome.

**J. Nuraney:** We have in the gallery today some prominent citizens from Burnaby. We have Alan Emmott, a retired mayor whose legacies in Burnaby still live on. He is accompanied by his good wife Vivian.

We also have Harry Hardy, a distinguished veteran and an inventor who is very well recognized around the lower mainland. He is accompanied by Madge McDonald, a friend. Will the House please make them all welcome.

**M. Polak:** Visiting in the gallery from my riding are representatives of Voom Kids Credit Union, Envision Credit Union and Langley Montessori School. We have Lauren Sailer, the CEO of Voom; Hanna Tontsch, the treasurer of Voom; Alexandra Bevan-Paré, board secretary of Voom; and their parents Shauna Sailer, Debbie Tontsch and Jacqueline Bevan-Paré. From Envision, we have Jeff Tisdale, Anita Elstak and Kristie Campbell. From Langley Montessori School, we have Ursula Hodgson and Mary Creed. Would the House please make them welcome.

**C. Evans:** Joining us in the gallery today is a friend of mine, Henning von Krogh. It is not the first time Henning has ever been at the Parliament Buildings. He has been a regular visitor to the lawn outside. This is actually, though, the first time that they let him in. I would like all of the members to make Henning welcome and the guards to notice where he is sitting.

[1410]

**Hon. W. Oppal:** In the House today are Clark and Margaret Wilkie of Thunder Bay, Ontario. They are the parents of Maria Wilkie, who is a communications manager at the Attorney General Ministry. Would the House make them welcome.

**J. Horgan:** Joining us in the gallery today is my constituency assistant from Langford, Terry Harrison. She's around here somewhere. That means that my

constituents can't find me for the next hour, and I think that's okay. Would you make her welcome.

**Hon. K. Falcon:** Today in the House we're joined by 48 students from Southridge Senior Secondary. They're accompanied by their teacher Ms. Pednaud, and two parents, I think, have come along with them. Would the House please join me in making them welcome.

**S. Hawkins:** Joining us in the gallery today is a teacher from my riding, Michelle Davies. She's been teaching for 26 years. She teaches languages, Spanish and French, at Rutland Senior Secondary. She is also the social justice co-chair for the Central Okanagan Teachers Association. We had a very nice meeting, and I would ask the House to please make her welcome.

**Hon. I. Chong:** I, too, would like to make an introduction to the House today, with a constituent of mine who is a French-as-a-second-language teacher at my former high school, Mount Douglas Secondary in Gordon Head. I hope the House would please join me in welcoming Mr. Thierry Ponchet.

**Hon. C. Richmond:** Visiting us today are two gentlemen from Kamloops, who are here to put the finishing touches on what is a marvellous development on Kamloops Lake. They are Michael Grenier and his senior project manager Dave Ethier. I'd like the House to please make them very welcome.

**Statements  
(Standing Order 25b)**

VOOM CREDIT UNION

**M. Polak:** Today it is my pleasure to describe to this House a community partnership that is helping elementary students understand money management in a very practical way. In my riding of Langley, Envision Credit Union and Langley Montessori School have partnered to establish a kids credit union called Voom. The Voom Credit Union was established with a contribution from Envision Credit Union.

On banking days at the school, student tellers serve the student account holders, who have access to a range of services similarly available in a typical Envision Credit Union. The operations of the Voom Kids Credit Union are overseen by a student board of directors led by a student CEO. Essentially, this is a credit union run by kids for kids.

The student board of directors for Voom meets regularly with representatives of Envision Credit Union to discuss policy and governance related to the kids credit union. With the support of Envision Credit Union, the students at Langley Montessori School are learning firsthand the importance of careful money management and saving for the future. Voom Kids Credit Union is an asset to Langley Montessori School

and an example of an innovative way to teach valuable life skills.

B.C. WINTER GAMES

**C. Wyse:** Recently the village of 100 Mile House sponsored the 2006 B.C. Winter Games. The opening ceremonies for the games not only captured the spirit of the games but reflected the camaraderie that develops during the games. Amongst the many notable guests present, our colleague the Minister of Tourism, Sport and the Arts welcomed Wayne Cox, B.C.'s weatherperson. Wayne was presented with a winter jacket that looked like one of his famous Hawaiian shirts, and on the following Monday Wayne wore the jacket as he presented the weather to B.C.

The minister also welcomed Daniel Igali, an Olympic gold medallist in wrestling. At his clinic Daniel left all these wrestlers who turned up with an individual personal memory they will cherish for the rest of their lives. He wrestled individually all 60 of the participants who turned up.

[1415]

The games board of directors was chaired jointly by Jeff and Bev Kendy. The games involved 80 key volunteers; 1,100 total volunteers; 275 billet families; 1,300 athletes, coaches and officials; 1,000 visitors; and many numerous sponsors which made the financial contributions necessary for the games to be present. I can assure you that the games provided for many new friendships and memories that will last a lifetime. The venues for the games involved the communities of 70 Mile House, Lac la Hache, 108 Mile, Canim Lake, Forest Grove, 100 Mile House.

I ask the House to join with me in not only recognizing the people of the village of 100 Mile and surrounding communities, having sponsored the 2006 Northern B.C. Winter Games in such a successful fashion, but in congratulating the village of 100 Mile, the Cariboo regional district and school district 27 for their efforts in bringing the games to the Cariboo.

ELECTED LEADERS FORUM  
IN SQUAMISH-LILLOOET AREA

**J. McIntyre:** I rise today to report to the House on the elected leaders forum that, as MLA for West Vancouver-Garibaldi, I hosted on February 2 at idyllic Brew Creek Lodge just south of Whistler. It was a one-day workshop with recently elected municipal officials; the school board chair of district 48, Howe Sound; the Squamish-Lillooet regional directors; and first nations representatives.

It was designed for these main purposes: for networking, sort of a getting-to-know-each-other session because some of these municipal officials had just been elected for the first time; for identifying strengths and opportunities in our region; for discussing ways to address the challenges and issues facing us, especially as 2010 is fast upon us; and also for looking for opportunities to work together going forward.



Nearly 20 attended — I was thrilled — including the chair of the SLRD and mayors of Pemberton, Whistler, Squamish, Lions Bay and Bowen Island. Unfortunately, just West Vancouver declined.

It was facilitated and is in the process of being reported on by William Roberts of the Whistler Forum, who specializes in dialogue and collaboration. As a preview of results, which may be of interest to the public, the key issues that the group identified to work on collaboratively are as follows: integrated transportation, including the need for regional transit. I just learned this morning that they're actually looking at doing a Sea to Sky Leadership forum on the subject of transportation — sort of coming out of this. The other three key issues were managing growth in the corridor, affordable housing, and minimizing risk and maximizing opportunities for 2010.

I'm looking forward to sharing the final report with the participants and facilitating some made-in-Sea-to-Sky solutions to address the diversity of interests in our region.

#### PETE SANFORD AND RUTH BARNETT

**C. Trevena:** Today I rise to mark the deaths of two great B.C. citizens, two lifelong NDPers whose loss we mourn but whose contribution to the building of B.C. we celebrate — a celebration that transcends party lines because it addresses a vision of how to make our province stronger and better.

Pete Sanford and Ruth Barnett died within a day of each other. A celebration of Pete's life was held yesterday in Courtenay, and today in Campbell River, Ruth's family and friends are marking her long life.

Pete Sanford was a fighter for social justice — a teacher. He was married to former MLA Karen Sanford. Pete wanted to make the world a better place. He quietly stood up for causes here in B.C. from the environment through to workers' rights and internationally with a commitment to Amnesty International and Oxfam, among others. His last major political task was organizing the signs for the federal election, and he had just finished putting up, taking down and storing 1,100 lawn signs for NDP candidate and now-MP Catherine Bell. Peter died suddenly of a heart attack at the age of 74.

Ruth Barnett was married to the former MP for Comox-Alberni, mayor of Campbell River Tom Barnett. Ruth, too, was involved in environmental, social and of course political issues. A historian, Ruth was proud to research and write the history of her pioneering family, the Pidcocks. Her interests ranged from being president of the parliamentary wives club to starting the Middlenatch field naturalists society, through to being an active lobbyist on behalf of seniors. Through her long life, Ruth, too, strived to make the world a better place. She died at the age of 92 in Sunshine Lodge in Campbell River.

[1420]

I hope the House will join me in celebrating the lives of these two B.C.ers who each had a vision for a better society.

#### KELOWNA WOMEN'S CURLING TEAM

**A. Horning:** It's a pleasure to rise today to pay tribute to a team of true champions. Yesterday Kelowna's Kelly Scott won the Canadian Women's Curling Championship in London, Ontario. Millions of fans from throughout B.C. and across Canada watched the fantastic final as Kelly and her team fought to the finish to edge Team Canada 8-6.

In winning our country's highest honour, the team had to defeat past Canadian and world champions. Along with skip Kelly Scott, I would also like to congratulate third Jeanna Schraeder, second Sasha Carter, lead Renee Simons, fifth player Michelle Allen and coach Gerry Richard.

Their road to victory wasn't easy. After two near misses in the past 12 months, the Kelowna rink can now call themselves Canadian champions. After qualifying for the national championships on their first try last year, the team finished third. Last December we all remember the team's dramatic play at the Olympic trials. In dramatic fashion the Kelowna rink made it to the final game, only to lose on the last rock of the tenth end. The Scott team was determined to not let that happen again, and like all true champions, they didn't. Success didn't come overnight. It took determination, dedication and hard work.

Kelly has been on a mission for several years. She is a former Canadian junior champion, and the Kelowna foursome also won the B.C. championship for the second year in a row in January. I also want to wish them well as they represent Canada at the World Women's Curling Championship in Grande Prairie on March 18.

As Kelly said after her victory: "We're ready to wear the maple leaf." Good luck, Kelly, Jeanna, Sasha, Renee, Michelle and Gerry. I invite the House to join me in congratulating the Kelly Scott rink for their victory.

#### STRAWBERRY HILL PUBLIC LIBRARY

**H. Bains:** I would like to take this opportunity to talk about a facility in my community, Strawberry Hill public library. It was opened in the spring of 2000. It is an 11,000-square-foot stand-alone building on the corner of 73rd Avenue and 122 Street in Surrey, just a few blocks from where I live.

Some of the many programs they offer are a 12-seat electronic classroom; an eight-seat computer-based language learning centre; multilingual collections in Punjabi, Hindi, Urdu, Chinese and Arabic; Microsoft office centre; subscriptions to over 80 different newspapers and magazines. They have programs for all walks of life, from the many seniors that come to read the newspaper in different languages to the tiny babies that come to enjoy story time.

I had the opportunity to visit the Strawberry Hill library in Surrey on January 20 to read a story to the children at story time. The children, with their parents, started to file in just before 11 a.m. I took a seat on the floor.

The library staff was exceptional. Jan Parker, the coordinator for story time, began by getting the children on their feet to have a stretch. The children were

most excited when Jan brought out the puppet Herbert. They laughed, giggled and talked with this puppet. It was such a rewarding experience to watch the faces of young citizens as they sat and listened to the stories. I believe it is such an important part of a child's life to introduce them to reading and interacting as early as possible.

Surinder Boghal, the library manager, showed us around the library, and I was really impressed with the diverse representation this library offered to our community.

I would ask everyone in this House to join with me to thank the library staff for providing an exceptional service to the residents of Surrey.

### Oral Questions

#### INVESTIGATION INTO RELEASE OF GOVERNMENT RECORDS ON PERSONAL INFORMATION

**C. James:** The Minister of Labour this weekend apologized to anyone who was affected by the serious breach of privacy reported this weekend by the *Vancouver Sun*. But the only reason for the minister's public apology is that private information was sold at an auction to an individual who then took it to the media.

That begs a very simple question to the Minister of Labour. Why didn't the government tell the public about this breach of privacy?

**Hon. M. de Jong:** Thanks to the Leader of the Opposition for the question. I hope the Leader of the Opposition will give me the moment to explain what we do know at this stage of the investigation that's taking place.

[1425]

We know this. We know that tapes containing information, we believe from the period '96 to '01, made their way to the asset disposal yard in Surrey and that sometime around May of 2005 those assets were sold. Sold, as it turns out, contrary to a policy and guidelines that have been in place for some period of time requiring that any computer equipment — or tapes, for that matter — that is offered for public sale through the asset disposal process is completely scrubbed and clean of any of the information.

I want to say this in the House because I've said it outside of the House. The release of this incredibly sensitive personal information is inappropriate and unacceptable. I will repeat in this House what I said on Friday when I learned of what had taken place as a result of a call that a reporter had made to the Privacy Commissioner, and that is an unconditional apology. There's no room for error here. People deserve an apology, and they'll get one.

**Mr. Speaker:** The Leader of the Opposition has a supplemental.

**C. James:** I'm certain the public appreciates the fact that the minister has apologized to the public. But that

doesn't take away from the facts, which are that the public does not expect to read about their personal information — HIV status, refugee claims, personal medical information — in the headlines of the newspaper that they get Saturday morning with their breakfast coffee. They expect the government to inform them if their personal information in the hands of the government is released.

So again I ask the minister: while I appreciate the apology, why did not the government let the public know about this breach, rather than reading it in their morning paper the next morning?

**Hon. M. de Jong:** To pick up the chronology, upon receipt of the information that this had taken place, recognizing that we were dealing at this point with questions from the media outlet, we did two things. We immediately contacted the Privacy Commissioner and his office — the irony being that they had already, of course, received information from the media outlet — with a view to doing two things: (1) working as quickly as we can to re-secure the data from the media outlet where it presently still rests; and (2) to initiate a comprehensive and exhaustive investigation to determine how this happened, why it happened and how we ensure that it never happens again.

**Mr. Speaker:** The Leader of the Opposition has a further supplemental.

**C. James:** There's no question that the public had raised concerns previously about personal information with this government. The public had raised concerns about the transfer of our medical services program and had raised concerns about the Patriot Act and personal information. Well, it turns out that it wasn't the Patriot Act and the FBI that the public needed to worry about. It was the government that the public needed to worry about.

My question to the Minister of Labour: how many other times that the public didn't know about have records been released, and were there concerns about personal information going out? How many other times?

**Hon. M. de Jong:** It is proper for the Leader of the Opposition to pursue this, and I hope she will derive some comfort, if not from my words, from what the Office of the Privacy Commissioner has said and what they are doing.

[1430]

We have a comprehensive set of guidelines in place to govern how this material is supposed to be secured and how it is supposed to be disposed of. The best guidelines in the world don't work when there's a screwup. I don't need an investigation to tell me that when, at the auction yard, material containing sensitive personal information was sold, there was a screwup. What we are endeavouring to ascertain now is how we ensure that it doesn't happen again — what happened

and how, with the best regulatory framework and protocols in place, this was allowed to happen.

**M. Farnworth:** Will the Minister of Labour agree to table in this House the results of his investigation into this matter, including the question as to how many times previously mistakes of this type have occurred?

**Hon. M. de Jong:** I can assure members of the House that my intention, our intention is to ensure that British Columbians, and therefore members of this assembly, have all of the information that we have as quickly as possible. I'm hoping that's within a week to ten days.

#### RELEASE OF GOVERNMENT RECORDS ON REFUGEE INFORMATION

**J. Brar:** This is not a provincial issue anymore. It also involves the federal government. The Immigration Minister of Canada is also concerned about the breach of security that has allowed potentially life-threatening information of thousands of refugees to be sold at a B.C. government auction. The Immigration Minister is launching his own investigation because the sold tapes contained a listing of names, social insurance numbers and internal government file numbers for more than 30,000 refugees. Can the Attorney General tell this House what steps he is taking to cooperate with the federal government investigation?

**Hon. M. de Jong:** Thanks to the member for his question. The federal minister, insofar as there is apparently information relevant to his areas of responsibility, is justified in his concern. That's why our office, the chief information officer for the province, the deputy and ultimately, I suspect, the Privacy Commissioner's office have been in direct communication with the federal minister.

Our first priority today is to re-secure the information. We will continue to work with all agencies and do what we can. I should say this, as well, to the member, because I think there is a question that has yet to be asked, and I'm asking it. Why sell the stuff? Why sell tapes? I think the information is that we got a hundred bucks for it. So insofar as this investigation is looking at all aspects of this, I can assure the hon. member that one of the questions I have and an inclination I have is to extend the present moratorium and put a permanent ban on the sale of this material.

**Mr. Speaker:** Member for Surrey-Panorama Ridge has a supplemental.

**J. Brar:** It's interesting to know that the minister has questions for himself now. That's good to know. I hope the Attorney General understands that the disclosure of information available on refugee files is dangerous and potentially life-threatening. So again to the Attorney General: can the Attorney General confirm how many refugee families have been affected by this, and

what step is he taking to assure them that their private records are being protected?

**Hon. M. de Jong:** I guess the short answer to the member is that until we have re-secured the data, we're not in a conclusive position to provide conclusive information. That's why our first priority is to re-secure the material. Once we've done that, we'll be able to ascertain with certainty.... Officials think they've narrowed down what the information is. They're working with the federal authorities. They're working all through the weekend with the officials at the Privacy Commissioner's office. We're doing what we can. British Columbians deserve to know that the private information that rests with government is properly secured, and that's what we aim for — to re-establish that confidence in their minds despite what has just happened.

[1435]

#### REVIEW OF SENIORS CARE IN HEALTH FACILITIES

**K. Conroy:** Over the last week the Minister of Health has said on a number of occasions that the circumstances surrounding the tragic death of Fanny Albo are isolated and not linked to this government's cuts to residential care and acute care beds. Last week I provided the minister's office with four cases that should prove this is not the case.

My question to the Minister of Health is straightforward. Will the minister stand up today and acknowledge that seniors care in this province is being compromised because of this government's cuts, and agree to an expanded review?

**Hon. G. Abbott:** The review of the four cases which she presented to me in letter, I think close to two weeks ago now, continues. I think in large measure we have the answers to the question that the member does pose in the letter, and I look forward to advising the House of that.

The final piece that we have been attempting to put in place now for close to two weeks is to ensure that we have informed consent from all four of the families that are involved in respect of the cases that are raised by the member's letter.

It is vitally important that we have that informed consent. I want to remind members opposite that there was a case last week that was raised in the House where apparently the member had direction from a child of the patients involved, but not the patients themselves. We need to be very careful so that we do not breach the privacy rights of people in this House. It is critically important that we do not do that. When we have the informed consent of the four parties — and I gather from my officials we're close to that — we will be looking forward to releasing the report to the House.

**Mr. Speaker:** Member for West Kootenay-Boundary has a supplemental.

**K. Conroy:** Well, I'm hoping that the minister will expand his review from beyond the West Kootenays, because it's not just a crisis in the West Kootenays.

Doris LeClair lived in Cranbrook, not in Trail. But like Trail, Cranbrook has seen many cuts to acute care and residential care beds. Mrs. LeClair was in hospital in Cranbrook, but unfortunately, when she needed a residential care bed, there was none in the area, and she had to travel over 100 kilometres away to Creston. Her family struggled to visit her, and on February 2 at midnight they were called to come at once. A severe winter storm kept them from arriving in time, and Mrs. LeClair died alone.

Mrs. LeClair's family deserves answers, as do all the families of people who have lost loved ones. Will the minister now agree to widen the review?

**Hon. G. Abbott:** I do at the outset here want to express my condolences to the LeClair family. The hon. member provided me with a letter, I believe yesterday or earlier today, in respect of the LeClair case. We are following up on that. We are attempting to secure, again, informed consent from the LeClair family around that. I do know that I should not discuss the specifics of this case until we have the consent of the family to do that.

I can tell the House, though, as I did the other day, that what we attempt to do is keep couples together. In August 2001, 615 married couples in residential care were separated by medical necessity. By November 2005 we had reduced that to 73 married couples in residential care facilities. In every event, the policy is that as soon as a bed opens in the facility of choice, we attempt to reunite those couples. It's very, very important to us.

#### AVAILABILITY OF BEDS AT ASHCROFT HOSPITAL

**C. Wyse:** On February 23, Cheryl MacNeil was advised that her terminally ill loved one would be sent from Kamloops Royal Inland Hospital to Ashcroft, as the bed was required in Kamloops. Her loved one was admitted to the Ashcroft hospital, where he was twice bumped from the palliative care bed — ending up in a closet. During one of these bumps he was sent home, where Cheryl was required to modify the home, at her expense, to care for her loved one.

[1440]

On March 3 he has been returned to the Ashcroft hospital. IHA downsized the Ashcroft hospital by 100 percent of its acute care beds. IHA reduced acute care beds by 24 percent and senior beds by 20 percent across its region. IHA also reduced home support services.

My question: will the Minister of Health acknowledge that the local hospital in Ashcroft is not able to provide adequate health care services to the people of the south Cariboo as a result of IHA's decisions?

**Hon. G. Abbott:** I won't comment on the specific case. I'm not sure if the member has brought the case to my office or not. I don't believe he has. I don't have any

recollection of the member bringing it forward. When he does — and I hope he is able to provide the informed consent of the family — I would be very pleased to look into this specific case.

The member has wrapped a broader theme around the specific case. I can say this in respect of acute care beds. Nationally and internationally, the number of acute care beds per capita has been in decline for now close to 20 years. In British Columbia, for example, between 1993 and the year 2000 the number of acute care beds in B.C. fell by 3,334 — a 16-percent decline. That was reflective, actually, of a broader trend. What we are seeing with respect to the use of acute care beds is that things like laparoscopic surgery have moved what used to be complex surgeries involving several days stay into ambulatory or day surgeries.

**Mr. Speaker:** Thank you, minister.

**Hon. G. Abbott:** The same is true of cataracts and a number of others.

**Mr. Speaker:** The member for Cariboo South has a supplemental.

#### REVIEW OF SENIORS CARE IN HEALTH FACILITIES

**C. Wyse:** I do. Returning to the issue of appropriate care beds in general, the House has heard of cases involving shortage of the appropriate care beds in the Kootenays, in Kamloops, in Ashcroft, in Penticton and in Williams Lake. Certainly, a bed in a hospital's closet is not an appropriate location to provide palliative care on a continuing basis, as is required in Ashcroft.

Will the Minister of Health explain to the House: who is ultimately responsible for the decisions made by the health authority? And then, will he expand his review into seniors care to include areas other than the Kootenays?

**Hon. G. Abbott:** Again, I want to be fair to this member, because I know he is a sincere member of this House who is trying to do his best for his constituents. But I do want the member to think about this. To present a case in the House without giving us the opportunity to review that case and to try to determine what the facts are around it — to determine whether in fact appropriate care has been extended, whether there was medical necessity, whether there was medical decision-making around it — I think, is not constructive.

I do welcome members bringing these issues to me and to my office. I now have major binders with over 500 of these kinds of issues that have been raised. I am always happy to follow up on those to form appropriate conclusions in respect of those, but I don't think it is appropriate for members to ask me to do a full-scale provincial review based on a case that I have never even had presented to me to review.

Interjection.

**Mr. Speaker:** Member.

**D. Cubberley:** I find it interesting that the Minister of Health simply does not want to own the fact that his government closed nearly one in five acute care beds in their first term in office. That's what's behind the problems we're dealing with today.

Interjections.

**Mr. Speaker:** Members.

**D. Cubberley:** Earlier today the Minister of Health portrayed the tragic Albo case as a series of bad staff decisions leading to an unacceptable outcome — staff decisions, not the series of bad government decisions that led to the bed crunch across the entire region. This continuing denial is alarming, especially considering Martin McMahon's frank admission that Fanny Albo was quickly discharged in order to free up an acute care bed that was needed at the hospital for another patient.

My question is: why does the minister continue to blame staff for the tragic death of Fanny Albo, but refuse to expand the scope of the inquiry to include systemic factors?

[1445]

**Hon. G. Abbott:** The members opposite seem somehow disappointed or perplexed that on encountering the unfortunate case of Mrs. Albo, I asked my deputy to go to Trail to review with all of the appropriate officials what had occurred in that case — why it happened and how it happened — and to recommend steps we could undertake to ensure that it never happened again. I know the members opposite may want to take the comments of particular officials out of context. I know it is their wont to do that, Mr. Speaker, but I think it's very clear. We understand what happened, and we are taking appropriate steps to ensure that it never happens again.

**Mr. Speaker:** The member for Saanich South has a supplemental.

**D. Cubberley:** Well, that response wasn't just beside the point; that response was nowhere near the point. You know, instead of saying it's a problem with staff decision-making, the minister should be directing his deputy to contact staff so that he can find out about what's actually going on, what the circumstances are that predisposed the bad choices.

Front-line workers have lots to say about problems, but they feel muzzled. I've got a letter here dated yesterday from a Dr. Perrier and other front-line care providers who've worked at Kootenay Boundary Regional Hospital. In here they say that staff who challenge the status quo risk professional suicide due to breaking the unwritten gag order.

I think the Minister of Health needs to be concerned about that. Any challenge to the status quo risks professional suicide? The minister knows that people feel

muzzled now, so will he agree to interview the front-line workers, will he stop blaming them, and will he agree to expand the inquiry into the crisis across Interior Health?

**Hon. G. Abbott:** As we have made very clear a number of times, the review of the Albo case was not aimed at laying blame. It was aimed at understanding what happened, why it happened, how it happened, and ensuring that it does not happen again. There has not been any laying of blame, and now the member cites the case of a doctor saying it would be professional suicide to speak out. The other day another member of the House cited a case of a nurse saying the same thing.

In light of that, it seems interesting that we are hearing all kinds of people raise complaints, when apparently it is professional suicide to do so. We do know this. The culture of care that exists in the Trail area needs to be improved. In fact, that is a point that was very much made by my deputy in her report. I believe it's an issue, as well, in the Interior Health report. What we intend to do is undertake some of the recommendations suggested so that we can build a more positive climate of team-building in the Kootenay area.

#### NEW CHIEF EXECUTIVE OFFICER FOR FRASER HEALTH AUTHORITY

**B. Ralston:** My question is for the Minister of Health. On February 22, 2005, the permanent CEO of the Fraser Health Authority was fired. It's over a year later. Can the minister confirm that he has yet to hire a new permanent CEO for this largest health region in the province?

**Hon. G. Abbott:** I'm happy to confirm to the member that Keith Anderson continues to act in an interim role as CEO at Fraser Health.

**Mr. Speaker:** The member for Surrey-Whalley has a supplemental.

**B. Ralston:** I'm hoping the minister wasn't answering that as the acting Health Minister instead of the permanent Health Minister. I'm not sure.

Obviously, the government likes to look to the private sector for analogies. But would the minister agree that by any acceptable business standard, waiting over a year to hire a CEO is unacceptable? And will the minister confirm that the failure to act to hire a new CEO is an indictment of his leadership as Minister of Health?

[1450]

**Hon. G. Abbott:** I think Keith Anderson has done a remarkable, outstanding job as the interim CEO at the Fraser Health Authority. I think he is warmly regarded by members on all sides of the House. Would I like the...?

Interjections.

**Mr. Speaker:** Members.  
Continue.

**Hon. G. Abbott:** Would I like the issue of a permanent CEO to be resolved more quickly than not? Yes. I'm glad, again, to advise the member that the board of the Fraser Health Authority is looking at this matter and will be bringing forward recommendations at an appropriate time.

#### URANIUM MINING IN B.C.

**C. Evans:** You know, Mr. Speaker, when the price of commodities goes up, that tends to drive increased exploration to find that commodity. In the part of the world where you and I live, and the member from Kootenay-Boundary, people are beginning, in increasing numbers, to explore for uranium. Those companies that are exploring for uranium need to raise capital. People are wondering, if they find uranium, whether they can actually mine it.

So to the Minister of Energy and Mines: to bring some comfort to those people that are thinking of investing in the uranium mining business, would this government actually license a uranium mine should the exploration prove successful?

**Hon. R. Neufeld:** Firstly, to my knowledge, there has been no application for a permit across the province of British Columbia to mine uranium. Secondly, our geology branch tells us that the possibilities of having uranium in the province are pretty slim. The member should know, or maybe he does know, that the federal government actually regulates that, not the provincial government.

**Mr. Speaker:** The member for Nelson-Creston has a supplemental.

**C. Evans:** You know, the way we speak here in the Legislature is a bit arcane to the people on the outside. In the interest of helping investors understand what the minister just said, I'm pretty sure....

Interjections.

**Mr. Speaker:** Members. Members.

**C. Evans:** Ah, let 'em rip. It doesn't matter.

**Mr. Speaker:** Member. Member, just wait.

**C. Evans:** What the minister said to potential investors is no. He isn't going to let them mine uranium in British Columbia even if they find it. I wonder if the minister would now commit, before he makes that statement public, to going across British Columbia — and especially the communities where the Speaker and I live, and the member from Kootenay-Boundary — and having a public consultation on whether or not the

exploration of uranium will ever be allowed to produce product above ground.

**Hon. R. Neufeld:** Well, interesting question — that an NDP member would be worried about an investor. That's a little hard for me to understand when they actually drove the investment in the mining industry all the way to South America in the ten years that they were there. There was no one left to invest in British Columbia.

But again, it's an interesting question and one that I'm sure the member had when he was in government through those ten years — who held no public meetings, who didn't listen to anyone, who didn't continue a moratorium, who didn't do anything, and just allowed it to stay. But the answer is plain and simple. The federal government actually has the responsibility for the mining of uranium in any jurisdiction in Canada.

#### RUN-OF-THE-RIVER APPLICATIONS IN SQUAMISH-LILLOOET REGIONAL DISTRICT

**S. Simpson:** My question is also to the Minister of Energy. He'll know that the Ledcor corporation last year made application for run of the river on the Ashlu Creek, and he'll also know that application was turned down by the Squamish-Lillooet regional district through refusal on a rezoning. Following that, the deputy minister, among others, put incredible pressure on that regional district — and we have that correspondence — to in fact get them to reverse that decision.

[1455]

At a meeting earlier this year they refused to reverse their position, but what they did say is that they asked the minister to participate in a comprehensive plan around run-of-the-river projects for all of the applications in the Squamish-Lillooet regional district. Will the minister commit today to partner with the Squamish-Lillooet regional district on a comprehensive plan for run of the river in that area?

**Hon. R. Neufeld:** My understanding is that Ledcor has reapplied for rezoning to the SLRD and is waiting for the SLRD to make a decision on the rezoning. We'll wait for that decision to come forward.

[End of question period.]

#### Orders of the Day

**Hon. M. de Jong:** I call, in Committee A, Committee of Supply. For the information of members, we'll be discussing the estimates of the Ministry of Finance, and in this chamber, continued debate on the throne speech.

#### Throne Speech Debate (continued)

**Hon. M. Coell:** It's an honour today, as Minister of Advanced Education, to rise and respond to the Speech

from the Throne and to say that advanced education, research and technology and all British Columbians will be the winners as a result of the changes our government has signalled.

The measures announced in the throne speech will go a long way towards determining the future of this province. Research, technology, health care, life sciences and our place in the knowledge-based economy will all take giant steps forward as a result. These advantages will build on our government's accomplishments in leading our province towards fulfilling its rich potential.

Since 2001 we've been working to put a foundation in place that will support our goals and dreams for the future. A huge component of that foundation is higher education. Making sure all British Columbians have access to advanced education is one of the most important things our government can do in this era of transformative change.

As our economy grows and develops, we need more skilled people to fill the record number of new jobs we are creating. Those skilled people earn more and thus contribute more tax revenues, which provide services like health care. Because better educated people are also healthier, they make fewer demands on our health care and other services, and they have a strong sense of social responsibility which they can channel into making a difference in their own lives and in the wider world.

Those are some of the reasons we have focused on opening the doors of advanced education to more British Columbians. We promised to create 25,000 student spaces by 2010, and we've already funded almost 11,000 of them. We've established university campuses in both Kelowna and Kamloops, and we've committed more than a billion dollars to improve and expand campuses across the province. We've also put hundreds of millions of dollars into research and technology to help build the kind of world-class research community our province wants and needs.

[1500]

Those of you who listened to the throne speech know we intend to do much more. The new global economy is ultimately driven not just by mastering what we have learned but by pursuing new knowledge. Our government has always been committed to investing in research and development and is supporting the wealth of research talent, ability and creativity in this province. We led the world in fighting SARS, and we continue to lead in genome research. Both are critical tools in the effort to prepare for the next global influenza pandemic.

[S. Hawkins in the chair.]

Genome B.C. is producing groundbreaking discoveries in areas as diverse as agriculture, resource, health and the environment. Far from the brain drain Canada has suffered in the past, we are enjoying a brain gain as more and more scientists are attracted to the renewed vitality of British Columbia's research climate. We are

building on that momentum by making new research investments in everything from life sciences to natural resources.

In the months ahead we will announce a major commitment to Genome B.C., which has already received \$64 million from the province. Another funding announcement will accelerate the spinal cord research done by the Rick Hansen Man in Motion Foundation. We also work with the B.C. and Yukon Division of the Canadian Cancer Society to establish a research chair in primary prevention of cancer. We will also collaborate with the Pacific Alzheimer Research Foundation to help establish a national collaborative that will increase the efforts across Canada to find a cure for this destructive and heartbreaking disease. We are committed to finding the cause and the ways to prevent and treat not only dementia but also cancer and other illnesses.

In the technology field a B.C. Hub network will bring together business and research to promote innovation based on our province's technical strengths. The end result will be a faster rate of commercialization and more globally competitive industries. As well, this year we will create a natural resources and applied sciences research endowment. Its purpose will be to support advanced training, research and development; technology transfer and commercialization in natural resources; engineering and applied sciences.

Our goal is to keep our resource sector competitive and sustainable. At the same time, we want to strengthen our high-tech industries, encourage new sectors, fuel economic growth and create jobs. We'll be working with industry, other levels of government and people in the various regions of the province to ensure the success of this new foundation. These new investments will complement our other research commitments, like the leading-edge endowment fund and the British Columbia knowledge development fund. LEEF is helping our post-secondary institutions attract and retain world-class researchers.

Twenty British Columbia leadership chairs and nine regional innovation chairs support innovation in health care, environmental stewardship, technology and other public services. Our B.C. knowledge development fund is available to post-secondary institutions, teaching hospitals and affiliated non-profit agencies when they need research equipment or facilities. It could be about \$30,000 for a workstation in the Okanagan to study watershed management, or it could be \$30 million to develop NEPTUNE, the world's largest cable-length sea floor observatory off North America's west coast.

Since we assumed office, grants from the B.C. knowledge development fund, plus other funding, has helped leverage \$600 million from other sources throughout the country. We have also enhanced and expanded BCNET, British Columbia's advanced network of research and education. BCNET is vital to projects like NEPTUNE and Grid West.

Working together as governments, businesses, post-secondary institutions and students, we can create an environment that nurtures and supports our grow-

ing research community, and every British Columbian will benefit in the long run. As we ramp up our support for research, we continue towards making British Columbia the most highly educated and literate place in North America.

[1505]

Today we live in a brave new world with abundant opportunities. Our knowledge-based economy requires highly educated and motivated people who understand that what you earn depends on what you learn. Creating that workforce requires more access to post-secondary education, which we are providing through the largest strategic expansion of our public system in 40 years. We are almost halfway into our plan to add 25,000 new student spaces to our public system. Some of those spaces are for educating more nurses and doctors. In fact, we're leading the nation in the creation of new nurse and physician training.

When we took office in 2001, UBC's school of medicine was well regarded, but it was also very small, considering our population. It offered 120 first-year training spaces for student doctors — unchanged over the previous 20 years. In the same 20 years, however, B.C.'s population had increased by 50 percent. Not only that, the average age was rising and still is. In fact, as a population ages, the demand for health care grows exponentially.

We looked at the numbers, and we took action. We announced that we would nearly double the number of student spaces for doctors at UBC's medical school and would provide part of their education at the University of Victoria and the University of Northern B.C. in Prince George.

You ask why. Because we know that many doctors set up their practices close to where they've been trained, and we want our new doctors spread around the province, especially in unserved areas. So we did something brand-new in Canada — something being watched closely by other medical schools around the world: we built new facilities at all three universities. Then we linked them with high-tech video conferencing so students could all attend the same lectures, interact with each other and their professors all at the same time.

The first two classes of students in the northern and Island medical programs are already studying in Prince George and in Victoria. By 2009 the graduating class will be nearly doubled, and the number of doctors educated in B.C. in 2001.... But we're not stopping there. Our intention is to add still more seats to those three medical programs so that we'll have doubled the number of doctors graduating in B.C.

I'd also like to call your attention to other medical professionals that we're educating who can help us with our goal of leading North America in healthy living. We've created B.C.'s first programs to educate midwives and nurse practitioners, who are now playing important roles in our health care system. We are now training hundreds of more nurses every year. To date our government has increased the number of nursing seats by more than 60 percent, and that's just one example of how our seat expansion is unfolding.

It is also targeted towards fulfilling the skill shortages anticipated as baby-boomers leave the workforce. Our plan was built on a balanced approach to train more people with the skill sets we need to keep our province firing on all cylinders. But the demand for skilled workers in energy, construction and in the related trades of forestry, mining, agriculture, engineering and technology goes well beyond B.C.'s borders. We will work with the other provinces and the federal government on a national plan for skills development, because there is no room for parochialism in approaching this nationwide challenge.

At home our industrial training authority will expand its programs in trades and training of apprenticeships. New initiatives will be launched to encourage employers to renew their efforts and investments in skills training.

Our government is also moving to capitalize on our province's emerging strengths such as digital media. B.C. has the largest digital media cluster in Canada, with over 800 companies. Our province is the third-largest film and TV production centre in North America. Vancouver is the largest game development centre in the world. That's why we will provide funding to create a leading-edge digital media centre at the Great Northern Way campus in Vancouver.

UBC, SFU, BCIT, the Emily Carr Institute of Art and Design and the private sector will all collaborate to create this graduate program, which will be unlike any other in Canada. It will solidify our global reputation as a leader in digital media and will stimulate further opportunities for growth in digital entertainment.

[1510]

British Columbia has also been leading by opening new universities to reinvigorate our post-secondary system. Last year Thompson Rivers University in Kamloops and UBC Okanagan in Kelowna expanded choices for students in the province's interior. Now we're looking forward to the opening of a private, not-for-profit World Trade University in Chilliwack.

The World Trade University was launched as a United Nations global education partnership and will offer graduate programs in trade-related fields and development programs for working international executives. It will help to build the government's new Asia-Pacific gateway strategy, which will open up every part of our province to new opportunities.

B.C. has enormous potential as the world's crucial crossroad to Asia-Pacific commerce. Partly that's due to the happy circumstances of our geography. We must capitalize on the circumstances by understanding the cultures, speaking the languages and meeting the needs of the Pacific Rim. New Pacific studies programs will be developed and offered at key post-secondary institutions across British Columbia. Training will be expanded in Mandarin, Japanese, Punjabi and Korean, and incentives will be developed for students to take these courses and complete them successfully.

We must also continue to improve access to public post-secondary education through BCcampus and our world-class transfer system. BCcampus is a web-based



gateway to open learning — to on-line learning that offers one-stop access to on-line courses, programs and services to every post-secondary institution in the province. It brings higher education to towns and villages that are far from the nearest college or university. It is also tailor-made for people who want to fit their education around their families and their jobs, and it is clearly meeting those needs.

The number of enrolments through BCcampus is almost five times what it was three years ago, topping 12,000 today. It's a collaborative venture that builds on the existing on-line offerings, and the new cyberschool concept announced in the throne speech for the K-to-12 education system will build on this success. Through BCcampus, students apply for admission at just one institution, and then they are able to take on-line courses and have library access at any other institution offering the program in the public system. As a result, students in areas with small populations have access to the greater choices of programming offered in the larger centres. Students facing full courses in urban centres are often able to enrol in courses offered at institutions where seats are available.

One of the reasons for the success of BCcampus is our internationally recognized transfer system. It allows students to combine credits earned at different public post-secondary institutions and to transfer from one to another to complete their credentials. A student living in an area served by a community college can take the first two years of a degree program close to home, where the tuition and living costs are less expensive. Then he or she can transfer to a university, a university college, a provincial institute or sometimes even another college where courses are available to complete a degree.

This year we intend to improve our transfer system even further by allowing new transferability of credits for students attending accredited private post-secondary institutions. By leading the way with a highly evolved transfer system, we've put a huge range of educational options at the grasp of every post-secondary student in this province.

For exceptional students who are taking advantage of the transfer system to finish their degrees, we've created a new \$15 million scholarship program. Applications are being accepted for the Irving K. Barber B.C. Scholarship, which provides \$5,000 for up to 150 students each year who must move within the post-secondary system to get their bachelor's degrees. We've also tripled the value of the Premier's Excellence Awards, which go to the top high school graduates in each of our 15 college regions who are staying in B.C. for their post-secondary education.

This year we will follow through on our commitment to help post-secondary students pursue their studies in other countries through a One World scholarship. We'll announce details of this exciting opportunity in the coming months.

[1515]

Meanwhile, we've taken action to keep higher education affordable for all students, because affordability

is a large piece of accessibility. Last year, after tuition in B.C. reached the national average, we limited further increases to the rate of inflation. The majority of students graduating from post-secondary programs in B.C. report: "Finished with no debt." For those who need to borrow, we offer a comprehensive, flexible student assistance program so that every student can choose to invest in their future.

We also have a loan reduction program to help students most in need to keep their debts down. Last year nearly 25,000 students benefited from this program and had more than \$65 million in B.C. student loans forgiven.

We want all British Columbians to be able to participate in the transformative growth and prosperity of this province. We are encouraging people who haven't traditionally made up much of the skilled force to consider going boldly where few have gone before.

That includes aboriginal students. We're encouraging that — that more are going on to higher education — in part because the number of aboriginal students who finish grade 12 is up 6 percent since 2001, but we still have a lot of work to do at education levels. For instance, most of our post-secondary institutions are in urban areas, while aboriginal people make up a large proportion of B.C.'s rural areas. So we are bringing education to rural and remote communities through BCcampus, regional college campuses and courses delivered right to the door of aboriginal communities.

We're also working to increase the number of aboriginal faculty and staff at post-secondary institutions. That way we'll improve understanding of the cultural differences in learning styles and needs and give aboriginal students more role models. We've established the ministers advisory council on post-secondary education, which includes aboriginal representation. We have also been discussing aboriginal post-secondary education issues with our institutions, which are looking for ways to develop accountable measures for aboriginal student participation and success.

We've signed an agreement with the federal government and aboriginal groups to demonstrate our intention to improve levels of participation and success in advanced education and training in British Columbia. We've increased funding for special projects that help our institutions promote culturally sensitive educational programs and support activities of aboriginal learners. We've reviewed the aboriginal programs, services and strategies in our post-secondary system, identifying innovative practices in this province.

Choice for everyone is one of our government's most basic tenets as we expand our post-secondary education system. Private post-secondary institutions, which have offered excellent programs in this province for the last hundred years, are part of providing that choice. Because private institutions operate at no cost to government, they allow us to maintain funding levels for the public post-secondary system. We expect them to offer quality comparable with the public counterparts in degree-level education.

Our Degree Authorization Act extends degree-granting privileges to private and out-of-province public institutions, but only after they undergo a thorough and rigorous review by the Degree Quality Assessment Board. Under this government, British Columbia became the first province in Canada to have an independent board review new degree programs for both public and private institutions. New degrees must meet established criteria for standards before they are given the green light. To date more than 70 new degrees from B.C. public and private and out-of-province institutions have been approved, giving students 70 more educational choices in this province.

Changes in legislation have also allowed public colleges to grant applied bachelor's degrees and university colleges and institutes to grant applied master's degrees. This contributes to the dynamic education system that ensures that new degrees meet the emerging needs in our society and our workplaces. We are proud to be the Canadian leader in applying common quality assessment standards for degree programs at public and private institutions that will give our students greater access to quality education.

[1520]

We are proud to be working with the private training institutions to ensure that students preparing for careers have excellent consumer protection as well as the option of choosing accredited schools for quality assurance. Private institutions offering career training programs must register with the Private Career Training Institutions Agency, which administers a student training completion fund. That fund provides consumer protection by offering students 100-percent compensation for their unearned tuition fees should the school unexpectedly close.

Registered training institutions also have the option of undergoing accreditation. This assures students choosing those schools that they have the facilities needed for the programs offered and instructors with the right blend of education and expertise.

Our goals as government are to enhance both public and private post-secondary education and training systems and to make sure that no unnecessary barriers stand in the way of any student in this province or in any way the future prosperity of this province as a whole.

One of the barriers we're very serious about eliminating is low literacy levels that prevent some British Columbians from doing essential tasks of daily living. Most of us take for granted that we can fill out a job application, balance our chequebook, read instructions on a medical label and understand our children's report cards, but for some, these tasks are difficult or even impossible.

The Ministry of Advanced Education has doubled the funding for adult literacy programs around the province. We're building on the adult literacy strategy to complement the many other literacy initiatives moving forward under the Ministry of Education. B.C. will host a pan-Canadian forum on adult literacy in June of this year — sponsored by the Council of Ministers of Education in Canada.

I also welcome the work being done by the Select Standing Committee on Education focusing specifically on the challenge of adult literacy. We have a top-notch post-secondary education system in this province, and that is the foundation for our success. We also have a strong, vibrant research community that's about to become even stronger as a result of the announcements you can expect over the next few months. Both are critical drivers of the transformative change needed to achieve the Premier's great goals in this province.

We're investing in new seats, new facilities, new approaches to make our system even better, and we're already seeing the results. Our researchers are opening doors to discoveries that will improve the quality of our lives in ways we can hardly imagine. More British Columbians are getting the education they need to fulfil their hopes and dreams. We can be sure that those hopes and dreams will translate into benefits for everyone in our province and for the people well beyond our borders.

**S. Hammell:** As many have said before me, it is a great honour to stand in this House and respond to the throne speech on behalf of my constituents.

First, though, I will digress because I'd like to talk a little about my constituency of Surrey-Green Timbers and my city of Surrey. We have all experienced three elections in the past year, but in Surrey there have been significant changes, even though much has stayed the same. When the longest federal election was finally over — and if it wasn't the longest election, it certainly felt like it — the political landscape had changed. Surrey was unique in its response to the issues of the campaign. We elected a New Democrat, a Liberal and two Conservatives. We were a microcosm of the nation.

In my part of the city we elected Penny Priddy — a good friend, a former member of this House, a former school trustee and a former city councillor. She is now the Health critic of the NDP caucus and, as a former Health Minister, an excellent fit. She certainly has the experience to handle the tough politics of the capital city, and she will represent her community well.

We also elected Sukh Dhaliwal, a South Asian and Member of Parliament in the Surrey riding of Newton-North Delta, just south of my constituency. Sukh ran in the previous election and came a close second to Gurmant Grewal. This time he was successful, and with the experience he has gained in his community, I know he will also serve his constituents well. These are our two newcomers.

[1525]

We also returned two incumbents, both Conservatives. Nina Grewal and Russ Hiebert were in the last parliament. Although they have not been chosen for cabinet, they were returned with significant majorities and have the strong support of their communities. They will learn the role of the backbencher in a government which has, as many of us know, its rewards and its challenges.

Surrey added the only new Liberal seat to parliament, added to the ranks of the New Democrats and

returned two Conservatives — a microcosm of the national results, with no clear winner but something for everyone.

Much has changed, but again, much has stayed the same. We still have a minority government, even though it is a different government. We still need a national government to have significant support across the land, and Quebec still plays a vital role in creating a national voice. This irony cannot be overlooked as we face a future of another Quebec referendum. We wish the new Conservative government well as it faces the challenges of governing our country in the next few years.

We also had changes after the municipal elections this fall. We have a new mayor. Dianne Watts is the first female to be elected to the position of mayor in the city of Surrey's history. While we wish the retiring mayor, Doug McCallum, well, we have now turned our attention to the new face of Surrey and wonder whether that means a kinder, gentler Surrey council.

Of the eight council members and mayor, six of them are women. Mary Martin and Linda Hepner join the incumbents Judy Villeneuve, Judy Higginbotham and Barbara Steele. Surrey has a history of electing women — Rita Johnston was the only woman Premier of British Columbia, and she was from Surrey-Newton — but I do not think we've had a council with a concentration of as many women as this before.

The face of council changed in another way. We elected our first South Asian councillor, Tom Gill. Many members of the South Asian community have run before, and others ran this time, but only Tom was successful. I know the expectations of him are high, and we are all pleased with his breakthrough. So things have changed on Surrey council, but they have also stayed the same. The majority of members on council still belong to the same team. Only the mayor and two others come from a different place. This will make it interesting for the next three years.

The other election worth mentioning is the provincial election. Again, there were significant changes, but much has remained the same. In the previous election the governing party won 77 out of 79 seats. A bit of a rout, one might conclude, and as a participant, I certainly did. However, four years later the voters of the province rectified that imbalance. The results of the last provincial election in percentages were 41 to 45 percent — not another rout. In fact, a very close election — closer than what was expected by most, I believe. Although the government was returned, the majority was seriously diminished — the same Premier and many same cabinet ministers, but a strong and robust opposition. I believe the voters of this province are generally pleased with the results.

That brings me to another point. Every day that I come to this House, I am amazed. Who would, in their wildest imagination, consciously design our distinct and unique form of government? It is archaic, tradition-bound and adversarial and, I believe, challenging to any member who has ever taken a seat in this chamber. When people ask me about being elected

to this marvellous place, I tell them it is challenging emotionally, physically, intellectually and socially. An incredible character test, this place is.

The voters choose us to come to this place to speak on their behalf and to speak of the things that they feel are important. It is a challenge for any of us to represent our voters, as none of us — not one — represents a community with a monolithic point of view.

[1530]

There is a wide variety of thought within any party, let alone any community. But the mistake we often make in this adversarial place is to view with contempt another point of view and to treat disparagingly the person expressing that point of view. My viewpoints have legitimacy because the voters of my constituency have given them life, as does the point of view opposing my positions by other members elected here.

We all have a right to express our points of view vigorously, and in fact, we must. But we must expect to be challenged with equal vigour. I understand that the strategy of the government is to paint the opposition as black as it can and to hark back to other points in time to draw on examples. The responsibility of the opposition is to do likewise. So with your permission, I will indulge myself.

The government has been in power almost five years, and the government is responsible for the decisions it has made or not made during those years. The government is, in the end, responsible for its own behaviour, and blaming out won't work forever.

Let me describe some of the decisions that have resulted in me, again, representing the constituency of Surrey-Green Timbers. I can say unequivocally that the majority of my constituents believe a deal is a deal; with the power of government you do not tear up contracts, take money out of working people's pockets or, worse, contract out their work at significantly less today than what they were making yesterday. The voters in my community have given me the voice to say that this is not how you treat the working people of this province. In fact, it's not how you treat anyone in this province, be it the president of a corporation or an operating engineer working in a hospital.

This government has money for the people who have chosen to work in the public sector, although there is no reference to this in the throne speech. There are negotiations underway. My constituents do not expect the government to behave as poorly as it did in the past years but to negotiate in good faith and respectfully.

In the throne speech there is no reference to relief from high tuition fees for post-secondary students. The fees have doubled at B.C.'s colleges and universities. For the average student at UBC the increase is \$10,000 more to complete a degree than it was four and a half years ago. There are new fees for apprenticeships, for apprentices and for adults completing their high school education.

I live in and represent a community populated with working people who want the best for their families. They want their children, if they are able, to receive a

post-secondary education, be it in the trades, in technology or in the professions. Many of the families in my community have chosen to live in Canada, and they believe passionately that their children's futures lie in having a good education. They have sacrificed to make a better life for their children and have often taken entry-level jobs themselves to provide for their families. The doubling of the tuition fees has made the dream of an education for their children more difficult, if not impossible. We as a community should be making a post-secondary education as affordable as possible and including everyone in the opportunities of a good education. I know this point of view is supported by my community, and it is a point of view they want expressed in this House.

There are a lot of references in the throne speech to the transformational changes that have been taking place over the past years. There have been changes. I want to express my community's concerns about the health care system and, in particular, Surrey Memorial Hospital, which happens to be in my constituency.

[1535]

Having been on the government benches for a decade and holding this file, I understand intimately the challenges we as a government face providing health care to our growing population and aging citizenry. But again, blaming out or blaming others is not a credible strategy or a valid defence for the consequences of actions or inactions of this government.

The problem in the South Fraser region is clear: 600 long-term care beds were closed, along with 450 acute care beds, in a region facing both population growth and aging — as a matter of fact, one with the highest growth of population and aging in the entire province. This is what the Fraser region faces. Planning, building and redesigning of health services were all put on the back burner by the government in late 2001, while the focus turned to meeting budget targets at the cost of frail seniors languishing in acute care beds, cancelled surgeries, and long waits in the emergency department.

I have heard a member from the government benches say that nothing was done in the ten years of the NDP government and that all the problems at Surrey Memorial were the previous government's. Well, I can tell the member, as I assume he has forgotten, that during the time of the previous government we saw a new south tower built and opened at Surrey Memorial that included a state-of-the-art operating theatre, expanded surgical services such as thoracic surgery, a new children's health centre, a new state-of-the-art single-room maternity unit, a new adolescent psychiatric unit, a new special care nursery, a new central processing department and underground parking. The government funding included both capital costs and additional operating dollars to support the new and expanded programs.

We saw the opening of the cancer clinic. We saw increased services for seniors, with additional funding for long-term care beds, increased funding for community mental health services, the first MRI for Surrey Memorial Hospital and expanded renal dialysis services — just to name a few.

In September 2000 a document was produced by the then South Fraser health region that looked into the next decade to determine what health services would be required to meet the needs of a rapidly growing and aging population. Progress was being made with the opening of the new south tower, as I had previously mentioned. In addition, other short-term and medium-term priorities were identified, such as an emergency department expansion at Delta Hospital and the relocation of the emergency at Surrey Memorial. There was a clear indication that additional acute care bed capacity would be required in all four hospitals in the South Fraser region.

Yes, this was in 2000, and here we are in 2006 with the government finally waking up and recognizing those needs. We are waiting for another study on acute care beds in the region, and I can provide you the answer. There are just not enough. The South Fraser program and service plan developed in 2000, *Building a Healthy Future*, identified a campus-of-care model that could be considered, encompassing a range of ambulatory and day programs and a range of residential care — including restorative care — and supportive housing elements, potentially involving a variety of partners. Yes, back in 2000 under the watch of the previous government, this document was produced, widely distributed and supported.

Little if any planning, building or redesigning took place from 2001 until the eve of 2005, when the Premier woke up and asked Fraser Health to fast-track plans to meet the immediate and future care requirements. Unless one was to consider bed closures as part of the redesign efforts, we've had nothing. We certainly have had a transformation of our health care services, but it certainly hasn't been a positive transformation.

[1540]

What did happen? What has our transformed world looked like over the past four and a half years? Hospital bed closures — more than 450, including the closure of St. Mary's Hospital; services for seniors slashed, including the closure of 600 long-term care beds; and shelving the plans, building and redesigning for the future. In our region: a system in chaos reacting to crisis. That is what we have seen in our transformation.

All of this is happening in a region with the largest population, a region that stretches from Burnaby to Boston Bar. It's the fastest-growing region in the province, with 50 percent of every new person to B.C. settling in the Fraser Health region — a health region where you would have had to run to keep up with the population growth. A disaster was in the making when the government decided to contract the system in a region that needed capacity added. It was inevitable that the crisis would occur. To see the government react only during the run-up to an election was tragic.

The constituents of Surrey-Green Timbers want a health care system that is there for them when they need it, and they have sent me here to say so. The current capacity is as follows. Surrey has 412 acute care beds, according to the Surrey capacity initiative report — 50 acute care beds less than what is needed to meet

existing demands. Of those 412 beds, at least 20 percent are occupied by long-term care patients or residential care patients or complex care patients. All those terms describe a patient that needs 24-hour care. So let me repeat: approximately 20 percent, or 80, of the acute care beds in Surrey Memorial Hospital are occupied inappropriately by long-term care patients.

How can that be? The genesis can be traced back to the government not fulfilling the commitment to the citizens of this province to build 5,000 long-term care beds and to force Fraser Health Authority to close acute care beds and long-term care beds to meet government budgets.

Let's look at the interconnected consequences. In the Fraser region, 600 long-term care beds were closed in 2001. Now, I know the position of the government is to blame out across the election years and to say it was the previous government's fault: "They made us do it." Can it be considered responsible and accountable to close beds without having alternative facilities available to meet the needs of our frail seniors population? We can look across our vast country for examples in Newfoundland, where there are many, many examples of aging facilities where excellent care is provided to frail seniors, despite the fact the facilities are old and may not have washrooms in every room.

No accountable and caring government would close facilities without assuring that other alternatives were available. It simply doesn't make sense. The government is responsible to ensure that the needs of frail seniors are met, and that is the bottom line. It is obvious these cuts were the consequences of actions taken to meet budget targets. To suggest these cuts were made to improve services is beyond comprehension when you consider the fact that the frail seniors are denied access to appropriate care.

Let me quote from a document from the Fraser Health Authority:

South Fraser is far below provincial targets for access to and use of residential and home care services. Patients often remain in hospital beds when a different type of care would better meet their needs. About 400, or 20 percent, of Fraser Health's hospital beds are used for people who require an alternate level of care. This is not only an expensive way to provide care, but these patients often do not receive the right kind of care for these needs, which may include services such as rehabilitation or palliative care.

[1545]

This is a document written and produced by the Fraser Health Authority. In the largest health region, a health region that encompasses one-third of the population of the province, in the fastest-growing health region.... It's a health region that receives 50 percent of every new person to B.C. It's a region that has a hospital, Surrey Memorial, which has the busiest ER in the province, with 65,000 visits per year — more than VGH and St. Paul's combined. It's a hospital that handles 134,000 out-patient clinic visits each year and provides 94,000 out-patient diagnostic procedures. You could not reduce the capacity of this region and not precipitate a crisis.

What was the government thinking when they closed 450 acute care beds, imploded an entire hospital, closed long-term care beds and cut community care support, leaving many seniors chronically and mentally ill with little or no care in their homes? What the health authorities are committed to, so they say, is building a high-quality, patient-centred and sustainable health care system — one that is equitable, effective and efficient, governed by strong leaders and accountable.

It has been a year since the CEO of Fraser health region was fired by this government, and there has been no permanent replacement — hardly the execution of strong leadership. What has the government's response been? Once the crisis reached the potential to derail the upcoming election, the Premier ordered in May 2005 a report to fast-track plans to meet Surrey's immediate and future health services requirements — another report. Yet we had a report from 2000-2001 that was not acted on.

What was the government thinking? It defies logic. We are still short acute care beds to meet the needs of the population served by Surrey Memorial Hospital. The new minor treatment centre has relieved much of the pressure on the ER but does nothing to solve the problem of the acute care capacity, which is at the heart of the matter.

We still do not have enough beds to meet the needs of our population; thus, we see surgeries cancelled, the continuation of congestion in the ER and long-term care patients in scarce acute care beds. There is simply not enough acute care capacity to accommodate the needs of the rapidly growing population experienced in Fraser Health.

To date we have a plan to plan on the acute care side, while Surrey Memorial remains congested, with pressure points in critical care, acute care, renal care and ambulatory care. We see little, if any, immediate relief in sight. We know we have 412 acute care beds in Surrey hospital, we know that we are short 50 beds to meet current requirements, and we know that we have over 80 beds occupied by long-term care patients. Is there any wonder the hospital is forced to operate in crisis management mode on a daily basis?

[1550]

According to the plan, which needs further planning for final decisions — the plan most recently put forward by the government — construction on a new ER will not commence until 2008, with completion in 2010. Construction on a new ambulatory care facility will not commence until 2007, with completion in 2009. The new minor treatment centre is very welcome, but it does little to relieve the pressure in acute care, medical care or the long-term care system. The solution and construction need to be genuinely fast-tracked. The time lines need to be contracted and shortened, and a clear understanding that the crisis this government has precipitated has not gone away because it 's no longer in the headlines....

It has been proven in various jurisdictions throughout the world that a public health care system can re-

spond to the needs of the population if the government demands efficiency and effectiveness in the delivery of the system. If a government does not manage the system effectively and chooses to contract the system when additional capacity is needed, opportunities are created by the government to justify the privatization of health care. I did not hear the government, in the election, promote a private health care system, yet in this chamber, members opposite have repeatedly referred to a private system.

Throughout the debate on this throne speech we see clear differences in the points of view of the government and the opposition when it comes to the issue of private versus public health care. So be it. We on this side will argue vociferously that the health care of our citizens is a place where the government can create a level playing field and where we can all contribute to the care of each other, where no one's life is threatened because they do not have sufficient funds for appropriate medical care and a person will not be reassigned to the front of the line because they can pay extra.

I would just like to highlight a comment made by the manager of the Surrey Memorial Hospital emergency. She commented that often there will be a couple of homeless people sleeping in the ER — yes, in the ER — because this is a safe, warm place. Is it any wonder that the Premier's Task Force on Homelessness has identified Surrey as one of the seven communities with out-of-control homelessness issues?

Shelters are not a home or a cure for the homeless, just a slightly better temporary place. Actually, many homeless people prefer to sleep outside, as there is less theft, violence and exposure to drugs, so is there any wonder that they seek refuge in the ER at Surrey Memorial?

The throne speech does acknowledge the growing problems of homelessness that lead to despair, which leads to addiction, which too often leads to crime. We all agree there needs to be something done. There has been \$8 million attached to this problem, and my worry is that this is insufficient because of the great need in this area.

In closing, the life expectancy in Canada is significantly longer than in the United States. In British Columbia we have had one of the best health care outcomes for a decade.

**M. Sather:** It's my pleasure to respond to the throne speech. One of the things I would like to comment on is one of the great goals this government has set for themselves, and that is to lead the world in sustainable environmental management.

That is, I agree, a very noble goal, a worthy goal, and it's one I subscribe to strongly. Having an environmental and conservation background myself, I fully appreciate the value and the need for us to conserve the environmental values and environmental assets we have in this province. Mentioned in the throne speech was the issue of the Great Bear rain forest and the fact that an agreement has been reached with regard to that exceedingly important ecosystem on our central coast.

[1555]

We know there are some outstanding issues with regard to implementation of that agreement, but I want to congratulate the government as well as the previous government, who got the initiative started. I want to congratulate them for the work they did in preserving the Great Bear rain forest.

I have to mention, though, with regard to the spirit bear, or the kermode bear, that there is a phylogenetic inconsistency with regard to the naming of that noble beast as the provincial animal. The reason for that is we already have a provincial animal, that being the Steller's jay. That aside, nevertheless it certainly is — correctly speaking, biologically, it would be the provincial mammal — a very worthy animal to be named to that lofty goal. It's one that I haven't seen but have a beautiful picture of in my office, as a friend of mine was up there and did get a good picture of one.

Speaking of sustainable environmental management, there was no mention in the throne speech about B.C. parks. I don't think we can possibly talk about sustainable environmental management without reference to the fabulous system that this province has set aside in our B.C. parks. Why have we done that? Why have we set aside these lands as parks? Quite simply, the reason there has been a need to do that is because of the burgeoning human population that we have throughout this world and the footprint that that population has upon the landscape.

Although British Columbia has a small population relative to the world at large, our footprint is large. If you go into the back country throughout this province, you will see that we do have a large footprint and that there is a great deal of industrial development taking place. All of this has a tremendous effect on nature. It has a tremendous effect on the natural assets of this province with regard to wildlife, plants and the like.

My concern is that we are not protecting this heritage, that this government is not acting in a way that will preserve our B.C. parks system. We do need these parks in a major way. Many of the species of wildlife depend on our park system as the last refuge. If you look at the mountain caribou, for example, that we have discussed, wildlife doesn't conform absolutely to park boundaries, by any means.

Although a lot of work was done in the 1990s to set aside parks and protected areas, not all of that is necessarily enough to preserve and protect our natural heritage and our wildlife in particular. But we do need the parks desperately to be that refuge for animals, that refuge for species diversity, for ecosystem diversity. It has to be there. That is the outstanding and overriding reason why we have B.C. parks.

[1600]

Of course, there's a secondary, very important reason for parks as well, and that is for the enjoyment of nature by us human beings. We go to parks to enjoy nature in its natural state, for lack of another term. We go there to recreate and to get away from the busyness of our lives; from the crowding that we have, one beside each other, and from the man-made apparatuses

that we are surrounded by. In order to go there and recreate, by and large, the people of this province have said that they want to see our parks remain in their natural state as much as possible. So far — with some exceptions, I think, but not many — over the years we've done a good job of that. B.C. parks certainly are the pride of British Columbia, and we must do everything we can to maintain them.

What I am most concerned about at this particular time is a policy that's being developed by this government that started back some number of years ago — we understand, through FOI requests and through a leaked document about a year ago. That's a policy on park resort or park lodge development.

The whole idea of commercial development in parks is the absolute antithesis of why we have parks in the first place. I'm sure that the Minister of Environment... Both the Minister of Environment and I have previously been employees of B.C. Parks. I know that he would have wandered those wild places as I have done. I can't imagine why the Minister of Environment would want to see us lose or diminish the very values that make our parks so great.

I'm hoping that in caucus and in cabinet the minister is speaking up for B.C. parks, that he's speaking up for the real reason we have B.C. parks — not for the reason that's being espoused with this park resort policy. Clearly, this policy is about one thing and one thing only, when you break it down to its essential features. It's about taking a public resource, our beloved B.C. parks, and handing it over to the private sector.

Madam Speaker, that is just not acceptable. The people of this province won't accept it. I hope that this government will reconsider this strategy. I hope that they will come to their senses, quite frankly, and think better of it.

There have been some statements with regard to our B.C. parks that I find quite troubling. One of them goes back to four years or so ago — I think it was about 2002 — when a former Minister of Water, Land and Air Protection called B.C. parks a goldmine that could be extracting more money from users.

That is not what B.C. parks are about. They're not a goldmine to be extracting more money from users. They're a natural resource that we need to protect for the future of this province and for all British Columbians and, also, for wildlife and the plants that depend on those sanctuaries. We simply cannot have commercial and private interests overriding the greater good that B.C. parks provide to all citizens of British Columbia.

There are some equally disturbing reasons that this government has given for pursuing this policy. When questioned the other day in this House, the Minister of Environment made it pretty clear that they are, indeed, pursuing the park lodge-park resort strategy, putting in resorts of up to 100 beds in our parks.

[S. Hammell in the chair.]

It is of great concern that they are doing this, and some of the reasons that they are using to justify it. It is said, for example, that it's about access.

[1605]

They said: "The reason we're doing this is about access. We want more people to be able to go into our parks and enjoy our parks." That simply does not bear scrutiny. If this government was really interested in more people accessing our B.C. parks, they would never have put the parking tax in that they put in. That tax is a direct disincentive for people to visit our parks and to use our parks. Statistics show that in fact, it has driven down visitation in this park by some 26 percent in recent years. If the government is interested in increasing visitation to our B.C. parks — and I think it's a good goal to increase visitation — the first thing they should do is remove that parking tax. It's not really a parking tax; it's a park entrance tax.

The idea that a resort in itself is going to make it more accessible is not very believable. I mean, these resorts are not going to be available to many of our people on fixed incomes or to many seniors who won't have the financial resources to be there.

No, the whole reason for this policy is a business decision — a decision to mine the parks for money. It amounts to turning over the management, in fact, of our parks to the private sector.

I was shocked when I made an application, an inquiry, to our local park, Golden Ears Park, about use of that park. I wanted to know if a party that I had in mind could visit that park and if there were any restrictions or requirements around that. So I did what I thought would be the normal thing to do. I phoned — knowing, by the way, that there was no longer any manager in Golden Ears Park — the park's office in North Vancouver. I was astounded to discover that no, my inquiry should not be forwarded to the management — or what I have always thought was continuing to be the management of our parks. My request was forwarded to the park facility operator.

Even the management of our parks is being eroded, is being turned over to the private sector. There is no reason. There is no way that private interests should be determining who and who cannot use our parks and under what circumstances they can use them.

The government, as we understand it from the documents that have been released, has an active taxpayer-funded and -supported strategy to market "opportunities," as they call it, around the world — in Japan, other areas — for commercial interests to move in and bring in these resorts to our parks. We know that should this happen, God forbid, then there will be leases that these operators will have on our parks. How long will these leases be? If the history of this government in other areas is any guide, we can expect them to be long — 99 years, 990 years. Who knows?

They de facto become ownership. Then the motivation is there for further development — maybe a McDonald's down the road. Who knows? It's completely at odds with the legacy and the heritage of B.C. Parks.

[1610]

We know that increasing visitation by a large extent to any park is not good for wildlife. One needs to only look at what's happening in some of the Rocky Moun-

tain parks. Banff Park, for example, is threatened. The wildlife there are threatened. The grizzly are threatened. The wolves are threatened by human use. This is not what we want to see in our parks — not at all. As I said, I can only hope that the government will reconsider this ill-fated decision to increase commercialization of our parks.

The government uses a rationale, the access question, and they also talk about: "Oh, the parks aren't making enough money, so we've got to boost economic production of our parks." This doesn't bear scrutiny either. A study this government did in 2001 or 2002 by the Ministry of Water, Land and Air Protection on the economic benefits of parks and protected areas in British Columbia — and by the way, you won't find this any longer on the B.C. Parks website, surprise, surprise — showed that for every dollar invested in our B.C. parks by government, \$10 is returned in terms of economic benefits to surrounding communities — a 10-to-1 factor. It's not the case that our parks are not doing their part for the economy.

They're doing that despite some severe cutbacks — some of which, I acknowledge, began in the late '90s. But they have become much, much worse since this government has been elected. It's difficult to find a public servant in our B.C. parks anymore. The maintenance of trails in Golden Ears Park has gone down badly. The government abandoned natural history services in our parks. That was a big attraction for people to come. The mismanagement of the parks has been profound and disturbing, and this park lodge policy will make things worse.

Finally, Madam Speaker, about the issue of B.C. parks, before the government would consider anything like this in any park, I would hope and ask that they would embark upon a full public consultation with the communities affected in that area. So far there has been an advisory board, but the results of those discussions have been limited.

We aren't getting much information at all from the government about this policy, and the public need to be able to have their say. It's beginning to look like the modus operandi of this government is to bring in the policy, get the contract signed, have everything set up, and then maybe talk to the public about it. Well, that's not acceptable. That's way too late.

What I would call upon this government to do is to encourage resort economic development if they wish, but to do it outside of our B.C. parks, not inside. For example, there is an area near Golden Ears Park called Silver Valley. It's going through development plans and official community plans. People there — some of them, anyway; it hasn't been fully canvassed — have said they would be interested in a properly located resort. It would be right there on the bounds of the park. I hope the government will look at those kinds of economic opportunities rather than the misguided park resort policy that they appear to be pursuing.

[1615]

Another thing I would like to talk about that's not mentioned in the throne speech is global warming.

Global warming is possibly, quite probably, the most significant issue that this globe, this country and this province will face in this century. It is so overwhelming that it seems that in many cases, there's been almost a blind eye turned toward it. Certainly, with this government, I see no evidence that the government is taking a serious stand towards the very, very difficult issue that's facing us with global warming.

We hear a lot in the papers about.... Well, we hear some things the Fraser Institute brings in — some scientists from Sweden or somewhere else to dispute whether, in fact, global warming is (a) occurring or (b) man-made. Lest there be any doubt, let's be clear that both sides of this House, as near as I can understand, don't subscribe to any views that global warming is not happening or that it's not man-made.

The government came out with a document in 2004 called *Weather, Climate and the Future*, and I would like to quote briefly what it says in there. It says: "Most climate change scientists have concluded that global temperatures are rising and that most of the warming in the past 50 years is due to human activities that release greenhouse gases." So far, so good. There is a recognition in the government's documentation that global warming is definitely happening and that it's man-made.

That's where the good news ends, I'm afraid, because the government is not taking a proactive stand — the kind of stand that we need to really seriously address the issue. And it is a serious issue. Global economic losses from weather-related disasters increased more than ten times between 1950 and 1999. That's a serious issue. During the 1990s alone, worldwide, there were economic losses of \$450 billion due to global warming and the effects of global warming. Between 1950 and 2000 the number of weather-related disasters in Canada increased from less than 30 to almost 120 per decade. That's a fourfold increase in the number of weather-related disasters that we've been facing.

Health officials know that when there's an elevated smog level — and unfortunately, those are becoming more and more common — the hospital emergency wards are inundated with breathing-related problems like asthma. Huge human suffering is involved, and tremendous economic costs as well.

We're faced with droughts as a result. We're noticing that here in British Columbia, in fact, in recent summers. They're becoming hotter and drier. Yes, we will have anomalies, because weather is not consistent, and this summer could be a very rainy summer. But the fact of the matter is that the stats are there and the facts are there that these adverse events are happening more and more frequently.

Forest fires. We know that in recent years we've had some significant forest fire problems in British Columbia. Part of that is related to global warming; part of it is related to practices like forest fire suppression.

[1620]

Flooding. In my constituency, two winters ago we had severe flooding, in our agricultural areas in par-



ticular. It wasn't that we had a particularly excessive amount of rain for the course of the winter, but the rainfall that we did have, which caused this event, fell in a very short period of time. Severe weather-related events are becoming more common.

Of course, we all know about the pine beetle problem. The only thing that's acknowledged that could have stopped — I don't suppose it could now, but initially; I don't know — the pine beetle event would be a sustained period of very cold weather. We're not getting those sustained periods of cold weather, and we know the devastation that's being caused by the pine beetle.

With regard to sustainable environmental management, people that are out looking at what's happening in our forests where the pine beetle harvest is taking place are reporting that it's not just pine that's being harvested, that other species are being harvested along with them and that it's beginning to look more and more like some of the clearcut moonscapes that were photographed from space a while back. Just recently some members might have noticed that there was a story in the *Vancouver Sun* about the loss of hundreds, if not thousands, of birds on the west coast right from California to British Columbia.

**An Hon. Member:** It wasn't abnormal.

**M. Sather:** The member opposite says it wasn't abnormal. I can assure the member that the loss of hundreds, thousands, of ancient murrelets and red phalaropes is abnormal. It is not completely known what the reason for this is. However, it's been noted that a probable cause....

**D. Jarvis:** It must be the government.

**M. Sather:** Not the government. A probable cause is warming of the waters off our coast, and we know that that's happening. It's interesting that members opposite would find that controversial. We know that the waters off our coast have warmed and that this is causing profound effects on our salmon and on our wildlife.

We need to have a response by government that acknowledges the problem. But what is this government's response? This government's response with regard to global warming is to say: "Well, the one thing we don't want to do is set any targets. We don't want any targets that are measurable." It's kind of ironic, because in other respects this government talks quite a bit about measurement. They talk about science-based.... They talk about accountability. But what the 2004 document says instead is that the government will support large industrial emitters as the federal government sets greenhouse gas-reduction targets and will not impose any further regulatory burden on these emitters. Lord forbid that we should impose any burden of regulation upon emitters of the pollution.

**Deputy Speaker:** Thank you, member.

**M. Sather:** So it is a huge problem. This government is not addressing it. Thank you very much for allowing me to speak.

**H. Bloy:** Thank you very much, Madam Speaker, for allowing me to stand and reply to the throne speech. I won't have to yell today. The member for Nelson-Creston isn't in the precinct that I'm aware of.

**Deputy Speaker:** Member.

**H. Bloy:** I do want to respond. As I continue to listen to the members of the opposition come forward, I want to repeat what I said the other day: that it is their job to bring suggestions to government, to go out and to hear that opinion. But the members stand.... The member for Maple Ridge-Pitt Meadows continues to say: "What's not in the throne speech?" Well, you can't put everything in the throne speech. If they understood how business operated, they would know that. They say that this isn't in the throne speech or that that isn't in the throne speech or that now we're consulting too much. On the other hand, we don't consult enough. It's hard to follow the thought process of how much they want us to consult.

[1625]

What I've found from some of the special interest groups is that it doesn't matter how much you consult. It doesn't matter how much time you give them to think about the process. They don't care about anything except the answer they want to hear, and until they hear that answer, you have done absolutely nothing.

Getting back to the throne speech, which sets out the great goals for a golden decade ahead, we've been consistent at moving ahead for four years. I'm proud to be part of this government that has moved British Columbia back up to first place in most economic indicators in Canada. The work we do in all areas of government has been measured and is working.

The Premier set out in a five-point plan called *Great Goals for a Golden Decade* to make B.C. the best-educated and most literate place in North America, and we're working on that. One of the things I do to help it along is that I give a book to every kindergarten child in my riding. I physically go into the class and present them with a book, and I want them to go home with this book and read it with a family member. It's not for me to read to them. I want them to read it with a family member.

The best part of my job is with children and seniors. You know, the kids are just great when you talk to them, with their questions: "Is it my book? Can I keep it? Can I write my name in it?" It's a small step, hopefully, and the province is doing many big steps to make us the most literate province in all of Canada.

Make B.C. a model for healthy living and physical fitness. Well, we're starting on that. With that, there are lots of areas where we're promoting physical fitness and health care. As a matter of fact, the Premier has just been doing more consulting in Europe. One of the

things I find about the members of the opposition is that they don't care about the rest of the world. They don't care about the rest of Canada.

They say: "What happens here? Why can't we be the best here? Why can't we do that?" And I say: "Why do we limit our thinking and our potential to be the best to a limited and narrow scope of mind? Why can't we be the best in the world?" As a Liberal government, that is what we're trying to do. Our focus is not limited but is reaching out to be the best in the world.

Part of our task is to build the best system of support in Canada for persons with disabilities, with special needs, for children at risk and seniors, and we're working on that. You know, I was really thanked for the.... On Saturday night I was at a reception, and there was a person there that had been at Riverview for some time and was back out, is controlled with his medications and is doing quite well. He's able to work on a part-time basis. He thanked us — that was the first thing he said — for increasing the amount of money he could earn so that he and his wife could continue living with dignity.

We want to lead the world in sustainable environmental management. I think we're doing that, especially under the leadership of our Environment Minister.

Our fifth part was to lead Canada in job creation, and we have done that. It's just amazing the number of jobs that have been created in British Columbia. And you know when you create jobs and you have people working.... There are about 270,000 or 280,000 jobs, and over half of those are union jobs, but from the opposition, you would think they were all part-time jobs.

They're not part-time jobs. We're looking for people. We're looking for nurses. We've added 2,000 new training spaces in British Columbia since we came to government in 2001. In the late '90s they eliminated 2,000 training spaces for nurses in British Columbia. There was no vision. The vision is coming from our Premier, so we are creating jobs. We've doubled the number of doctor spaces, which hadn't been touched since the early 1980s.

We need tradespeople. We had to dismantle the old trades system because the money didn't go into training. The money went into a bureaucracy in this group. Millions of dollars weren't going to jobs. For the last two years in the ITA, we've reached our quota of training before the end of the year, and we're growing every day. Our goal, said the Premier of this province, is to help B.C. realize its full potential as the best place on earth to raise a family, to live and play, and to work and invest and get ahead.

[1630]

I just want to name a few things that we've outlined in the throne speech: an Asia-Pacific gateway strategy that includes an Asia-Pacific Trade Council, and a network of B.C. trade and cultural centres in key international markets that will work to make B.C.'s products available around the world. Well, we are going to do that. We're doing that with the Minister of Economic Development and Asia-Pacific strategies.

You know, in the lower mainland and just in my riding alone, I've a vibrant Korean community. Their retail population — it's quite large on North Road in the centre of my riding. I work with the Korean group of businesses. There are a number of associations that I'm a member of. I've travelled to Korea a couple of times, and they're excited about this government's plan for the Asia-Pacific gateway — so that they can participate fully.

We're looking at a World Trade University in Chilliwack and a One World scholarship fund to build new relationships with the world; a B.C. Competition Council; a Pacific centre for disease control that builds on the success and expertise of our B.C. Centre for Disease Control; supporting the Michael Smith Foundation with \$100 million in 2007 to help it continue leading the world in health research; and launching ActNow, a new health and fitness promotion program to help focus new energy and resources on preventative health care. As part of ActNow, I've made a commitment to try and walk every day at lunchtime for half an hour. I'm getting one day a week. I haven't been that successful yet, but I'm going to keep working on it.

We're limiting increases in tuition fees to the rate of inflation, while providing universities and colleges with increased funding. Simon Fraser University is in my riding. Before I was elected, students up there were telling me about having to spend five, six, even longer years to complete a degree at university because they couldn't get the courses that they wanted.

We have these young minds that are so eager to learn and to move ahead, yet there was a government that had frozen tuition and didn't even keep post-secondary education up with inflation. We lost a number of good professors because there was no money in the university system — based on the actions in the '90s by the former government in this province. They were destroying the advanced education system in British Columbia.

You know, the cost of tuition is a small part of the total cost of an education. Having to spend two extra years on living — on paying room, board, food, entertainment, clothing, insurance and cell phone — is where the costs were driven up by this government, by not respecting the individual and allowing them to grow at a pace. We allowed universities, colleges and institutions to set their own tuition rates, which they've done, and now we've allowed them to grow at the rate of inflation so that they can keep growing. We made a number of announcements, but the announcements are becoming facts now as we grow. The new spaces at Simon Fraser University on Burnaby Mountain — we're building the buildings that house the seats. They are not some of the empty promises that have been made in the past.

A Premier's Council on Aging and Seniors Issues to identify needs and opportunities in seniors housing. To review the issue of mandatory retirement and recommend ways of improving seniors' quality of life. A B.C. conservation corps and up to 50 more park rangers to create new generations of conservation. An alternative

energy and power task force reporting directly to cabinet to find new ways of encouraging green power projects.

This is one part of the government that I find so fascinating. We have so many opportunities in British Columbia to create alternate energy. The last call for alternate energy went out, and they were looking for 2,500 kilowatt hours. They had, in fact, over 13,000 hours that came in. You know, as a general rule, maybe only half of these will be able to be used, but I can't wait for them to put out a call for 10,000. Does that mean we'll get 80,000 kilowatt hours coming back in so that B.C. can continue to grow?

[1635]

When you talk about energy, you know, there was the vision of W.A.C. Bennett, a former Premier of this province, who built the dams, so now we have these dams. Can you imagine what British Columbia would be like if we had never had the dams, or if we didn't have the vision that was taken back many years ago to build these dams? I believe, under the leadership of our Premier today, we have that vision for the next 50 years to make British Columbia continue to grow.

Being a member of the Legislature is an honour, and still, every time I walk into the House, I'm amazed at the building and the structure. Tomorrow I look forward to the visit of the Governor General of Canada. But being a member, I'm only here because of the constituents in the riding of Burquitlam, and I thank all of them — whether they voted for me or not — for allowing me the opportunity and participating in the electoral debate that allows me to come here to this House.

When I'm in my riding, I get the opportunity to meet the greatest people in the world. I get to see so many volunteers; it's just amazing. We have people like Gary Begin — who's a city councillor in the city of Burnaby — who, for a number of years now has a reception every year: Warm Socks for Cold Feet. It's an open house that he and his wife Mary host, and they ask people to bring socks. He gives them to schools that need clothing — for inner city schools — because a lot of them come to school, and they have poor shoes, so they have all of these socks there that they give to the children. He's one of many great people that you get to meet in the riding.

Who else do we have here? The Soroptimist International, the Tri-Cities, had their annual recognition Women's Opportunity Awards just this past Sunday, which my wife and I attended. When you listen to the stories of what some of these women have had to go through, but how they've challenged themselves, and they've stepped up and come forward and are moving ahead.... There were a number of people that were awarded. Their first place women's opportunity award went to Donna Astle, second place to Angelina Charlton. Violet Richardson Award for teen volunteerism went to Elisa Kharazzi. Violet Richardson is still doing so much work in the Tri-Cities. — it's just amazing; a wonderful person. Making a Difference for Women award went to Amtul Siddiqui, and a special recommendation to Candace Windbiel. The Soroptimist Club

is just one of many service clubs working in the riding of Burquitlam, and the work that they do is just amazing and the awards that they give out.

Last week I had the opportunity to go on a drive-along with a police officer from the city of Burnaby. His nickname was Chewy, but he's actually Const. Albert Choy. He's one of the unique RCMP officers who was born, raised and educated in Burnaby, went to UBC, graduated in nursing, practised as a nurse for a limited time, and then joined the RCMP and is in Burnaby. So he knows the city of Burnaby, and he knows the people in the different areas.

He brought me along. We met some groups when we were out. He was the community liaison police officer, so he waved to all the children, and he had rolls of stickers to give them to take home. But when we drove by Forest Grove Elementary School, there were the Stream Of Dreams people up there putting fish on the fence. They had just run their program at the school, and the children had painted all the fish, so they were now being installed. It's something that was started in Burnaby — another great volunteer. Just the people that keep coming forward....

[1640]

As we talk different ethnic communities, there's a Japanese community that's alive and well. It's their 100th year celebration in British Columbia. They've been here since 1906. They opened their first school in 1926. It burned down, and they opened their second school in 1928, and the building is still there and being used as a school today. It's the only building of all the properties that were confiscated from the Japanese through the Second World War that was actually returned to the owner.

Next door to their original school they have also built a five-storey hall which is used by the whole community. Their location is on Alexander Street in the Vancouver downtown east side, and they've opened their hall to many different groups that are using it.

I was at Montecito Elementary school.... One of my children's elementary teachers from that school was in the gallery earlier today. My children attended the school from K-to-seven. I was there on Friday morning with the principal, Kathy Mathisen, and they had the Ready, Set, Learn session. So I met a number of parents in the area that had brought their children. Some were there because of siblings in the school. Other ones had read the notice in the paper and came out.

When I was talking to Kathy, she showed me a magazine publication that named Montecito Elementary the best school for elementary learning, and that was a real honour out of many, many schools. After I was at the Ready, Set, Learn, I went into the kindergarten class, and I gave out a book to the children there.

Later that day I was at the Coquitlam Public Library's links with community partners reception at the Poirier branch. Yes, there were some employees there at the library, but all the board members were there. The volunteers were there, the people that make our community, the heart and soul of our community.

Later that night I was at a reception where I was given an honorary membership. I hope I get this right. I don't have the note. The Canadian Chinese federation of business, and it was a real honour for me to receive that. It's just recognition of the work that I've done with many, many groups, whether they're cultural or business or sports organizations. It's part of what you do in the riding to make for a better British Columbia and to help everybody along the way.

Of course, on the weekend, it was the closing of the Festival du Bois in the riding of Coquitlam-Maillardville, and I was there with my colleague. I was there on Saturday participating, and I must say that the francophone scouting group from the Coquitlam area had the best display ever. Every year they build a new display, and this was the new Canada, and they had done the research. It was just amazing with the costumes and going through the process.

The festival happens because of great people that are committed to the community. There's Johanne Dumas, who's the executive director of the festival, but there are so many volunteers, like Konni and Fern Bouvier. The names could go on and on, on how many people make it happen.

It was the closing to Flaunt your Frenchness, which was put out by the tourism department of the city of Coquitlam, Barb Stegemann. It shows where a new city mayor, Maxine Wilson, allows staff and people to go out and promote the city. It's not tied back to anything in particular. She allows them the freedom to go out and do it.

I just want to say.... This was the Speech from the Throne, the second session of the 38th parliament. British Columbia's great transformation has just begun. The strength of our province has always been the strength of its people as leaders, builders, innovators, risk-takers, pioneers of opportunity. These are exciting times of monumental potential. Let us reach for the great promise of British Columbia and fashion our golden decade ahead. That's from the Speech from the Throne.

[1645]

The transformation force for an aging population. We talked about seniors in our September or October update. We talked about children in February 2006. But we wanted to define and enshrine the five principles of the Canada Health Act, plus a sixth: the principle of sustainability in provincial law within the current government's mandate. We'd launch an extensive provincewide dialogue, asking: what are the fundamental changes we must make to improve our health and to protect our precious public health care system for the long term? Personally, I am so pleased that we've opened this up to debate, because I hear from so many people who come and say to me: "We don't do this," or "We don't do this," or "We only hear this negative comment, not the 98 percent or the 99.9 percent that's done right."

I can tell you that I have frustrations with the health care system like many people do, but we have to start and we have to work at it area by area. One is foreign-

trained doctors. We've added 12 new spaces for foreign-trained doctors. Personally, I would like to see more foreign-trained doctors in. I'm patient to wait. The Minister of Health knows that I've been after him. You know, there are a number of suggestions that we can do it, but we can't go off knocking 98 or 99 percent of everything we do right just because of one or two areas.

You have to be constructive in how you approach it. You can do it for the media, and I guess that's what the opposition's job is. They go to the media because that's the entertainment they're looking for, and they think that they get their biggest punch. But is that why they're really here? Are they here to serve the constituents within their riding and the greater constituents of British Columbia, or is their job just to go to the newspapers or the media to get their points across without coming to government?

I am pleased that we have the dialogue. I hope to hold dialogue in my riding of Burquitlam, where I'm going to invite many different groups to make presentations. There will be an open forum, and we're planning that.

We're going to create a foundation for health care innovations and renewal to examine social health models around the world. The Premier's been around the world. I talked about it earlier. You know, I believe our goal and our striving, even though we're rated number one in Canada, should be that we want to be the best in the world. There should be no other goal except to be the best at what we do and how we do it.

The Premier has already travelled to Sweden, Norway, France and the United Kingdom, and we're looking at alternatives. We want to continue expanding and upgrading hospitals across the province, including the new Abbotsford regional hospital and cancer centre, the new academic ambulatory care centre in Vancouver and the expansion and modernization of Surrey Memorial Hospital. You know, things happen at some of these hospitals. You never want to see a tragedy happen at any hospital to any citizen of this province. But it takes long-term planning and investment dollars, and you can't stop them for ten years and then expect on May 16, 2001, that everything will be cured that'll take it. It takes a while.

We had to work with the economy. We had to change tax regulations so businesses could start making money, so the province could start making money, so we could start to pay off the debts of the last ten years of the previous government. We had to get our house in order so that we could go, and we are working on this.

We've launched a new campaign, even again, to keep training and retraining and hiring more nurses, and we're working on that with our new seats. We've expanded the B.C. NurseLine, which is now offering round-the-clock access to health services in 130 languages. We've implemented a \$6.5 million strategy to reduce the backlog in hip and knee replacements.

Part of it isn't that it was in the 60s, 70s, 80s, 90s or hundreds. People are living longer. The expectant life

is much longer for many people these days, so more knees and hips have to be replaced. Even though from 2001 to 2005 we've increased the number of knee and hip operations — I believe it's 37 percent — the list is still growing, because the population is aging. Somebody's doing something right, whether it's all the medication that we take today or we're starting to live healthier. People are living longer, so we have to do it.

[1650]

In Richmond we're going to set up a place where they go just for knee and hip operations. This is what they need. Some of it may be a combination of private or public, but we need hospitals that can have operating rooms operating on a schedule. We need hospitals that will do the emergency, but when you mix both, Madam Speaker, you just can't get it. That's where the delays and the cancellations come in on a regular basis.

We've launched a Strong Start B.C. initiative to provide early diagnosis for hearing, sight and dental problems and to open early learning centres in under-utilized schools. We're encouraging proposals from B.C. farmers, through a new agricultural plan, to put more of their produce and products in B.C. schools. Is the understanding true that we have warehouses full of apples that aren't out there? I would like to see them delivered to every school in British Columbia. I know that's what they do in Washington State. I'd like to see them given out in areas of need.

I'm pleased to be part of a new agricultural committee on the caucus side that's going to tour the province over the next 18 months and listen to a number of parties present to us, and we're going to look at the whole range of this. I'm concerned about the health of every citizen in this province. I want them to have the healthiest food they can, and that's why I am so pleased that I can sit on this committee to make sure they are getting what they require.

This one, I believe, should be interesting: harnessing the power of new knowledge and creativity. We want to consult. Again, it's the old story. Until they get the answer they want, they don't think we've ever consulted. It wouldn't matter if you'd been out for five years. There's no consulting because they haven't heard what they want to hear. But we're going out; we're talking to school districts, principals, trustees, parents and teachers because we want to know. As a matter of fact, the Minister of Education and the Premier have made a commitment to visit every school district over the next number of months, looking for ideas for positive change. We said we'd hold the first-ever teachers congress later this year, and we continue to learn.

I hear from teachers. There's a TLC teacher in Maple Ridge who says she just wants to teach full-time. She's been waiting five years waiting to get in, because teachers don't retire. She teaches at night in Coquitlam Continuing Education. She's an amazing teacher, and she should be there. I've gone into a number of her classes, and I sit down and talk to them. But she just wants to teach.

From other teachers I hear about, they talk about.... Well, what can I say? Eighty percent of people,

whether union or non-union, are not interested in politics. They're not really interested in their MLA, their MP or their city councillor unless we show up in their backyard. But most teachers I speak to want their union to settle this contract. They want part of the signing bonus, of the \$1 billion. They don't want to be left behind, and the teachers tell me they want part of the fourth year. They're tired of going through these negotiations and not having an opportunity to benefit as they believe others will.

Thank you, Madam Speaker. It was a pleasure for me to stand and speak to the throne speech.

**M. Karagianis:** It's a thrill to stand here and give my response to the throne speech. I have had the privilege of standing and addressing the budget, but this actually gives me a chance to elaborate on a bit more than what I talked about in the budget speech, which was really pertaining very specifically to my own community and its needs and wants and whether or not they were going to be met by the budget. But in fact this gives me a chance to talk about some broader topics.

[1655]

First, I would like to talk a little bit about the role of opposition. I do know that the Speaker, in fact, in her comments earlier talked about something similar. The dictionary says that "opposition" is to stand up against, to oppose with firm determination, especially to resist successfully. In fact, the government members....

Interjection.

**M. Karagianis:** To resist successfully. That's what to oppose is — the opposition.

The government members constantly rail against the concept of opposition in the House, but that's what we were elected to do. I'm not sure why the government is afraid of this opposition. The constant derision and contempt that we hear is in fact contempt for democracy, because that's what we were elected to do — to stand here and bring balance to government and represent democracy.

So I'm proud to be a member of the opposition, and I'm surprised constantly by government's inability to address that democratic balance in this House and that they feel the need to mock the idea of opposition. In my view, I think government needs to show a little less disdain for their responsibilities as well, that they should begin to display a more caring and compassionate nature to their own constituents. After all, the job of government is to provide services to the people of this province. That's what they pay taxes for. That's what they expect.

A recent poll demonstrates, though, the disconnect between this government and the citizens of this province, its constituents. Despite the bravado about the current economy, more than half the people in this province have not seen any impact on their lives, have not experienced any of the golden and glorious benefits that are touted so often. In fact, what we see is the

Marie Antoinette syndrome. "The peasants are starving; they have no bread." "Really? Well, let them eat cake."

The throne speech focuses on transformation. I must say I actually agree wholeheartedly that transformation is needed.

Interjection.

**M. Karagianis:** I do — absolutely. Thank you very much, member.

The past five years have shown us what the B.C. Liberal government is all about. They've had half a decade to show us their stuff — right? They've reformed government, they've amended, they've legislated, they've cut, and they've pasted.

The results of those labours are many, and some of them became evident right away. Staff throughout government was laid off. Programs were closed down. Sacrifices had to be made in the name of fiscal necessity. And the rising provincial debt, completely contradicting what the government purported to stand for, was swept away like oh, a little pesky mosquito noise in the tent — just kind of pooh-poohed...

Interjection.

**Deputy Speaker:** Member.

**M. Karagianis:** ...as a minor consideration. After all, sacrifices were being made to balance the budget, and no pesky few billions of increased debt that they were running up were going to stand in the way of that logic. We continue to see that today, and it was interesting to listen to the previous member talk about the massive debt of the '90s. In fact, we're about to see the most unprecedented debt in the history of this province accumulating before our very eyes. But you know what? That's just a minor consideration.

Some of the other results of the cutting and pasting of this government have revealed themselves more slowly over the past number of years: all those promised beds for seniors that never materialized, the disastrous mismanagement of child protection, the crowded classrooms, the dirty hospitals, the bad hospital food, the crisis in skilled-trades workers, the growing homelessness that has now spread even into small towns throughout this province.

[1700]

Oh, yes, Madam Speaker, transformation is definitely necessary, even critical to the future of this province. I say let's transform circumstances for seniors in my riding and across British Columbia. Let's transform the lack of home care for seniors by reinvesting in that. Let's provide more complex care and actually try and build some of those seniors housing units. Let's stop throwing seniors out of their beds before new ones are built. Let's ensure that seniors in residential care live in a clean and safe environment and that they have edible food. Let's make sure that all of our seniors have the right and ability to live in dignity.

Let's transform hospitals and those crushing emergency room backups. Let's get rid of those gross stories that we continue to hear about the lack of cleanliness in hospitals. Let's get rid of the disgusting food that we continue to hear about in hospitals.

I actually got an e-mail today from a constituent of mine who spent 15 hours in the emergency hospital here at the Victoria General Hospital. Not once did she see the garbage emptied. She saw, once in the 15 hours that she was there in emergency, one cleaner desultory kind of mopping up around the nurses station, and that was it. She was appalled by that.

I say let's transform the growing number of low-paid jobs in health care services. The continuing circumstance where private companies take over the services, lay off the staff and then rehire them at lower wages has got to stop. We need to ensure that health workers have a reasonable income and that they're well trained. From the perspective of small business, which is my critic's role, that's a very good idea. Well-paying jobs fuel the economy. People can afford to spend money to keep their local businesses thriving, buy cars and furniture — even homes.

We need to ensure that we get good, quality care and safe, reliable, well-trained staff in our hospitals. Another story that was phoned in to a radio show just recently talked about a worker who came in — untrained, low-paid, under the new privatized contract — brought a bucket and a rag and wiped down some surfaces, the wheels of the bed and the eating surface that a patient was sitting at. When the patient's visitor said, "Excuse me, you're using that same rag to wipe the wheels and an eating surface," the worker said: "Yeah, well, there's disinfectant in this, so we're okay there."

Every time a talk show opens the airwaves to talk about health care, the stories pour in. All those callers know that we need to transform our hospitals back into clean, reliable and safe environments.

I think we need to transform government's approach to health care entirely. Let's talk about a few simple facts here. It's a myth about all this increased spending in health care. In fact, the cost of health care as a percentage of GDP has not changed in 20 years. We have been making the same level of investment 20 years ago, ten years ago and now.

Secondly, public health care has proven to be the most cost-effective way to deliver the best health care services. We need to ensure that we will always have access to health care and that we pay for it with our MSP card, not our credit card.

Does our health care system need innovation? Yes. Absolutely, I believe it does — no question in my mind. Why? Because we have mismanaged it, not because it doesn't work.

This government has given us endless examples of this mismanagement, so in fact we need transformation there. Consultants like Romanow — who actually went and talked to everybody in this country and concluded that the system works, and works well, but does need to be managed more effectively — give us all the clues

and solutions we need. There are other consultants across the country who've said the same thing.

Yes, I agree. We need to embrace new ideas, make sure we're not squandering away the real health care and medically necessary services and make sure that we are not squandering our health care on drugs that are lifestyle-enhancing designer drugs. We need to manage how our services are delivered in a better way, and we need to make sure that we preserve public health care for the future for all of us and our children and their children.

You know what? Public health care makes good business sense too. Business is happy with public health care, because it's affordable. It ensures that all of their workers have good and equal access to health care, and it does not cost them the expense of health care insurance.

[1705]

Plans like the ones in the U.S. are costly. They don't offer comprehensive health care, and they are expensive for business. In fact, public health care offers better service at a lower cost and makes business happy. Businesses are drawn here to Canada because of the health care plan. Why in the world we would want to jeopardize this asset, I do not know. It doesn't make any sense to me at all.

We need to transform housing. We need to act immediately to set up real affordable housing programs that build housing. It is the only way to provide housing for families, the working poor, single people on low incomes, the disabled and the mentally ill. Rental programs only work if there's rental space available. That no longer exists like it did at one time, and in fact, rental space is being eroded by the very lucrative and booming real estate market. Rental spaces are being converted every single day into condos and then sold for profit, so renters are finding it harder and harder to live close to the urban core.

This crisis is now having a very powerful and adverse effect on business, as workers earning low wages, especially minimum wage, can no longer live anywhere near where they work. This problem is growing, and it's a contributing factor to the lack of workers and trained workers in the workforce. Whistler is the most vivid example of this, but cities like Greater Victoria are approaching that very quickly.

I think we need to transform the growing homeless issue. We need solutions yesterday. This government has neglected the problem and has in fact contributed to the problem, as we have seen doubling numbers of homeless in the region, the province and into small-town British Columbia. When towns like Duncan report a homeless problem and cities like Nanaimo report a homeless problem, then we are in serious, serious trouble in this province.

We desperately need to transform child poverty, because that goes hand in hand. The previous speaker talked about taking socks to the community, to those children who would appreciate having socks. Well, we need better solutions than socks for children in poverty. One in four children is living in poverty, and that

is one in four families in British Columbia. One of every four families in this province is living in poverty, and some of those people are now moving over into the homeless world as well. Fifty families in Victoria are currently homeless — families.

Where are the golden promises that we're going to alleviate that? If this throne speech and the budget are about a focus on children, then we need to alleviate child poverty. We need to make that one of the great golden goals of this government. Yes.

Let's transform the lack of infrastructure investment in transportation outside of Vancouver. Let's invest in our communities. Let's lift the cap on transit funding for the capital region and areas around British Columbia. Let's partner with the communities on commuter rail. It makes good sense for communities and for business. We need to be able to provide commuter options for workers who cannot afford to live in the urban core — this goes right back to this whole affordability issue — and who must live in the more affordable areas of the region and who need to.... We need to provide that workforce with other options outside of the core as well.

We need to invest in that transportation infrastructure for tourism, for small business, for the economic viability of this whole area — fewer cars, more alternative options. It's the way of the future, and cities all over the world are way ahead of us on this. Instead, we are focusing on one urban area of this province, and we are putting all of our capital infrastructure into that area.

More transportation options for my communities would allow expansion of business opportunities outside the core. There are an endless number of tourism opportunities in the Western Communities and out toward Metchosin. The Island corridor acquisition has opened new doors for those business options. Trails and bike paths are growing in popularity every day. The dreamed-of west-side rail trail will and can become a reality with a little help from government in the form of some tax relief, in the form of some grants. Both the belt tax and property transfer tax are huge barriers to the success of the Island corridor. Government can and should participate as a full partner in that project.

[1710]

We need to invest in cities and towns that will not see any tangible benefits from the Olympics. I think the Olympics are going to be a terrific, exciting, world-class event — no question. I think everybody here on both sides of this House can agree to that, but those of us on the Island will see very little spin-off dollars or residuals from the games. That's just a fact. It would be a shame if communities felt that they were being short-changed on government investment at the expense of a decade of investment into one major event in British Columbia. We have to ensure that the communities across British Columbia are not left out because of one big event in one area.

I'm going to quote from the throne speech, because I think it's very pertinent to the idea of transformation

here. The throne speech said: "British Columbia's great transformation has just begun." That's really good. I'm glad to hear it's only just begun, because I've made a lot of suggestions here, and over the past few weeks my esteemed colleagues on this side of the House have also made excellent suggestions and observations. We're eager for transformation — for many transformations, in fact.

The throne speech says: "The strength of our province has always been the strength of its people as leaders, builders, innovators, risk-takers and pioneers of opportunity." Again, I agree with that wholeheartedly. I absolutely endorse those sentiments. I want to ensure that we continue to be leaders for everyone in the province; that we build and invest in every community; that we find innovative ways to protect public health care and provide real care for our aging population; that we take risks for creating solutions to the plagues of the 21st century like homelessness, poverty, mental illness and global warming; that we seek opportunities for our communities that have been hit with pine beetle mill closures and are losing their jobs and local economic anchors.

The throne speech says: "These are exciting times of monumental potential. Let us reach for the great promise of British Columbia and fashion our golden decade together." I like those words a lot. I think those are terrific words: "fashion our golden decade together." I think the "together" part is the really significant part of the quote because, frankly, the golden decade is a bit of a bust, so far, for many British Columbians. But the concept of moving forward together is a good one.

So I'd like to suggest here that government actually rewrite its five great goals, with an additional suggestion that they hire a new slogan-and-PR firm, because some of their branding is a little bit cute and trite for me, I must say. Here are my suggestions. Number-one golden goal: protect and strengthen public health care. I think that's a pretty easy one. Second great goal: give seniors dignified choices — more home care services, residential complex care, where and when they need it. That's a good goal. Number three — here's a third great goal: alleviate homelessness and invest in affordable housing strategies for British Columbia — very easy. Number-five great goal — this is a great goal....

**An Hon. Member:** You go from three to five?

**M. Karagianis:** Oh, sorry, four. Number four....

Interjections.

**M. Karagianis:** Four — thank you very much. I stand corrected by the accountant in the crowd. I stand corrected by the accountant.

Number four — the fourth great goal: alleviate child poverty and protect the most vulnerable in society. Number five: invest in infrastructure with communities that need roads, buses, trains and commuter options.

So now, I say, let's not stop there. Let's have ten great goals. There's no reason why we can't have ten

great goals, so let's keep going. So let's add number six: invest in education to ensure that class size and composition allow students and teachers to achieve excellence, to be the best educated, bar none.

[1715]

Number seven: invest in business initiatives on Vancouver Island like more tourism; a new conference centre; initiatives that assist communities that are losing their mills, their logs, their jobs; or real solutions for what we'll do once the pine beetle wood is gone. Let's make that a goal.

Interjection.

**M. Karagianis:** Pine beetle is not on the Island. Pine beetle is in northern British Columbia.

Number eight. My eighth goal would be: protect our public resources from privatization, like our power generation and our water. Never allow a tragedy like the Terasen Gas sale to Kinder Morgan, who sold parts of it to CAI, to ever occur again in this province.

I would say number nine, my ninth goal: put resources back into environmental programs and parks, ensuring that parks are kept in public hands and protected forever in this province.

Number ten is my last great goal, and I think it's a good one: ensure that no one is left behind in British Columbia, that everyone matters to government. If that goal is not endorsed by this government, I can pretty much assure that it will be endorsed by the next government.

Interjection.

**Deputy Speaker:** Member.

**K. Krueger:** I listened very closely to the opposition speaker just before me, and I like her goals. In fact, if she has a close look at the five great goals that the Premier set down in a previous throne speech, which are for this golden decade that we're into now, she'll see that the things she talked about are there — the best health care system, the best education system, protection of the truly vulnerable, the best water and air quality and fish management, and the creation of the most jobs per capita. Those things are there. Her goals essentially are components of those goals, so I would encourage her to have a look at them. I appreciate that she ended her speech on a positive note, because the first part didn't seem that positive, and a lot of the speeches we've heard from the opposite side haven't been. I like that she is thinking about goals, and I liked her goals.

The throne speech talks a lot about transformation. I've been puzzled why we hear so much ridicule and sneering from the other side, because nobody could deny the amount of transformation that has taken place over the last almost five years of the B.C. Liberal government — and it is almost five years, but it isn't five yet. We haven't yet been government as long as either of the NDP governments of the '90s.



In that short time, we should all think about the transformations that have occurred. We've gone from a \$3.8 billion-a-year annual deficit, which had doubled the province's debt in the ten years that the NDP were in power, to consistent surpluses. We've gone from have-not status, by definitions of the country we live in. Canada's definition said we had a have-not status, and they had to start sending us welfare cheques — support — so embarrassing after all the decades and decades that we provided leadership in Canada. Suddenly we were a have-not province. We have transformed from that. That's way behind us now.

We've transformed from population out-migration, especially young people, to in-migration — people coming to British Columbia from all across the country because once again, this place is a magnet. This province is seen as the leader. This province is seen as the place to be. That's the way it always was, except for when we had NDP governments. What a great transformation that is.

There is an article today in the *Sun* about the tremendous baby boom in Calgary. They're having to build hospitals to deal with the rapidly increasing number of maternity cases. Guess where all the young people came from, members of the opposition. A lot of them came from here, because there were no opportunities in the '90s. They were teenagers. They were people in their early 20s. They went to Alberta. They helped create the booming economy that's going on there now. They are providing their efforts, their initiative, their talents in building Alberta's economy, because the NDP exported them. Well, that's over, and that's another transformation that I think people are really happy about here.

[1720]

We've transformed from double-digit unemployment here in British Columbia — especially for young people, who had a terrible time getting good jobs — to the lowest unemployment rates in our history all around the province, including the area I live in. I'm so happy about that. That's a great transformation — another great transformation.

We've had a transformation from the depopulation of rural British Columbia to robust economies throughout rural British Columbia. I'm especially proud that that is true in the North Thompson Valley, whose economy was decimated by the wildfires of 2003 after all the hard knocks they'd suffered through the '90s. In the North Thompson Valley things have really turned around, and that's because of direct involvement by this government and another wonderful transformation.

We've done things like improving the infrastructure, building roads that didn't receive rehabilitation and maintenance all through the '90s, doing construction that needed to be done, building for the coming decades all around the province, and that has really helped rural British Columbia. Our Premier made a commitment to connect high-speed Internet all around the province, and we've been doing that full bore — hundreds of rural communities being connected so that people don't have to move out of their rural areas in order to take part in today's economy.

We've gone from the mining industry vanishing in British Columbia, and pretty much curtailing exploration, to tremendous exploration projects coming on all around the province — another great transformation. We've gone from what the forest industry called "the B.C. discount" — you actually had to discount your assets to make a sale if you wanted, if you needed, to move on to something else — to a phenomenal success story all around this province.

Every industry is firing on all cylinders — everybody doing well, jobs everywhere. I recognize that there are people who don't feel it's affected them yet, but the rising tide is lifting all boats. The opportunities are everywhere, and that is a huge transformation from the sorrow — and it was sorrow — of the 1990s.

We've transformed from a net loss of doctors every year — because we were only graduating about half of what we needed to keep up with attrition — to having three new medical schools and dozens and dozens of new doctors in training, thousands of new nurses in training. We've transformed from the advice that the NDP government of the '90s got from NDP economists, which was that the problem in health care was too many health care professionals — of all the crazy things to say — to adding those thousands of spaces in our post-secondary institutions around the province. That is a wonderful transformation.

Debra McPherson, president of the BCNU, was here recently and spoke to our caucus. She said that there is a wait-list for every position in the province, that every position is full and that they could use more nurse training spaces. Our TRU school of nursing tells me they can't really add any more spaces because they don't have the nurse preceptors in the system that they would need to provide the mentoring to all these new students. That again is a deficit left over by the previous government, because the average age of a nurse is around my age — around 50 years old — and these people are trying hard to keep up with the workload of the day and hard-pressed to find the time to be mentors for new students.

During the NDP years, the hospitals were so woefully unequipped that nurses were constantly getting hurt trying to lift patients. We've installed modern lifting equipment all around the province. During the 1990s the people of Clearwater kept asking government: "When will you build the hospital that Premier Glen Clark promised us?" You know, the NDP never did it. It was promised long before I was elected as a member in 1996, and they had the rest of the decade to do it, and they never did it.

Today I hear the NDP continually berating us, "Why aren't you building those extended care beds faster?" and I think: how can he even talk about that issue? All through the '90s they never built a single extended or intermediate care bed in the whole Thompson health region — not one. Until we became government, there had never been one extended or intermediate care bed in the whole North Thompson Valley.

We built a spanking new, beautiful, state-of-the-art hospital with input from the staff who worked there,

put in all that brand-new equipment. It's a beautiful facility. When we opened that hospital....

[1725]

So far, as far as I know, it's the only building in British Columbia with a brass plate with my name on it, and I was, frankly, quite pleased about that. But it was fitting, because I pleaded for it for five years as an opposition MLA and reminded the NDP government over and over and over again: "You promised this to these people. They have to put cellophane over their windows in the winter, or their bathroom fixtures freeze up. They have to leave the bathroom doors open for the same reason." It was a hospital that was more or less Atco-type trailers fastened together.

If you got old in the North Thompson Valley or needed an extended care bed for any reason, you had to go far, far away. And yes, that meant leaving your spouse behind. That happened all the time under the NDP government. It happened to my constituents.

I would plead their case: "Why are you sending them from Clearwater, B.C., down to Lytton, B.C.? It's four hours if the roads are good. Their spouses are elderly, and in their network, many of them are elderly. However young they are, it's hard to travel that distance, let alone in the winter when it takes longer." It fell on deaf ears.

How can NDP members stand up in the House and harangue this government about: "You didn't meet your 5,000-bed target by the end of 2006"? We'll meet the 5,000 net new-bed target by the end of 2008. Everybody knows that the reason we haven't met it so far is that a lot of the beds that we built had to replace completely unsatisfactory, old, defunct, obsolete facilities that were shameful.

It didn't show any respect for seniors. It didn't show any regard for their dignity that they were housed in these tiny little wards in hospital-like settings all around the province. They didn't have the activities they should have. They couldn't get their wheelchairs into the bathrooms. They had no privacy. It was completely wrong that they were treated that way. They were warehoused, and that is a fair word for it. They felt like they were warehoused and left there to die.

We have replaced that type of inadequate facility with state-of-the-art, beautiful facilities. They're under construction all around the province all the time. We've got new facilities all around Kamloops. We've got a brand-new facility under construction in Westside, which is in my constituency. People are so excited about the opportunities. There's another one being built right near that one, completely with private money. We put out an RFP for another one on the east side of town, the Valleyview-Dallas area, which is also in my constituency. We've transformed that problem, and we aren't done yet.

We didn't want to ever have to say when we were government, "Well, look at the mess we inherited," but for the first several years of being government, Gary Collins, who was our Minister of Finance of the day, said that every day somebody came to him with some

major new problem that was another of the hidden deficits that we inherited. It's the truth, and I'm sure everybody opposite knows that it's the truth. British Columbia was a train wreck as far as the economy and delivery of social services in the 1990s. We have transformed from that to where we are leading British Columbia right again.

Another transformation is our relations with other jurisdictions. The NDP Premiers fought with the governments of Alaska, Washington, Alberta, Canada — you name it. Glen Clark's way of distinguishing this province was to pick a fight and look like the little scrappy guy. It didn't work well for us at all. We've transformed from that to having a Premier that is acknowledged by Prime Ministers past and present as the leader, or one of the leaders, in transforming Canada in the way that we do a whole lot of things. He is respected by Premiers across the country, and that's a huge transformation from just having a guy who wanted to pick a fight with everybody else.

There are endless examples of the exciting turn-around and transformation that has occurred in British Columbia as we've brought this province back from being last place to being first place in Canada. We compete with Alberta, and of course, it is tough to compete with Alberta when they're running about a \$10 billion surplus, when they have zero debt and when they've had a can-do attitude for all those years of the '90s when British Columbia was going backward.

When I heard the Royal Roads University president say on a recent visit out there that we have the Premier who has realized and gone after the opportunity of the Asia-Pacific, has realized how important it is for governments of today to reverse the worldwide trend of rural people moving into urban centres, and has gone out of his way to do things like the broadband project and to make sure people can thrive in their home communities.... I'm tremendously proud of the transformation that has happened in this province.

Now we have options we would never have had if we hadn't turned the economy in this province around. I am always shocked that NDP members still talk about tax cuts as giveaways. How can it be a giveaway to allow people to keep a little bit more of what they own than the government before you was doing? How could that possibly be a giveaway?

[1730]

Not only that, our tax cuts have manifestly succeeded. They've worked. They've done exactly what we said they would do, even though we had that tremendous blitz of setbacks — 9/11, SARS, forest fires, mud, flood, all the pestilences that happened to us in our first term in government — and we moved it forward. It's because we had a plan, and the plan worked. The plan is still working.

We keep hearing from the other side that it's only commodity prices and interest rates, but that is so obviously not true. The commodity prices are the same for everybody around the world. The interest rates are the same for everybody across Canada. If it's only those

things, why have we gone from worst to first under a B.C. Liberal government? It's a whole lot more than that. Those members know that whether it's real estate, retail, high-tech, research and development, post-secondary education, tourism or the film industry, everything is firing on all cylinders in British Columbia. It isn't just because of interest rates, and it isn't just because of commodity prices.

I want to say to the opposition that this is not a dress rehearsal. You don't have to spend the four years you're going to be in opposition this term or the decades you're going to be in opposition in the future just saying negative things and trying to frighten people. It's bad that you do that. If you frighten old people, it makes them sick. If you tell them their community doesn't care about them, if you tell them they're going to be split up from their spouses, if you tell them they're going to be turfed out on the street — and all of those things have been said by NDP candidates and NDP members — you're making them sick, and that is wrong. It is a wicked thing to do.

You do not frighten seniors; you build their hope. If you have a problem, if one of your constituents has a problem — I'm sure, Madam Speaker, that you do this in your own constituency — you take that problem by the neck and deal with it so that they aren't frightened and aren't made sick with worry. You help them. You make sure that they get the help that they need. I did that for five years as an opposition member to the NDP government, and I do it now.

Sure, there are problems. Sure, people mess up. The member for Burnaby-Edmonds and the member for Esquimalt-Metchosin, in that speech I followed, both talked about situations where they or their constituents have seen people not working to standard in health care facilities, not doing the job the way they feel that job ought to be done. I agree with them. That's a huge issue. When things like that happen....

Actually, the member for Burnaby-Edmonds said one of his constituents told him a health care worker had said to him: "If you don't like it, tell your MLA." What a preposterous thing to say to a sick person in hospital. No health care worker should ever be saying something like that. If they see a problem, they should be reporting it, and if they are a problem, they should be dealt with. I think it's good that the member for Esquimalt-Metchosin and the member for Burnaby-Edmonds put those problems on the record.

I have talked to the Minister of Health Services about similar problems in my constituency. That's unacceptable. We will not put up with attitudes like that in the health care system, and we should not — none of us — because we're paying people very well to do their jobs. We have a high expectation of service from them, and that service has to be delivered. We owe that to the people of British Columbia. We will deliver and are delivering it.

This is not a dress rehearsal. Every day I hear the NDP denying British Columbia's success. Do they not think their message, if it resonates with anyone, is a negative message for British Columbia? If people actu-

ally believed them that our health care system was in chaos.... That's contrary to what the Conference Board of Canada says, which is that it is the very best performing health care system in the whole country, except in one category — the only category that the NDP, in their current construction, can affect. That is patient confidence, the patients' sense of well-being and satisfaction.

We know that the best appraisals we get of the health care system in British Columbia are from the people who've used it the most recently, but the members opposite are constantly saying that things are in a state of chaos and that, essentially, you're in danger in British Columbia if you have to rely on the health care system. It's false. If they were believed by anyone, do they think that could possibly have a positive effect on British Columbia? Of course not. People wouldn't want to come here. People wouldn't want to bring their children here.

We're trying to attract young families. We're trying to win them back from Alberta: "Bring your children, and help us build up our enrolment numbers so that we can keep our schools open." But, no, these people are constantly frightening people about how things are in British Columbia, and it isn't true. That's shameful.

[1735]

The members opposite are constantly raising individual cases. They will hear of something really bad that has happened to a British Columbian or that someone has said has happened, and they trot it in here, case by case. If I had done that in the 1990s, I could have kept this House busy by myself.

There were hundreds of cases. There were people in my office crying because they couldn't get cancer treatment. They couldn't get heart surgery. They couldn't get a home for their frail elderly. They were trying to look after Alzheimer's sufferers in their homes when they couldn't possibly manage them.

It was taking 18 months in our area to get people into a facility, and that was totally unacceptable, just as 88 days is unacceptable to us now. But 88 days is the worst that it is in B.C. In some areas, it's 18 days. What an improvement, from 18 months to 18 days, to place a person in a facility. That's after following a government that just didn't do the job in the 1990s, that left us set up for this problem when we all knew we had these two trends: an aging population, when we know that in health services, the most we spend on a person in their lives is in the final part of their lives; and a diminishing birth rate, a declining number of taxpayers who can fund the system. What did the NDP do to help us prepare for that? Precious little, and nothing in my area.

I was amused to hear that the NDP are going to caucus for three days in Kamloops during spring break. I welcome that. I want to suggest some photo ops to them. I suggest that they go and have a photo op where the cancer treatment clinic is in Kamloops, because it isn't there. They promised it faithfully in 1991. They had ten years to deliver it. They built one in Kelowna.

I encourage them to go to the Gateway Truck Stop on the east side of town, which they tied up in bureaucratic red tape for seven years. It took a B.C. Liberal government for this B.C. Liberal MLA to be able to break the bureaucratic logjams that had been deliberately put out to ensnare the investors in that truck stop, who had been sneeringly referred to by the bureaucrats of the day as a for-profit developer.

What other reason would private enterprise put their money into a development at all if they didn't think they were going to make some profit? They're welcome to go have a photo op at the Gateway Truck Stop and talk to the owners about how well they served them in office, and they could do that all around town.

They could talk about how they promised over \$100 million in new money for mental health services in British Columbia and delivered zero — nothing. The member from Kootenay-West Boundary, when he was shooting for the NDP leadership, was talking about that specific commitment. He said, "We" — the NDP — "made promises that we never intended to keep," and they didn't keep them.

They didn't build the psych unit in Kamloops. They talked about it, but they never did it. We built it. The member for Kamloops and I were at the grand opening last month, and it was tremendous. It was a time of pure joy for the families of the patients who are going to be treated there, for the doctors and health care workers who have moved and who are moving to Kamloops to work there. They're welcome to have a photo op there.

They could go to the emergency ward of Royal Inland Hospital, which was pathetically outdated. We have the third-busiest trauma centre in British Columbia, and the NDP didn't do anything for it in ten years. I walked through with the Health critic, the member who sits beside me, and she was shocked. A reporter asked me what I thought, and I blurted out: "This place is a zoo." That's what it was like. People were in the hallways. It was awful the kind of treatment that people were getting in Royal Inland Hospital at the time.

There were people raising money locally for an MRI, because we didn't have an MRI. Our government finally got a travelling MRI that was shared between hospitals.

[Mr. Speaker in the chair.]

Then we put a permanent MRI in Royal Inland, and all-new radiology and imaging equipment, so the doctors all through the rural communities that I represent and the constituents that I service can have direct contact with specialists in Kamloops who can diagnose the problem, deal with it and decide on the spot if the people should be brought into the bigger centre or taken to Vancouver. A tremendous improvement.

So if the NDP caucus would like a photo op in the new emergency ward, with the brand-new radiology equipment, in front of the psych centre or in front of any of the brand-new, beautiful, state-of-the-art seniors

residences that we've built, I invite them to be our guest.

Kamloops was pleading for a university during the NDP years — pleading for it. A hugely successful international student program found out that it would be much more successful if it were a university rather than a university college, because around the world that hyphenated name means something less to those international students' families than the word "university," and for a whole lot of other good reasons. The pleas fell on deaf ears — absolutely deaf ears — and the NDP would not respond.

[1740]

We have made Thompson Rivers University in Kamloops.... I invite the NDP caucus to go have a photo op there, but try as they might — try as the NDP caucus and their leader might — I don't think they can find any place in Kamloops where they can have a photo op in front of something they built that they can be proud of. It just isn't there.

For these people to harangue us continually about what we've got done so far, you'd think they would lay their hands upon their mouths. They don't take any responsibility for the chaos they made out of order and the ruin they made out of prosperity in the 1990s, but that's what they did.

The other day in the House the Leader of the Opposition said to our Minister of Health: "We get the same clippings you do. You could have anticipated our questions." Well, you know what we anticipated? We anticipated an opposition that would have been doing some thinking, some research and some brainstorming, talking to constituents and coming here with ideas that we would gladly implement, if they're good ideas.

I chair the government's Committee on Natural Resources and the Economy, and I said: "Bring them on. If you've got good ideas about what we can do to make the economy thrive even more, to bolster British Columbia and to give more opportunities to British Columbians, bring them on. We'll be delighted to hear them." I don't get any of that. I hear people from the other side asking questions about things they read in the clippings, as their leader embarrassingly confirmed the other day.

We know that seniors were separated constantly in the NDP years by the health care system. The Minister of Health today gave the statistics that from August 2001 to November 2005, which is a bit of overlap but about the length of time we were in office in our first term, the health system went from 650 seniors who were separated within the system to only 73. That's tremendous improvement. That's another transformation.

The opposition talks about closing acute care beds. The minister responds that they closed 3,334 acute care beds during the '90s because they were experiencing the same phenomena that we were — that medical health technology has improved, that there are better things for people than lying in a hospital bed for weeks because of a surgery that can be done in so much better ways now. In seven years they closed over 3,300 beds.

How can they reproach us for the changes, especially when they know that we're building this whole spectrum, a whole continuum of opportunities for seniors in housing that is especially designed for them? Whether they're Alzheimer's sufferers, whether they have mental health issues, whether they need more support in their home or whether they need assisted living, we have the whole range. We're building them constantly, and it's much better for people.

We have talked to people who went into extended care hospitals 20 years before they needed to, because the option was, basically, that you lived in your home or went into hospital. I guess the system felt it could afford those sorts of things before the '90s. It certainly couldn't afford them in the '90s, and we could never afford them now. The facilities were not used appropriately. They were not prepared appropriately for the onslaught of the challenges of today, and we're doing that.

So Madam.... Sorry, Mr. Speaker — back in the chair, and good to see you there.

The throne speech rightfully talks about transformation, and it looks forward to what sort of transformation should be occurring now. Where do we have to go from here? How can we better meet the needs of British Columbians today and the needs of British Columbians tomorrow and all down the future? There's a song I love that has a line.... I won't sing it, like a member on the other side did some months ago, but a line of it goes: "In hope that sends a shining ray far down the future's broadening way." It's a beautiful song. Our Premier talked about a new era of hope and prosperity and opportunity before we became government, and we have delivered on that in every way.

[1745]

Hope is such a tremendous thing. The young people of today grow up knowing they don't face double-digit unemployment; knowing that opportunities abound; knowing that the Business Council says there are going to be 1,075,000 new jobs by 2015, and there are only 680,000 people in the K-to-12 age group in British Columbia. The opportunities are everywhere, and that is hope. That's what we promised.

Interjection.

**K. Krueger:** That is, as the member says, what we've delivered. There has been profound transformation — and transportation transformation — in British Columbia, and we're proud of that, but we're not resting on our laurels. We do have five major goals for this decade, and we are delivering on them.

I thank the member for Esquimalt-Metchosin for fleshing out her notions of subcategories within those goals. I'd like to see us deliver on those, as well, because for British Columbians it's good to have hope, prosperity and opportunity.

How do we meet the challenges of an aging population and a declining birth rate? We want to know what the members think. What can they offer? We don't want this alarmist stuff, this fearmongering; this making people sick with worry. They know, I'm sure,

that frightening seniors makes them sick, and they should stop. Our Premier has a constant drive for improvement, a constant drive for success for British Columbia. That's what all of us on this side of the House share. We want opportunity for everybody.

The NDP are always talking about ordinary people. I don't know any. Everybody I know is extraordinary in some way. I think it's so insulting to people to always talk about your ordinary British Columbians. What's ordinary about the Minister of Forests? What's ordinary about the Minister of Health Services? What's ordinary about a man that creates success out of making juice in Vancouver? What's ordinary about any of the members opposite? Nothing. They're all extraordinary, and so is everyone else in B.C. We should celebrate that and create opportunities for them.

Noting the hour, I move that we adjourn debate.

K. Krueger moved adjournment of debate.

Motion approved.

**Hon. G. Abbott:** I move the House do recess until 6:45.

Motion approved.

**Mr. Speaker:** The House stands in recess until 6:45.

The House recessed from 5:47 p.m. to 6:46 p.m.

[S. Hawkins in the chair.]

### Throne Speech Debate

(continued)

**S. Fraser:** I was just going to roll into my response to the throne speech, but prior to our break the member for Kamloops-North Thompson had his response to the throne, and I just have to touch on a few things. Hopefully, it won't throw me off message too much.

The member did mention that he was not happy that the opposition tends to work negatively. I just wanted to remind the member that we are the opposition, and in a perfect world we would not have to be negative. I'm not a negative person. I am an optimist, and I am....

Interjection.

**Deputy Speaker:** Order.

**S. Fraser:** Thank you. That's fine. We get a rating by having critics from the other side.

In a perfect world, we're not. In a perfect world we would be able to just say in a friendly way to the government side, "You've made cuts that have been too far. You've made decisions that have hurt people," and the government would go: "Oh, well, we'll fix that." But that's not what happens, so our role is, unfortunately, one of bringing up criticism of government decisions. If it were not for that role, then government's decisions would stand and bad decisions would not be changed.

Because of 33 members on this side, bad decisions have been changed. The government side has been forced to relook at situations and decisions that they have made that have caused damage, and that's the way the parliamentary system works. I think we all accept that.

A couple of things that the member for Kamloops-North Thompson did say irked me to some extent, so I'm just going to correct it, because I do believe that the Auditor General is the accurate body to listen to when it comes to accounting. The previous NDP government had back-to-back surplus budgets. This government that prides itself on fiscal responsibility...

Interjections.

**Deputy Speaker:** Order, members.

**S. Fraser:** ...turned a surplus budget into a record deficit in a heartbeat. You can try to rewrite history all you want, and it does have an effect. I call it governing by slogan.

Interjections.

**Deputy Speaker:** Members. Order, please.

**S. Fraser:** If you tell the public something that is a little less than accurate enough times, a number of the public believe it.

I have to say that the transformative change that was referred to in the opening remarks of the throne speech does not reflect the reality of most British Columbians. No matter how many times government members repeat terms like golden decade or five great goals, the public gets more and more jaded and disappointed by a government that chooses to spend more time in slogan, self-applause and self-aggrandizement than in actually dealing with the public needs and listening to the public. That is why I stand here today, why 33 of us take our turn speaking in response to the throne speech, speaking out for the people of British Columbia — for the public interest, not for slogan.

[1850]

There is a quote in the throne speech, and it refers to the legacy of conscious decisions made by this government. Let's examine this statement referring to conscious decisions by this government and see what has happened and what is happening in reality in this province to so many — the conscious decisions to improve health care, for instance.

Now I represent the constituency of Alberni-Qualicum. This week in Port Alberni there is an emergency community meeting dealing with what is really happening in many communities in this province in this golden decade. The slogan doesn't change this fact. In Port Alberni and the Alberni Valley there are no doctors taking new patients — no doctors taking new patients.

I've already raised this issue with the minister last year — in another context but just as germane. I'll

touch on that. In the context of the big picture and how the doctor shortage is having a devastating effect on my constituents, how has this government reacted? So far the conscious decision referred to in the throne speech amounts to nothing. Since then, Port Alberni is losing another general practitioner.

Madam Speaker, I have a letter from a constituent — I've got several letters here — referring directly to this problem, as it's related to the statements in the throne speech. The constituent says that she believes there is an emergency situation in the Alberni Valley. Dr. Samborski, who apparently had 400 family practice patients, is leaving his practice. Patients have been advised in the newspaper to find a new physician and have their files transferred. No family physicians in town are taking new patients.

The people of the Alberni Valley are losing more and more services, while the population is growing older and more frail. For services that concern the elderly, the following are some examples of services that are not available: podiatry, cataract surgery, cancer treatment, joint replacement.

I won't read the whole letter. There are no doctors taking new patients, and we're losing yet another one. I have raised this issue already. The throne speech — although there are great words in the throne speech, I'm sure — has done nothing to alleviate this problem, and the budget has done nothing, and the ministry has done nothing.

The shortage of doctors in one community, in this case in Port Alberni, has a ripple effect that I brought forward the last sitting, which I just referred to. Again, the conscious decisions referred to in the throne speech are totally lacking and show a lack of understanding and foresight.

I have a letter from a constituent that illustrates what I'm saying. It's from a Peter Matley.

My wife Midori was a long-time employee as a nurse at the Tofino General Hospital and retired approximately eight years ago. In September of last year Midori was hospitalized with a broken hip and wrist as a result of a fall. She suffers from dementia.

My wife returned to Tofino General Hospital approximately one week later and since that time has been on the wait-list for a long-term care facility in Port Alberni. I do not have a problem with this as it is inclement that all of us wait our turn. What does concern me is that I have been recently told that the long-term facility in Port Alberni will not accept her unless she is signed off by a Port Alberni doctor and that Port Alberni doctors are not accepting any more patients. As a result, a dedicated hospital staff and myself have to wait and watch my wife slowly pass away as a result of boredom because this hospital is not equipped, not adequately prepared to handle long-term care patients.

[1855]

And Alberni is losing another doctor. So this problem is affecting the entire constituency — many families in my constituency. I raised this issue last sitting in the context of another family who this affected. While the throne speech speaks of the growing realities of an aging population — rightly so — and the crisis of dementia, this budget completely fails to address the se-

vere shortcomings of this government's refusal to provide long-term care beds or the bureaucratic mire that my constituents are facing by this government's conscious decisions referred to in the throne speech.

In our community our local SOS committee spent four years trying to protect against this government's cavalier and heartless decisions in the Alberni Valley, and hats off to them. Now they're having to fight again to provide fair, adequate and timely service — services that we all deserve, services when we need them, where we need them, to quote this government. This government is failing my constituents.

I'm not going to shut up about this. I have to shut up when you tell me to, Madam Speaker, but I will keep going on. If you want me to shut up about this, it's a simple formula. This government needs only to become an active partner in helping the community resolve what is amounting to a health care crisis in the Alberni Valley. I'll do all of the legwork here. This government only needs to come to the table. Please get your head out of the sand. Despite the words of the throne speech and the slogans so routinely used, people are slipping through the cracks. We need some leadership here, not more slogans.

Back to the quote from the throne speech: conscious decisions to improve, in one case, the environment. What my constituency is seeing are raw logs — a lot of raw logs — leaving town, leaving my constituency with a minimum benefit to the community that those logs, that those trees, come from. We are seeing clear-cuts like we haven't seen for a long, long time. We are seeing workers with decades of loyal service being left behind in the slogan of a golden decade.

I have a list from December 22, 2005, of people that have been laid off and are by now laid off — many of them without any severance, many of them with decades of service — who do not see a golden decade.

We are seeing watersheds put at risk and no leadership from this government in that regard — no comprehensive plan for coastal forest management, no attempt to ensure sustainable industry.

Interjection.

**S. Fraser:** Oh, I struck a chord. Come and visit. I've brought some of my peers.

Interjections.

**Deputy Speaker:** Members. Order, please. Through the Chair, member.

**S. Fraser:** I have brought our Forests critic to the Alberni Valley. I don't mind heckling. It builds character. But I suggest that before you continue heckling, try a visit.

Every two minutes there is a truck leaving the Alberni Valley, and there are job losses. There are families suffering. They are not seeing the benefit. There is no appurtenancy, and there is no attempt to ensure a sustainable industry — not at this level of cut, not for future generations.

[1900]

What we have seen is a slashing of ministry resources to oversee forest practices — total reliance on, basically, the self-policing by industry and no attempt to link the resource to the community it comes from. This is a community that helped build the economy of this great province.

We are seeing a weakening of legislation dealing with private land and the removal, specifically, of the ability of local governments to create legislation to protect the environment and the public interest. This flies in the face of one of those great goals — another slogan.

The fourth great goal, you remember: the best environmental standards, bar none. The throne speech and the budget are sorely lacking in any creative plan around environmental sustainability and in any comprehensive plan around protecting our precious water resources — our drinking water, our future, the most important resource in the world today.

We see ministry decisions that allow the introduction into the environment of dangerous substances that can affect watersheds, and we see forest practices that also put those watersheds at risk. The throne speech may — no pun intended — spout slogans about.... But the budget and the ministry actions or inactions do not bring us forward; they take us back in time.

Our water systems are complex and delicate. They require a broad and holistic approach from many different ministries — not in isolation — and we are not seeing that from this government, not through its actions.

I was questioned by the local press around government statements defending the spraying of dangerous substances on and around our watersheds and how it can be done safely. The quote they printed was, I thought, off the record. It was: "It's like having a no-pee section in the swimming pool." I didn't expect to get that quote on the front page of the local paper, but you cannot deal with....

**Deputy Speaker:** Member, just a moment.

I do wish to advise members to please keep your language parliamentary in here. Also, even if a member is poking fun at oneself, please keep that language parliamentary as well.

**S. Fraser:** Thank you, Madam Speaker. Thank you for the guidance. I shall do so, and I shall not make another quote off the record of such nature.

The throne speech speaks of the new relationship. I'll go back to the original quote regarding the new relationship from the throne speech: "It is a product of new relationships with first nations and collaborative new relations with governments at every level."

For the record, I have supported the new relationship. I acknowledge the need for a new relationship, and I support the words of the document. I have expressed that to the minister and to the Premier. I have agreed not to be obstructive or get in the way of progress in this regard.

As we heard today, there was an agreement-in-principle signed with Yale First Nation. I'm pleased by such, because it is in the interests of all British Columbians to see this happen, to see progress in the new relationship and relationship building and in true reconciliation.

[1905]

The new relationship has to be more than just words. We were to get beyond negotiating through the courts. The last time I looked, there were 44 cases before the courts and a continuation of government decisions that fly in the face of not just the new relationship but that contradict the spirit and the intent of court decisions — recent court decisions, court decisions going back to Delgamuukw and beyond.

Since the throne speech, which refers to the new relationship, I received a copy of a letter from the Hul'qumi'num treaty group. They were not consulted. The meaningful relationship that was specifically prescribed through numerous court decisions did not occur in this case, in the spraying of those dangerous substances on their traditional territories. What's more, the Cowichan tribes made two written requests for consultation, to which they received, according to this letter, no response.

This is particularly disturbing in light of the words of the new relationship, which I have supported, which we on this side have supported. We have a common interest with the government on this. It is of great concern when these glaring exceptions happen. If it is raised in the House and is made light of, that is cause for concern too. It does fly in the face of the spirit and the intent of this new relationship. It is simply not good enough — not nearly good enough. This uncertainty through what amounts to a lack of leadership is not only wrong for first nations. It adversely affects all British Columbians and affects certainty for our future.

There were other issues that have been brought to my attention dealing with the new relationship that was mentioned in the throne speech. There is the shackling of youth prisoners during sacred sweat lodge ceremonies. I have a letter, addressed to the Premier in this case, which I have received a copy of. In one section of the letter it says: "In light of the new relationship and the message from the throne speech earlier this month, which stated that the provincial government must better meet aboriginal cultural needs, we view the policy of putting leg irons on youth while attending a very sacred ceremony as a step backward in this new relationship. We have respectfully approached this situation, with no response from the ministry responsible."

Once again, there is no meat on the bones of this new relationship. The words ring hollow. Being mindful of the criticism of the member for Kamloops-North Thompson that we are always negative, we must be when we see this happen.

In closing, I understand that the throne speech and budget announcements are largely about ceremony and tradition. But any government that blindly follows and believes its own rhetoric without listening, that

ignores the reality of what is happening to real people — in my constituency, in this province, in your constituencies — is letting those people and future generations down.

The conscious decisions — that I quoted from the opening of the throne speech — made by this government may have been perceived as effecting a golden decade by some, by a few. But the conscious decisions coincide with growing homelessness, increased need for food banks, torn-up contracts and layoffs without cause, crisis upon crisis for children in care, the separation of elderly couples, death and injury in the forests, death and injury in the workplace, increased provincial debt, reduced environmental standards.

It is difficult to reconcile the conscious decisions of these realities with any golden decade.

[1910]

**Hon. R. Thorpe:** It is a pleasure to rise in the House tonight and speak as the member for Okanagan-Westside.

You know, things are so positive in British Columbia today. It's actually so heartwarming, because in just over four short years, British Columbia has been transformed as a province that lagged behind the rest of Canada to a province that now leads Canada. But in times of rapid global change, we must continue to lead in health, education and economic activity. Our goal is to ensure that British Columbia is recognized as a global powerhouse of innovation, inspiration and wealth creation. Those are the words of our Premier and our leader, and what better words can we have to build a province here in British Columbia that is positive? I hope some of the members over there will actually listen to positive instead of negative, negative. That is all the NDP can speak about: negative, negative.

We live in a time here in British Columbia that creates so much opportunity for so many. You know, as the MLA for Okanagan-Westside — and as Madam Speaker knows, as a fellow member from the Okanagan — we work in partnership in the Okanagan. We work in partnership with our local communities, with our mayors and councils from Kelowna to Peachland to Summerland, with the directors on the Westside and the Westbank First Nation with Chief Robert Louie and his council. We work together. We put aside whatever differences we may have from time to time, which, I can say, in the three terms that I've represented the south Okanagan, have not been that many, because people are focused on accomplishing things. People believe in our throne speech that is bold. It has vision, and it demonstrates leadership.

In just two short years British Columbia will celebrate its 150th anniversary. I'm sure there are members over on that side of the House who will find that there's something negative in celebrating 150 years of success and prosperity for British Columbia.

Interjections.

**Deputy Speaker:** Order.



**Hon. R. Thorpe:** It'll help all British Columbians make 2008 a birthday to remember. I know my communities will participate with great enthusiasm as we continue to look forward to the great opportunities, not only for the families of today but for our children of today and, as I've said in this House many times before — some of us have the fortunate situation to be grandparents — the opportunities that British Columbia has and will continue to have for our grandchildren.

Let me talk, if I could for a few moments, about health care. We hear members on the other side of the House being continually negative about health care, about health care workers and about the progress that's being made in British Columbia. Now, I know that if the Conference Board of Canada had said something.... What did they say? They said that British Columbia is actually number one. They rated the health care system in British Columbia as the best in Canada. We have made so much progress working together, but there is so much more we can do in working with our health care workers, nurses, doctors and administrators.

We can continue to lead in British Columbia. We can continue to lead in Canada, provided we have a positive outlook, provided that we're prepared to embrace innovation and leadership. We are leading the nation in creating new spaces and physician training. The last speaker talked about not having doctors. It was under the NDP that they cut training for doctors in British Columbia. It was under the NDP that they cut training spaces for nurses, but we are moving forward.

[1915]

We are moving forward. All members of this House should actually embrace the future and realize the realities of the day. Families are getting smaller. Too often, short-term thinking and election cycles blind all of us.

Today seniors account for one in seven. If we look forward to the year 2030, which I'm actually enthusiastic about — looking forward to that year — seniors will be one in four. The NDP over there would argue not only for the status quo; they'd argue for going backwards. That is not going to make things feasible for 2030 and all of those folks that are going to need the assistance of British Columbians.

Governments around the world are struggling to keep up with this reality. The increase in dementia is one such example. Our government will strive to establish a national research collaborative, working together with the Pacific Alzheimer Research Foundation. You know, this actually is an issue that all members of this House should embrace and agree to work together on, because I doubt there is one member in this House that has not had an impact of that disease situation on themselves, their families or their friends. I think that all of us should work together on these issues. I know that in our family, we have been impacted. My wife's mother was very severely impacted. She passed away a few years ago.

This is a bold leadership move, and I think all members of this House should actually embrace all of us working together, because it can make our lives, our families' lives, our friends' lives and all British Colum-

bians' lives better. I think we should all work together on that.

But we have to be willing to ask ourselves some questions, such as: what are the fundamental changes we must make to improve our health care and to protect our precious public health care system for the long term? Our government will initiate provincewide discussions with British Columbians to tackle that question. I hear members across the House saying: "No, you shouldn't do that." But on so many other issues they actually want to engage British Columbians to talk. Well, our government will engage British Columbians. We will ask the question. We will move forward together with British Columbians, because we seek the advice of all. We want to seek the advice of British Columbians, of the best around the world, to improve our health care system in British Columbia's long-term interest.

We will form a new independent foundation for health care innovation and renewal. It will be established to help identify ways to better serve our citizens' health needs through careful examination of successful health models now working across Canada and around the world. How can that be wrong? How can the members on that side of the House not want to engage the brightest and best experiences for the benefit of all British Columbians? How can that be wrong? But somehow they will find a way to vote against that. They will find a way to vote against improving health care in British Columbia. I will proudly stand in this House and vote to work to improve health care in British Columbia.

Our government will make sure that any changes it makes are consistent with the Canada Health Act. The act holds out the promise of universal, accessible, comprehensive, portable and publicly administered health care. But it begs some questions. What does the principle of universality mean? Already, members on that side of the House know that there are some citizens in British Columbia who have special access, options others do not have.

[1920]

What does accessibility mean? Does it really matter to patients where or how they obtain their surgical treatment if it's paid for with funds?

Why are some on the other side of the House so afraid to look at mixed health delivery models that other countries in Europe and around the world have used to produce better results for patients at lower cost to taxpayers, but paid for by the taxpayer? That is a publicly funded system. Why are the NDP so quick to condemn any consideration of any other system?

As I said, open conversations and rational discussions aimed at transforming our Canadian health care system is something that our government will work with British Columbians to achieve.

The Canada Health Act needs to be updated, not to make it weaker, but to make it stronger and consistent with its original vision and intent — to preserve public health care for all Canadians and all British Columbians. British Columbia will define and enshrine in pro-

vincial law the five principles of the Canada Health Act. And we'll add a sixth: the principle of sustainability.

I will vote for that, but it'll be interesting to see what the NDP opposition over there does with respect to voting against enshrining in provincial law the principles of the Canada Health Act and adding sustainability as a new principle. We have heard of hypocrites before in this House. If those members, who espouse to protect the Canada Health Act, vote against this throne speech, let British Columbians know they are against protecting publicly funded health care in the province.

You know, they talk about protecting public health care. We know that the provincial NDP and the federal NDP are not just joined at the hip; they're joined all over the place. The leader of the federal NDP actually tells Canadians that he goes to a health care clinic named the Shouldice clinic, and he didn't know it was a private clinic. Now, there is a limit.

But let's look on and say: what else we have got in here?

Interjection.

**Hon. R. Thorpe:** I've got lots. You got it, baby.

I want to just say that Mr. Tommy Douglas.... I think all Canadians, not just NDPers, as they sometimes would make you think as they get up there on their little pedestals.... He was a patron of government and health care in Canada. In a speech in the Saskatchewan Legislature in 1961, here's what Mr. Douglas had to say: "I want to say that I think there is a value in having every family and every individual make some individual contribution. I think it has psychological value. I think it keeps the public aware of the cost and gives the people a sense of personal responsibility."

Mr. Douglas made a great contribution to all Canadians, but why are the NDP of the day against health care sustainability? Why are they against learning from others around the world? Why are they against engaging British Columbians in real conversation and real consultation? Why are they against actually putting the patient first in health care in British Columbia? It'll be interesting to see how they vote. It'll be interesting to see if they can walk the talk.

[1925]

The previous speaker talked about a shortage of doctors. Well, I wonder what happened in the decade of the '90s — which they do not want British Columbians to remember. They actually stopped educating doctors in British Columbia, and what have we done? We've added three new medical schools. We've added 126 new doctors being trained per year in British Columbia. We've announced that there'll be another new medical school in British Columbia, and that'll be in the Okanagan, in Kelowna. To the members of this House: I want to recognize the hard work that Madam Speaker has done in working towards this dream becoming a reality.

We talk, and we listen to these folks over here talk about nurses. Actually, it was the NDP who cut nurs-

ing training in the province. We've created nearly 6,700 new nurses in training and over 2,100 more nurses now serving patients. B.C. is now training nurse practitioners. B.C. NurseLine now offers around-the-clock access to health services in 130 languages, and it'll be expanded again this year. I just want to say that the B.C. NurseLine works very, very well.

As many of you know — because every time I talk, I do happen to mention my grandson.... When our grandson was first born, my daughter was raising him away from home. She tells me and her mother that the B.C. NurseLine was a great tool. We now have to take that tool, enhance it and expand it so that other people, other grandparents and other seniors can have the comfort. I know that in my constituency office, when I give out the *HealthGuide* and talk about the NurseLine, the seniors are actually very, very positive. They accept these tools as part of a moving-forward health care system. I just can't quite understand why the NDP are so far out of step with British Columbians. I just don't understand it.

Let me move off health care for a minute. Let me talk about energy. In British Columbia we have been blessed by having one of the lowest electricity rates in North America. We have been blessed by having clean energy. We have public ownership of B.C. Hydro and B.C. Transmission Corp., but if you listen to the negativism over there, they would have you believe that the public of British Columbia do not own those assets.

I sometimes have to ask myself: why are they saying that? Are they actually going to resurrect the plan, from when they were in government, to sell B.C. Hydro and B.C. Transmission Corp.? Some of them will laugh now. Some of them were not elected — those that could be laughing now. They were in senior staff advisory positions. I wonder where that idea came from. But you know what? Our government said that B.C. Hydro and B.C. Transmission Corp. will be retained by the public and that it will be regulated — not like the NDP over there.

You know, we have our dams and our river systems, and they're world-class. We now have an opportunity for clean coal to generate electricity in the province. I know that...

Interjection.

**Deputy Speaker:** Order.

**Hon. R. Thorpe:** ...members over there actually.... No, they're probably not still in the Dark Ages, but some of them still think that way. Some of them don't understand that technological change has taken place and that there's actually clean coal, due to creativity and the best brains in the world developing that technology. Our goal as a government is to continue to build and to ensure that British Columbia has self-sufficiency and efficiency in hydro power for all British Columbia at some of the lowest rates that you can have in North America, because that is great for our economy.

[1930]

Now, let's talk about the economy, because only by having a strong economy can we protect public health care, advance public health care, invest in public education, advance public education and also at the same time provide the safety nets for those in our communities that need them. It's through a strong economy.

As the Minister of Small Business and Revenue, I'm pleased that our Premier committed our government to establishing a permanent round table to visit British Columbia communities, to consult with British Columbians. We've travelled to 11 communities so far. We have a very positive, permanent round table of advisers. We are moving forward based on building a strong foundation of the economy. By actually doing something and listening — listening to the grass roots, listening to small businesses about how they've been successful, what issues they face, what opportunities they see — and taking that and developing a small business strategy that will continue to ensure British Columbia is the most small business-friendly jurisdiction in Canada; that will continue to have the strongest confidence of small business operators of any jurisdiction in Canada; that will continue to have, as we have in the first four and a half years of government....

We set the policy. We helped create the environment, and they've gone out and created some 20,000 new small businesses. We will continue, through our round-table process, to conduct sales tax reviews in each one of the communities that we go to for small business. You know, it's amazing, the input you get when you ask British Columbians: "How can we simplify? How can we streamline? How can we enhance fairness?" Some of the work that my colleague the Minister of Finance had undertaken and some of the inputs that we had heard have actually been factored into the budget that was tabled and passed last week — by listening to small business.

We have the highest small business-tax rate threshold in Canada. We have the third-lowest small business tax rate in Canada. British Columbia is very, very competitive. Working with our small business owners and operators, we will continue our attack on cutting red tape in the province. Today reductions have totalled 154,000 regulations, or 40.34 percent, far exceeding our goal of 33 percent. We are going to continue that.

In the weeks ahead I will have the pleasure to announce a track two for regulatory reform in British Columbia, one that will continue to demonstrate to the rest of Canada, to North America, that British Columbia is a leader in regulatory reform, second to no one in the world for the fine, fine work — and I want to say this — of our public service. Yes, we get the ideas from small businesses and medium-sized businesses and from individuals, but it takes the hard work and diligence of our public servants to put those things into place, to streamline, to simplify and to remove red tape. I want to say thanks to all those public servants who have worked so hard.

One of the things in our Small Business Round Table that people are talking about is increases in train-

ing, increases in skills development. Sure enough, our government was listening, and over \$400 million was put into the development of training. Together with my colleague the Minister of Economic Development, our government and the Finance Minister will be coming forward with a tax credit program for \$90 million. That is what small businesses said they need to help us continue to manage success in British Columbia.

[1935]

When I think about what these members over here feel and say sometimes in this House and their negative approaches and that there are clouds everywhere and it's always so dark.... British Columbia now faces the challenges of managing success. What a tremendous accomplishment for all British Columbians in four and a half years. We now are managing success in British Columbia, and we are going to continue to manage success.

To do that, we've got to invest in our education system. In the coming months, under the leadership of our Premier and the hard work of our Minister of Education, they are going to visit and have meaningful visits with every school district in British Columbia. Now, I don't know if anybody's checked back, but I'll bet you that has never been done in the history of the province, that a Premier and Minister of Education have visited, in such a short period of time, every school district. To meet with teachers, to go into the lunch rooms, to go into the classrooms, to meet with parents, to hear people, to listen, to come back with ideas — this is unbelievable.

Our government was the first to act in forming an education round table. I know that there are some members across the House that are actually against that. Once again, how can you be against meeting with teachers, educators, administrators and parents and saying: "How do we make one of the very best education systems in all of Canada even better?"

Well, that's all part of our vision of leadership and of continuing to grow the great economy of British Columbia. Our government, in the coming months and year, will hold the first ever teachers congress, and I am very hopeful that teachers from the riding of Okanagan-Westside will be invited. I know that if they're invited, they will participate. I can tell you, as I have visited schools since I was first elected, that we have some of the very best teachers in the Okanagan working and teaching and leading and educating the students of the Okanagan.

I know that there are members on the other side of the House that say: "Why would a government ever embark upon publishing class sizes? Why would they do something like that?" Because....

Interjection.

**Hon. R. Thorpe:** The member says they did it all the time. Well, I would like to see...

Interjections.

**Deputy Speaker:** Order, please.

**Hon. R. Thorpe:** ...the member that made that irresponsible comment bring those reports and table them in the House to show that they actually had the vision, that they actually cared. We know...

Interjection.

**Deputy Speaker:** Order, please. Order.

**Hon. R. Thorpe:** ...that they can crank up the rhetoric better than anyone, but now we're talking about realities. Now we're talking about facts. We have all of this information for every school district. I think that's important for students. I think it's important for educators. I think it's important for parents. Certainly it's important for legislators. We can look at this, and we can also say to school districts and to school boards: "This is actually the law of British Columbia. You actually have a responsibility. You have an obligation to help invest in our students."

Those who haven't been doing their job are probably a little bit nervous. Those who have done such a great job should actually be praised, and we should thank them because they're doing what the legislation said they had to do. They're doing what's right for our students. I look forward to continuing to work in that area.

I also look forward to us working hard with our first nations students and our first nations leaders as we give our first nations people of British Columbia the same opportunities that each of us want for our families, our children and our grandchildren. I look forward to working with the Westbank First Nation's Chief Robert Louie and his council to move forward in educating all of the students in Okanagan-Westside.

[1940]

We're also looking at new innovation opportunities...

Interjection.

**Deputy Speaker:** Order.

**Hon. R. Thorpe:** ...whether it be our virtual schools.... We are going to continue to offer our students leadership and innovation opportunities like they've never had before. I don't want to get into the funding and all of that kind of stuff, because I actually talked about that in my budget speech.

I do want to say in closing that I actually challenge the members on that side of the House to stand up in this House and to vote on health care like they said they have in rhetoric, and the Canada Health Act and its five principles and sustainability....

**Deputy Speaker:** Thank you, minister.

**Hon. R. Thorpe:** Let us see who is going to support the throne speech and who is going to vote to protect health care in British Columbia.

**J. Horgan:** It's a true pleasure to be following the minister, the member for Okanagan-Westside, one of my dearest and sweetest friends here in this place. I look longingly across at him every day, wanting to follow him in debate, and here's the opportunity. Here's the opportunity.

It's an honour to rise and respond to this, the second throne speech in my short time here in the Legislature as the representative for Malahat-Juan de Fuca. I want to take this opportunity to thank those that sent me here and for giving me the privilege to be their representative in this august chamber, where we can exchange ideas and pleasantries periodically to and fro.

Oh, minister, do stay, pray. I've got so much to say.

**Deputy Speaker:** Member, just a reminder....

**J. Horgan:** I'm sure he's just getting a water. He'll be right back.

**Deputy Speaker:** Member, we do not make....

**J. Horgan:** It was a generic executive council....

**Deputy Speaker:** We do not say whether members are in the chamber or not. The presence or absence of members is not parliamentary.

**J. Horgan:** Thank you, hon. Speaker. I apologize to the member and to the House for that.

It is truly a privilege and an honour to be here in this place, speaking on behalf of the residents in my communities. They are numerous, those communities, within Malahat-Juan de Fuca. It starts, as many members will know, on the west coast of Vancouver Island in the community of Port Renfrew and moves towards Victoria through the communities of Jordan River, Shirley, Otter Point, the district of Sooke, East Sooke, a bit of Metchosin — just enough of Metchosin to make me feel a bit rural now and again. It makes me feel a bit farm-like, and I'm happy about that.

**An Hon. Member:** Sort of a hick.

**J. Horgan:** Yes, that's right.

It moves into the burgeoning metropolis of Langford, which is exactly what we want to see in the lower Island — an economic hub in the Western Communities that is creating jobs day after day after day — and up the Malahat through the small district of Highlands, the unincorporated community of Malahat into Mill Bay, Shawnigan Lake, Cobble Hill, Glenora and, lastly, Cowichan Bay. I think all members will acknowledge that that's a whole lot of diversity going on in one small provincial electoral area, but it is a real joy and a thrill to be their representative.

Since I last had a chance to speak in this place on a throne speech.... The last one I recall was on seniors. I think that the government recognized during the election campaign that they had miscalculated the senior vote. They felt that their false promise of 5,000 ex-

tended care beds would be able to slide right by, and in the interests of shoring up support, they called their throne speech the seniors throne speech.

Of course, this throne speech has been characterized as the children's throne speech. Again, a response to the good efforts of my colleague from Vancouver-Kingsway and those on this side of the House and social workers right across the province bringing to the attention of the public and to this place the shortcomings in the Children and Families Ministry over the past number of years.

[S. Hammell in the chair.]

The impact of harsh and severe and hardhearted budget cuts in the period between 2001 and 2005 and the impact those cuts had on the delivery of services in the communities, in communities like mine.... Like Port Renfrew, where the Pacheedaht First Nation, the Nuu-chah-nulth people there, are working very hard to make something out of their part of the coast — faced with challenges with respect to land use and forest licenses. I know the member from Kamloops knows quite a bit about those forest licences over his time — many, many years — in this place.

[1945]

Those are challenges in communities. It's our job as representatives to bring those up whenever we get the opportunity.

I want to make a comment off the top about the district of Sooke, where I had the pleasure of being on a podium with the Minister of Community Services just last week for the first flush — yes, that's right, hon. Speaker, the first flush — of the Sooke sewer system, which I believe will be a template for other communities in the south Island so we can finally have better flushes right across the south Island. It's an opportunity, I think, for the city of Victoria and the core municipalities on the south Island to take a look at the little can-do community of Sooke that said: "We need a sewer here so that we can develop to our fullest potential, and we're going to do it in a way that's environmentally sensitive so that we can keep the Sooke Basin pristine, so we can have the salmon runs that we've had in the past coming back to our community."

It was a pleasure to be with the Minister of Community Services at that announcement. She spoke at that time about strategic infrastructure investments and how crucial they were to the community and to the economy, and I couldn't agree more. I know that my good friend from Okanagan-Westside would be applauding me when I speak about the importance of targeted investments in communities.

I think we all understand — certainly on this side of the House, and we've heard a good deal of it from that side of the House — the importance of infrastructure spending in our communities. The challenge I think we have over the next five years is recognizing that infrastructure expenditures have to happen in ridings that voted against the government as well as in those that voted in favour of it. That's a challenge that....

Interjections.

**J. Horgan:** "Don't be complaining," says the minister on the other side. I'm sure I'm on a little list somewhere, and there'll be a check put beside my name: the member from Malahat is complaining.

That's my job. My job is to come here and complain, minister, and I'll be complaining as much as I can for the next four years. Bring it on. Bring on more. We need more.

I can start with the Bear Mountain interchange, a classic opportunity for this government to embrace a P3. There's federal money, there's municipal money, and there's private money. Where's the province? Nowhere to be seen — it's in an NDP riding. In fact, the proponent, no supporter of mine, sent mail to every one of my constituents, spreading misinformation about the New Democratic Party and its role and function in society. Yet here I am, standing in this place defending him and his request for provincial assistance so that we can have an interchange so that the economic development that's taking place at Bear Mountain can continue.

It's a fantastic place. I encourage the members opposite to take a drive up to Bear Mountain and look at the economic development going on there. It's not because of the policies of this government. It's because of low interest rates, it's because of the beautiful view of the south Island, and it's because investors took a chance. They took a chance, and they're making millions, and that's a good thing. It's a good thing for my community; it's a good thing for this province.

The Minister of Community Services said that infrastructure spending was important, and I agree with her. I was pleased that she was in my community for the first flush last week, and I'm hopeful that she'll take her experience from that meeting to her colleagues in the south Island — in Saanich North and the Islands and to the mayor of Victoria — so that we can get small-based sewage treatment plants sprinkled all across the south Island so we're stopping the flush into the Strait of Juan de Fuca.

I want to talk, also, about another big challenge in my community, and that's transportation infrastructure. One of the first things I did following the various elections.... You know, we've had a good deal of them. We've had school board elections, of course. We've had municipal elections, and we had a federal election as well. I've been spending some time going around talking to mayors and councils in the various communities that I articulated earlier. I've met with my Member of Parliament, Dr. Keith Martin, and we've talked about how we can work cooperatively to bring about the transformational changes in our community that the government is acknowledging in its throne speech.

I'm hopeful that the members on the opposite side will join with me when I'm advocating for my community — that they'll join with me and encourage their colleagues in the executive council to take a good, hard look at Malahat-Juan de Fuca when they're distributing the largesse from the budget surplus that they

spoke about just two weeks ago. I think it's important that we take some of the benefits of oil and gas revenues and the benefits of exploding commodity prices and reinvest that money in communities right across the province. I'm certainly going to be at the front of the line advocating for the people in my community.

[1950]

The minister was in Sooke to talk about infrastructure. It's unfortunate she wasn't there to talk about governance, because one of the big challenges in my community is the challenge of municipal governance.

As I mentioned, there are numerous communities in my riding: Langford, being the economic centre; rural Metchosin to the west; and, also, rural communities in East Sooke, Otter Point and Shirley. Between those rural communities is the district of Sooke. We had a referendum vote in Otter Point, Shirley and East Sooke in February 2005. Hon. Speaker, 80 percent voted against joining the district of Sooke — 80 percent. There was a 59 percent turnout, which is almost as high as you would get for a provincial election — extraordinary for a midterm referendum.

The residents in those communities assumed they were following a process that was prescribed by the various Ministers of Community Services — not the current one, but those before her — and that if they voted against something like that in such overwhelming numbers, the government would stand up, or at least take notice, and the government would listen to their concerns and work with them to find a governance model that was in their interests, a governance model that would work for those people in those communities.

What I did as an elected representative.... I met with a group called OPSRRA, which is Otter Point and Shirley Resident Ratepayers Association. I met with them during the election campaign. They talked to all of the candidates who were seeking election in May 2005 for this Legislature. I gave them a commitment that I would work as hard as I could to bring the government of British Columbia to a position where they would be assisting those communities to realize their rights to self-determination and autonomy in their area.

After the election I said that I'd made that commitment and would keep it, and I've been working with OPSRRA from that day to this day. I contacted the minister. I spoke with her. I said: "This is a very important issue in my community." She received numerous petitions; some 453 residents contacted her and her ministry. We had letter campaigns from the various groups: the Otter Point firefighters, the Otter Point water district, the Shirley firefighters, the Shirley Education and Action Society and a whole range of other organizations representing virtually the entire community of Otter Point and Shirley. I was able to convince the minister to send her senior public servant to that community to listen to their concerns, and we spent three hours talking about a governance approach that would meet the needs of the people in that community.

I have to that say two weeks ago, on a Tuesday night, I was at a packed town hall meeting on the west

coast of the Island. If you've been to Shirley before, hon. Speaker, you'll know that it's a pretty raucous crowd. There was some anxiety that there had been no response from the government. The senior public servant who had been sent, dispatched by the minister to calm the waters, had been contacted on the weekend. We were advised that no decision was going to be forthcoming. I stood in that place, and I defended the minister. I defended her staff. I said that they were honourable people and that they would certainly advise us before any precipitous action would take place.

What happened the next day at cabinet? My friend from Kensington is here; I know that he's very interested in this. Well, that next day, after standing and taking barbs and arrows on behalf of the minister and her staff, we were advised that the cabinet passed an order-in-council with letters patent annexing portions of East Sooke and Otter Point to the district of Sooke — counter to the wishes of the community, counter to the wishes of all those in attendance at the public meeting, but there you go.

Here's a community, an activist community, that did the right thing. It wrote letters. It contacted Liberals. It contacted New Democrats. It contacted Greens. It was respectful. It was to the point. It asked for a specific outcome. It was the way you're supposed to do things, one would think. As a newly elected representative, I thought: what could be better than this? The minister is responsive; her ministry is responsive. What happens? Bang, right between the eyes. This group of citizens who did everything by the book, did everything that they were supposed to do, were completely and utterly ignored.

It's shameful. It's profoundly disappointing to me on a human level and also from a political perspective, because I didn't have to defend the minister. I didn't have to defend her staff. But I did, because I thought they would be honourable people and they would advise me at a minimum if they were going to hang these people out to dry. Sadly, they didn't have the guts to do that. They just went and did it.

**An Hon. Member:** That's what you get for defending the government.

**J. Horgan:** That's what you get for defending the government. But I'll continue to do that, because I'm hopeful that over time they'll recognize that some of us on this side of the House, if not all of us on this side of the House, want positive outcomes in our communities. We want to do it respectfully. We want to do it as quietly as possible. Not everything that happens in this place is for political advantage.

[1955]

Those on the other side of the House should know that. It's not all about political advantage. Quite often it's about the positive outcome for people in our community.

The Solicitor General nods his head as if this is all partisan games. If it were all partisan games, I wouldn't be sitting in here doing this; I'd be out doing something

else bringing you guys down. I'm here trying to represent them down. I'm here trying to represent the people in my community. That's what I was doing with Otter Point, East Sooke and Shirley. We were ignored, and that's a tragedy.

It gets to the point where we bring out the tomatoes. I said that if they're not going to listen to reason, then they might listen to irrationality. So we can expect a protest or two in the next little while, and I hope the minister is up for it. We could have avoided that. I'm confident we could have avoided that. In fact, I was defending the minister and her staff right up to the last minute.

Another issue in my constituency that is important, I think, to raise at this opportunity in the response to the throne speech is the dynamic of urban and rural in Malahat-Juan de Fuca. We have, as I said earlier, the dynamic community of Langford right in the heart of Malahat-Juan de Fuca, where building is going on at a great rate, which causes some anxiety amongst those who are more of a rural persuasion in the community.

That's why the mayor of Metchosin and others have been discussing the prospect of what they're calling a rural alliance, which would include some of the communities that I've mentioned today: Otter Point, East Sooke, Shirley, Malahat and even, perhaps, Willis Point. It isn't actually in my constituency, but it also feels the challenges of growth in the south Island and has suggested to me and to others that this notion of a rural alliance might be a solution to that.

Of course, the public servants in the Ministry of Community Services are concerned about that because it doesn't fit into their plan for the south Island, which of course doesn't fit in with the plans of the people that live in the south Island. But that's never been a big issue for the ministry, and they're going to carry on regardless.

The beauty of the rural alliance is that it's not a place; it's a state of mind — as has been suggested to me by some of the people in Shirley. It's not so much where they live; it's what they're living with. I think that there are great opportunities, if the minister was receptive, to look at creative opportunities in the south Island so that we can have the coexistence of rural and urban in the south Island.

Above the Malahat, we have similar challenges with respect to growth in the communities of Shawnigan and Mill Bay. Proposals for new developments at the Bamberton site, for example, cause great anxiety for many in the community — and potentially great opportunity. One of the issues that we'll have to deal with if the various proposals for development come on stream is: how do we move these people around? How do we get to and fro in the south Island?

My friend from Kensington, the Transportation critic, and I have been working very closely on this issue to find some way to get people from where they live to where they work. Obviously, we'd like to see people living where they work, but that's not always easily done on an island. I think that many members who come to visit this place for the four or five days

that the Legislature is sitting each week have a better understanding of that than most around the province.

It's a challenge. They're not making real estate here any more. We've got what we've got, and we have to deal with it. Transportation corridors need to be preserved. One thing that's happened just in the past week is that the Island Corridor Foundation — a collection of municipal representatives and first nations up and down the heart of Vancouver Island — have worked towards securing the E&N corridor as the transportation opportunity for the rest of us in perpetuity, and that's a very good thing. The notion of putting a commuter rail service on that line has been very important to me and my friend from Cowichan-Ladysmith as well as the member for Esquimalt-Metchosin, a staunch ally of mine and of new and improved transit opportunities in the south Island.

If the government on the other side was truly interested in meeting the needs of all British Columbians, they would certainly do something about the underfunding of transit in the south Island. They would certainly do something about the notion of maybe putting a commuter rail train coming from Nanaimo south so that we could have people moving in the right direction in the morning and the right direction in the afternoon. These are easy things to do. They don't take a great deal of capital. The private sector, apparently, is ready to go. A little bit of a nod from the government is all we seem to need to get this thing moving.

**An Hon. Member:** Let's get on board.

**J. Horgan:** Let's get on board. People, there's a train a-comin'. Don't get me singing, hon. member. Don't get me singing, or I'll be here all night.

[2000]

I also want to take this opportunity to talk about something that troubles me. I've been listening to members on the other side about the vision and the greatness of the current Premier. I want to be careful when I say this, because it's not a personal thing. I think that the Premier is doing a very good job. It's not an easy job. I've worked....

Interjections.

**J. Horgan:** It's the mindlessness that I wanted to speak to, so the thumping is apropos, I think, more than anything else.

I want to talk about the cult of personality, because I've been around Premiers. I've been around people in power. I think that it's important for us to look at leadership not as the person at the top who is driving the boat but as what we can all do — we 79. How can we be leaders in this place and outside of this place to make the British Columbia that all of those people on that side of the House espouse and all the things that people on this side of the House want to see?

The cult of personality inevitably fails. We see it time and time again. The Premier is like me. He is just a person with failings. He has doubts, and he has insecurities.

rities, as we all do. To stand here, as members on the other side do, and talk about the greatness — and how before the coming of the member for Vancouver–Point Grey, nothing good ever happened in the world — does a disservice to the member for Vancouver–Point Grey and to all the rest of us as well.

I think we have to do away with this notion that one person, one individual, can take us to the promised land, because it just doesn't work that way. We all know that. Certainly, my constituents know that. They recognize that we are all human beings doing the best we can — with human failings. We will make mistakes. The member for Vancouver–Point Grey has made a mistake, and we've forgiven him for that, and we've moved on.

One thing that I do want to touch on while we're in the process of forgiving is the passage of a former member of this place, Dave Stupich. Dave Stupich was a great Canadian. He worked very hard in this place for the people of Nanaimo. He misstepped. At the end of his life there was a cloud hanging over him. That is tragic, and that is sad for him and for his community. But the totality of his time on this planet was well used, and I defy anyone on that side or on this side of the House to say that we could do any better.

We are here to do the best that we can do in the time available to us, the time given to us by our constituents, and that's what I intend to do. I would like to see the members on the other side and on this side put aside this notion that there's one individual that can take us to the promised land, because it won't happen. It's all of us working together — left and right, green and brown — for the transformational change that I know the Solicitor General is eager to bring on.

It's not about making points. Sometimes a rose is just a rose. Sometimes you just want to help out. It's that simple. Unfortunately, though, in our partisanly charged atmosphere here and in the politics that we do in British Columbia, quite often — certainly on this side of the House — we have recent memory of cult of personality. It happens in all political parties; it's not confined to that side or this side of the House. Our job is to be leaders in our community, to bring that leadership into this House and to find ways to find common ground — left and right, green and brown. I think that's important.

**D. Chudnovsky:** Sometimes a cigar is just a cigar.

**J. Horgan:** Sometimes a cigar is just a cigar as well.

I have the honour of being the Education critic for the official opposition, and I'm very proud to do that work. I have the aid of many, many thoughtful people on this side of the House: the member for Vancouver–Kensington and his time as an educator and a member of the BCTF executive; my friend from North Coast, an educator of great renown in Prince Rupert; and also my leader, Carole James, a former B.C. school trustee...

**An Hon. Member:** No names.

**J. Horgan:** Pardon me. Thank you very much. Who got me on that? The minister. Thank you, minister. I know the Speaker was just about to.

...from Victoria–Beacon Hill; and my friend from Columbia River–Revelstoke, also an educator. It's an honour and a privilege for me to be in this position

Since we were last here discussing throne speeches, we had what could only be described as an unprecedented disruption in the education system. In my opinion, it was brought on by a precipitous government who wanted to drive a wedge, wanted to create a political issue when none necessarily existed. Nonetheless, they made their choice. We had a confrontation. We had a disruption.

I think that if they were being honest with themselves, all those on the other side of the House would acknowledge that they miscalculated. It certainly appears that way. They miscalculated at the time, and I think they might be miscalculating now.

[2005]

The creation of the round table, which the member for Okanagan–Westside touched upon, seemed like a pretty good idea at the time. It was a good exit strategy for the government. "Let's get out of this; let's create a round table. We'll say that we'll do a whole bunch of stuff, and then maybe the heat will go away."

What they neglected to do at that round table was include all of the partners in the education system. They've got administrators, superintendents, some trustees, parents and some educators. They don't have any teacher's aides. They don't have any support staff workers. Some of the parent groups.... The BCCPAC doesn't represent PACs in the city of Vancouver.

I see that my friend, the Minister of Economic Development, must be concerned about that — that the PACs in his community are not represented at the round table. It seems to me that it's not that round a table if not everybody's at it — again, a well-intentioned, good idea but a little bit difficult on the delivery.

I think that the government has recognized, now that there are 33 of us on this side of the House, that you can't just lob it out there and then walk away. You've got to deliver. You've got to work with it every day. You can't just say.... I was in government. I know it's a very difficult thing to do. You can't just make an announcement and say, "Yep, there you go. I'm done. I wash my hands of that," and move on to the next announcement.

You have to be on top of it, because it's not easy work. What they're doing over there is difficult, and I acknowledge that. The round table was a good idea that's going nowhere, because not everybody's at the table, and the minister acknowledged last week that it has no decision-making power.

We had a two-week, ten-day disruption of the school system on the issue of class size and class composition. The response of the government was to create a round table to deal with class size and class composition. Here we are, five months later, and what's the result?



Well, the minister put together some figures that she could have collected prior to 2002 by looking at the various schools in districts right across the province and at the collective agreements that were in place to ensure that classes were a particular size. She could have done that, but during that period of 2001 to 2005 the government on that side of the House stripped those contracts. It came into this Legislature and dismantled freely bargained collective agreements that would have put class size limits in place right across the province.

We had a disruption on a significant issue. The public responded overwhelmingly by supporting teachers, because what was happening in their homes.... I know it was happening in my home. I have two children in the system. They were coming home and saying: "Yeah, well, I don't have any homework tonight because I don't get the textbook. We only have 30, and there are 35 of us in the class. I get to do the homework tomorrow night."

That's happening right across the province. Is that acceptable? No, it's not. Does the minister accept that? I'm sure she doesn't. The challenge is: fix it. Before you can fix it, you have to acknowledge there's a problem. In the early part of February the minister, to much fanfare, announced that 84 percent of the classes in British Columbia were of an appropriate size. She said: "That's a huge number; we're all very happy with that number — 84 percent. My goodness, that's lovely." Well, what she failed to say is that 9,000 classrooms had 30 or more students.

A mature and responsible government would have said: "Nine thousand classrooms is unacceptable. We're going to leave no stone unturned while we try and solve this problem. We're going to focus all of our energy on making those 9,000 classes conform with what's a reasonable expectation for parents, teachers and students."

What did they do instead of that? They said: "Well, we're going to ignore that, because 84 percent is pretty good." There were 11,000 classrooms with four or more identified special needs students. Of course, you have to remember that most of the counsellors that were put in place to identify them had already been fired. Nonetheless, we've got four or more identified special needs students in 11,000 classrooms.

A responsible and mature government would say: "That is unacceptable. We're going to put all of our energy into solving that problem right now." What happened instead? The Ministry of Education is devoting much of its energy to repurposing school boards and implementing school-based budgeting. These are governance opportunities for theologians of various types of education philosophy, and they may all be well and good at 47,000 feet, but down in classrooms — those 9,000 classrooms that have 30 or more students in them — it's not helping with squat.

The challenge is clear. The minister identified it. The minister should be devoting all of her energy to solving the problem. I would be with her. I would be standing right beside her, applauding her, if she stood

in this place and said: "We have a problem, and by golly, we're going to fix it." Instead, we get a stunt. We get a gimmick in the throne speech.

[2010]

We had two gimmicks. I want to touch on the first one, if I could, before I get to the second one. The first gimmick was the great tour, the great march, the long march through Europe to find solutions to the health care system. Well, it started out as a good idea. There was going to be a minister, the Premier, a couple of staff, an ADM and a specialist in private health care, who happened to be the brother-in-law of the Premier. Well, one of the political appointees dropped out, so we only had one political appointee, and then the minister dropped out. So it ended up being one political appointee, one deputy minister, a Premier and the Premier's brother-in-law. That's the great march through Europe looking for solutions to our health care woes. So that was gimmick number one.

The second magical mystery tour was that which was alluded to by the member for Okanagan-Westside. That was the tour of all the school districts, all the school districts in British Columbia, 60 of them — 59, 60 if you count the French board. So I think that's a good thing. I think that it is important for the minister and for the Premier to get out, stretch their legs, see a few people, talk to some students....

**Deputy Speaker:** Thank you, member.

**J. Horgan:** I couldn't possibly be done. Where does the time go? I want to just thank you, then, hon. Speaker, for your indulgence, and I'll pick this up next time.

**Hon. C. Hansen:** A week ago yesterday I was in downtown Vancouver for what was one of the most fun parties that I've been to in some time. It happened outside Library Square in downtown Vancouver. It was the closing ceremonies of the 2006 Winter Olympic Games that took place in Torino, Italy.

What was fun about it was just the excitement in the crowd. There were families there. There were seniors there. There were people of all walks of life who had come into downtown Vancouver to celebrate something; it was to celebrate what Canada had done in Italy in the 2006 Winter Olympic Games. There was a huge television screen that had been set up outside of the Vancouver Public Library. It was a little chilly that day. There were a few raindrops that came down, but it certainly didn't dampen the enthusiasm that was there. There was cheering. There was excitement. There was noise. There were bands and clowns. There was just lots of excitement.

There was probably one moment that touched everybody who was watching it that day, and I'm sure it touched every Canadian and probably everybody around the world who was watching the closing ceremonies of the 2006 Winter Games. That was the moment when the mayor of the city of Vancouver, Sam Sullivan, came out in his wheelchair to accept the

Olympic flag. Anybody who knows Sam Sullivan will know that he's faced a lot of adversity in his life, but he has never focused on his disability. He has always focused on his ability. He has always found ways to meet the challenges that he was dealt, as a skiing accident when he was 19 years old left him in a wheelchair.

There was something that was very symbolic to me about the passing of that flag. It was this: that these were not the closing ceremonies on the Winter Games. They may have been the closing ceremonies for the 2006 Olympic Games, but not the closing ceremonies on the Winter Games, because the second half of those Winter Games is yet to start. That's the Paralympic Games that are going to open in Italy this coming week, actually, on March 10, and run through until March 19.

Everything about that is about ability, and it is about celebrating ability. If you think of the accomplishments of the Canadian athletes in Italy at the Olympic Games, it was about celebrating ability and drive and determination — setting goals and actually accomplishing those. That, I think, is what the Winter Games are all about, both the Olympic Games and the Paralympic Games. It's what the Winter Games are all about.

[2015]

I think that we really need to celebrate our athletes, both the Olympic athletes and our Paralympic athletes, because they really set fine examples for all of us. They set fine examples for our kids. I love to watch the expressions on kids' faces when they meet an Olympic athlete and think that they, too, could actually march in with a Canadian Olympic or Paralympic team if they really put their mind to it, if they really strove for that kind of excellence.

But whether they actually become Olympic athletes or not is probably secondary to the fact that they get that motivation, they get that drive and that excitement about setting goals for themselves and actually taking those first steps to achieving those goals. I think that's what the Olympic and Paralympic Games are all about, more than anything else.

We do have to celebrate not just elite athletes; we also have to celebrate amateur athletes of all types, of all ability levels. Much of what we are doing as a government is trying to engage everybody in our society to become more physically fit — to be mindful of what their diet is, to be mindful of how much exercise they get. It is something that all of us as members of this House have to take to heart, to really set examples for society, to set examples for our constituents in terms of a healthy lifestyle and one that our kids should emulate.

We hear a lot about what kids should be doing or shouldn't be doing and what we should do in our school system to force kids to eat right or to force them to exercise right. Well, I can tell you, the most powerful thing that adults can do to ensure that their kids have a healthy lifestyle is to lead by example. There is nothing, I think, that is more powerful than adults leading by example — whether it's healthy eating or staying physically fit — and I think the kids respond to that.

I want to talk about the Olympics in a broader sense, because for me the Olympic Games are more than just about the sport. That's very important, obviously. It's important that we celebrate our elite athletes. It's also important that we encourage amateur sport at all levels. But the Olympics are more than just sport. I think that if it was about us securing the rights to host the 2010 Olympic and Paralympic Games as events in themselves, we would have to question whether or not the expense and the energy that goes into that would be worth it.

I think that it's worth it if we actually take the opportunity beyond just hosting the world to the Olympic and the Paralympic Games, because I think that the Olympics actually present us with an opportunity to really tell a story. It presents us with an opportunity to tell a story about what British Columbia's all about. Sure, part of that story is about our athletes, and that's an important part. But it goes beyond that.

I was watching some of the television coverage from the 2006 Olympic Games. I saw stories about little towns that were an hour, two hours, three hours' drive from Turin, Italy, stories about how they hosted our Olympic women's hockey team when they were doing their training prior to the opening of the Olympic Games. I heard stories about other parts of northern Italy and some of the fine wines, for example, that come out of the Piedmont region of Italy. We saw stories about some of the economic activities that happen in northern Italy around some of their manufacturing plants and what they actually strive for in terms of excellence in engineering technology and engineering design.

Every time I saw one of those stories I thought: "Well, you know, in four years' time it's going to be our turn." It's going to be our turn to tell the story of British Columbia. It's going to be our opportunity to tell the story about the excellence we have in this province: the excellence of the wines that are being produced in British Columbia; the excellence in terms of the biotech industry and the technology sector; the excellence that we can actually show to the world around sustainable mining activity in British Columbia, where we are actually leading the world in developing new mining technologies that are sustainable, that are environmentally sensitive and really are something that we should be immensely proud of.

We have stories to tell about our forest sector in British Columbia, where we are probably leading the world in terms of sustainable forest operations that we have every right to be very proud of. If you look at it in terms of sector after sector in British Columbia, we have a lot to be proud of. We need to tell those stories. The Olympics, four years from now, and the Paralympic Games — and the attention that the world will pay — are going to be an opportunity for us to tell those stories.

[2020]

Now, with that introduction, I want to give a bit of a breakdown in terms of where some of these bodies fit into the development of the 2010 Winter Games, be-

cause I know that there is a lot of confusion. People wonder about the role of VANOC, for example — the Vancouver Organizing Committee — and the role of the Olympic secretariat, which is actually part of the Ministry of Economic Development. Then there are other players out there as well. Some people are wondering where they all fit into the Olympic Games.

First of all, look at VANOC. VANOC is responsible for the actual organization of the games themselves. They're responsible for making sure that the Olympic village is built, that the Olympic venues are there and that they meet all of the international standards necessary by the Olympic movement. They're responsible for going out and securing the national sponsors, who are going to be a huge part of helping to fund the operational side of the games.

Just as a sidebar to that, it's interesting that to date VANOC has been extremely successful at securing national sponsors for the 2010 Olympic Games. They set out as a goal to attract ten national sponsors, and they had estimated that their revenues from that would be just under \$500 million — coming from those ten sponsors. To date they have six of those ten sponsors in place, and they have exceeded their overall goal. They're up to about \$600 million in the value of those sponsorships coming to the table. That's a very important part of covering the operational side of the games, and already we're seeing a real upside to the revenues that they're projecting.

VANOC is responsible for everything from the movement of the athletes, the housing of the athletes, the putting on of the games and the timing systems that are there to make sure they actually meet all of the international standards that are required. That's when I referred earlier to.... If the opportunity in 2010 was all about just staging the games, then VANOC has that well in hand. I think, quite frankly, they're doing a great job of getting us prepared to host the world and the athletes and the international media, which some people estimate would be about 10,000 to 12,000 media coming to British Columbia in four years' time. VANOC itself is actually covering off that side of it.

But as I said earlier, the opportunity of the games is much more than that. That's where some of the other agencies come in. If we're going to use the opportunity of the games to showcase British Columbia, to tell our story, then we have to start planning now. In fact, that's exactly what we're doing. We started a few years ago, and we're well down the road of developing our strategies to make sure that we actually take this opportunity to tell our story to the world.

The Olympic secretariat — which, as I mentioned, is part of the Ministry of Economic Development — is looking at all of the economic opportunities that really flow as a result of the Olympic Games. Part of that is looking at some of the stories that are out there. What are the stories of some of the great industries in British Columbia? How can we actually package those in a way that we can deliver on a silver platter to the international media when they come? Not just when they

come in 2010, but when they come between now and 2010 — to make sure that the world is paying attention to some of our huge success stories in this province.

So the Olympic secretariat is looking at how we position ourselves to market to the world, but also how we make sure that British Columbia companies can take advantage of the fact that the Olympics are coming. The Olympic Games themselves, through the procurement that's going to be done directly by VANOC, are probably going to amount to about \$2 billion of economic activity. You can add on top of that probably another \$2 billion that will come as a result of the efforts of the various sponsors and others — activity that'll take place in British Columbia more or less directly related to the games.

There have been other studies done. For example, about three years ago we did a study that looked more broadly at how much economic activity will come to British Columbia because of the Olympic Games. The estimate was anywhere from about \$5.7 billion to \$7 billion of economic activity that's directly as a result of the fact that we're going to be hosting these games. The study estimated that it would create anywhere from 118,000 to 228,000 direct and indirect jobs in the province. Plus they estimate that there would be \$1.3 billion to \$2.5 billion of total tax revenues that would be generated as a direct result.

[2025]

I think the economic benefits that will flow from the Olympic Games are indeed substantial. We are doing everything we can to make sure that.... When I talk about those ranges of economic activity, our goal is to make sure that we push that to the high side of what some of those economic estimates were.

Part of the work of the Olympic secretariat is to put in place what's called the 2010 Commerce Centre. They've set up a great website at [2010commercecentre.com](http://2010commercecentre.com). I would encourage all members to visit that website, because there are some great opportunities there. As I've gone around the province and talked to small businesses in every single corner of the province, when they start hearing about the 2010 Commerce Centre and what it can do for their particular small company, there are a lot of companies that have got quite excited.

The Olympic secretariat has been hosting workshops around the province. There have been in excess of 30 workshops. I think they're doing these at a rate of about four per month, so I know that number is growing each and every month. Those 30 workshops are outside of the lower mainland. We want to make sure the economic benefits that flow from us hosting the Olympic Games really reach into every single community of any size throughout the province.

At these workshops they really walk companies through how they can benefit from some of the Olympic procurement. For example, there is a website that's been set up to post all of the bid opportunities that are there for companies of all sizes. I went on line today just to look at some of the listings that are up on that procurement website. For example, in January we posted a request for expressions of interest for compa-

nies interested in providing services to the Whistler snow-making system expansion, which is going to be a very important part. We're counting on having tons of natural snow, needless to say, but as a backup plan, we've got to make sure snow-making equipment is there. Whistler-Blackcomb, for anybody who has visited, has a fabulous system in place today, but we need to make sure that's upgraded because we never know what Mother Nature will deal us in four years' time.

Here's another one. It's a bid for provision of janitorial services, and there are lots of companies in British Columbia that could provide those services. We've got an RFI that was posted for sports medicine service providers, which will be very important.

Another one here is for the supply and delivery of bridges for the Whistler Nordic competition venue. Already last year they started some of the site preparation on the Nordic venue at Callaghan Valley, just south or east of Whistler — whatever. Just before you get to Whistler, if you take a left, you'll find the Callaghan Valley, where the Nordic competition venues are going to be. The supply and delivery of bridges is something that.... I'm sure there are companies in every corner of British Columbia that have expertise in providing those kinds of outdoor wilderness structures. Again, we're putting that up on a website for everybody to access.

One of the other things coming out of this is that companies can actually go in and register with what their particular company's speciality is, and when a bid comes up that's related to that particular speciality, the website or the computer will send a notification to that company rather than waiting for that company to happen to stumble across a particular bid. So it's a great system.

Here's another one: digital asset management systems. Firefighting contracting — this one is interesting. It's not for the 2010 Olympics. This particular one that's posted on our website is for firefighting subcontracting services for the 2008 Olympic Games that are taking place in Beijing. But because of the network, the family of host cities of Olympic Games, we can identify what some of their needs are and what some of the things are that British Columbia companies can provide to the 2008 Olympic Games in Beijing, and those all get posted on the site as well.

Here's another one: venue lighting, venue rigging consulting, venue temporary seating consulting. Those are for 2010. Here's another one for 2008 in Beijing, and it's the elevator procurement for the national convention centre that's being built in the Beijing Olympic Park.

[2030]

These are some great initiatives that have been undertaken by officials in my ministry. I certainly urge everybody in the House to log in and check out some of these services but also to spread the word to some of the small companies in their particular constituencies that there are some great opportunities there for them to take advantage of.

We're also determined to make sure that communities have access to some of the Olympic legacies that are going to result from the 2010 games. As part of our

\$600 million commitment to the games, we've also put in place a \$20 million Olympic legacies fund. It's the Olympic/Paralympic Live Sites program. We said to ourselves that it's not up to us as government representatives or as politicians to say what a legacy should be to a community around British Columbia but rather to say that we want those communities to identify projects that they think would be a suitable legacy of the 2010 Olympic Games.

Out of that \$20 million we have already identified projects to.... I guess we're now up to about \$11 million worth of allocations from that fund, and there are some exciting projects around the province. Just last week — I guess it would be two weeks ago now — on February 26 we rolled out some of the latest announcements of successful applications for the Olympic/Paralympic Live Sites program.

In Castlegar, for example, we've allocated \$250,000 for an addition to the Castlegar and District Community Arena.

In Invermere there's \$270,000 that's going to provide for a skateboard park at Mount Nelson Athletic Park. Again, these are projects that have been identified by the community. I see the member for Columbia River-Revelstoke is applauding that one, because it's going to be a great addition to his constituency. This is going to be a legacy of the fact that we're hosting the 2010 Olympic Games.

In Summerland there is \$78,000 that's going to improvements at the Centre Stage Theatre to create a live sites viewing area.

These are places around the province where communities can come together to actually celebrate the 2010 Olympics and, incidentally, the 2008 Summer Olympics as well — places where communities can get together as communities, celebrate their athletes, urge them on from afar, cheer them on when they win or when they do their best and sit there and feel that rush of adrenalin that makes the hair on the back of your neck stand on end when the Canadian flag goes up and the Canadian anthem is played because a Canadian athlete has won gold in the Olympic games.

Also, in Lumby, just to give another example, there is \$197,000 that's going for improvements to the Pat Duke Memorial Arena. These are just some examples of some of the Olympic legacies that are going to be in communities for years and years afterwards because of the fact that we are hosting the 2010 games.

One other thing that just happened recently — it was again on February 26 coincidentally — was the signing of a memorandum of understanding that was signed in Turin, Italy. It was signed by our Premier on behalf of British Columbia. It was also signed by four other individuals: on behalf of the city of Beijing, hosting the 2008 games; on behalf of the city of Turin, Italy; the city of London, which will be hosting the next games after Vancouver, which will be the Summer Games in 2012; and also a representative of the city of Sydney, Australia, who hosted the Summer Games in.... I've got to think of what year it is now. I think it was the 2000 Summer Games, hosted in Sydney.

This particular memorandum of understanding is a commitment for these Olympic jurisdictions to work together, because there is a fellowship that develops. There is an opportunity to benefit from each other's efforts in a mutually advantageous win-win for everybody. We've had great support from other Olympic jurisdictions that have hosted both Summer and Winter Games. We've had great advice. We've seen models that worked for them that we're building on, including our 2010 Commerce Centre, by the way, which is an improvement on a model that really had its genesis in Sydney, Australia.

[2035]

Interestingly, this particular memorandum of understanding that was signed by our Premier has been labelled "the fellowship of the rings," which I think is a great term to really celebrate the fact that Olympic cities and Olympic jurisdictions around the world become legacies that really transcend a lot of other things that go on but only if, in fact, we build on them going forward.

That particular memorandum of understanding was signed at B.C.-Canada Place in Turin, Italy. B.C.-Canada Place is just a great facility. I had the privilege of being there on January 22, I guess it was, when we officially opened it prior to the Olympic Games. It is a log house that was built in 100 Mile House, British Columbia, out of pine-beetle wood. I can tell you it is an absolutely beautiful celebration of log-house construction in British Columbia. Interestingly, every school child that goes through school in Italy learns a song, and it's a song about a little *casetta* in Canada, a little log house in Canada.

When we were doing the official opening, we had adults that were coming in the door with their own little kids in tow, coming into this house and marveling at this gorgeous piece of architecture. They would break into song, the song that they learned in grade school in Italy. But I can tell you, this is no little log house. This is a very large log house. It is 4,500 square feet in itself. It is actually built adjacent to, abutted up against, an existing structure in downtown Turin, which was another 2,000 square feet, to produce this pavilion to showcase British Columbia.

As of a week ago, we have had over 80,000 people through that pavilion. Some people have said to me: "Isn't this log house a bit of a stereotype of Canada?" Well, perhaps. But I can tell you, that's what gets people in the door. That's what gets them in the door, and they come in in awe of this log house because it is so unlike anything they've ever seen before.

I can tell you, once we get them in the door, there is a multimedia presentation that actually blows their socks off. That ten-minute multimedia presentation produced here in British Columbia tells the story of British Columbia. It talks about our high-tech industries, our biotech industries. It talks about our multicultural diversity in this province, which is unlike anything else in the world. It talks about the strength of our forest industries and our mining industries, how we built them in a sustainable model that is an example

to the world and some of the best environmental protection policies that we have.

These are the things we're celebrating in our international marketing of British Columbia, and this particular house has been a great opportunity to do that. We've had journalists from 25 countries around the world come through that pavilion and celebrate what British Columbia is all about. We've had stories being carried by the international media about what British Columbia is all about. The lesson, I think, for all of us is that we have a great story to tell in British Columbia and we have to get out and tell it, celebrate it and communicate it to the world in a way that the world really understands — that this is a place that they want to come, to invest, to visit and perhaps to move to. We do have a great story to tell going forward.

There have been more than 80 B.C. companies that have used B.C.-Canada Place as an opportunity for them to market their particular company to the world. We've had over 125 European companies come to the house specifically for meetings and for business-to-business engagements. The house becomes the hook, the opportunity and the venue, but the stories are really something that start to tell themselves going forward.

In the few minutes I have left I just want to talk a bit about the \$600 million commitment that the province has made to the actual staging of the Olympic Games, because I think there has been a lot of misinformation that circulates about what the province's commitment is.

We know that there were a lot of news stories that came out about six weeks ago about the cost of venue construction in the province and that as a province our share initially had been \$235 million for the venue construction — that's part of our \$600 million. What's important for members to know is that that \$235 million was in 2002 dollars. That was a requirement of the IOC in the bid books that went in when we were first making our pitch to host the 2010 Olympic Games. We all know in this House that there has been inflation that has taken place.

[2040]

We all knew it at the time, in 2002, that there would be inflation. I don't think anybody could have predicted what the construction inflator would have been, but we knew there would be inflation. We didn't know exactly how it would manifest itself. We knew there might be other unforeseen things that would develop as part of our commitments to the staging and the hosting of the Olympic Games themselves. That's why we put in place a \$139 million contingency fund as part of that \$600 million.

[Mr. Speaker in the chair.]

So when we talk about the fact that there's been some construction inflation, that's understandable. But the one thing that I think has to be clear to everybody is that the additional moneys that VANOC has asked for the province to provide is not in addition to the \$600

million, but in fact is part and parcel of the \$600 million, because it is only and simply a request to access part of the \$139 million contingency fund that is there.

I have every confidence in VANOC that they will manage their affairs in a way that will keep them within that \$600 million commitment. As I mentioned earlier, we're seeing on the revenue side that their revenues are going up, as well, because of what they're bringing in on the sponsorship side.

I think this is two things today. One is the celebration of the start of the Paralympic Games, where our Canadian athletes are going to be winning medals. But probably more important than winning medals: they're there, and they're participating to the fullness of their ability. The other thing is: this is the countdown. This is the countdown for British Columbia, and the countdown for Canada, as we mark off the days until we get to host the 2010 Winter and Paralympic Games in four years' time.

Hon. C. Hansen moved adjournment of debate.

Motion approved.

Committee of Supply (Section A), having reported progress, was granted leave to sit again.

Hon. C. Richmond moved adjournment of the House.

Motion approved.

**Mr. Speaker:** This House stands adjourned until 10 a.m. tomorrow morning.

The House adjourned at 8:43 p.m.

## PROCEEDINGS IN THE DOUGLAS FIR ROOM

### Committee of Supply

#### ESTIMATES: MINISTRY OF FINANCE

The House in Committee of Supply (Section A); H. Bloy in the chair.

The committee met at 3:04 p.m.

On Vote 30: ministry operations, \$48,888,000.

**The Chair:** Minister, you would like to make a statement.

**Hon. C. Taylor:** Thank you very much. I just intend, at this point, to say welcome to everyone. I'm pleased that everyone is here. It seems like we were just in Finance estimates, and back we are.

I will introduce the deputy minister for public affairs, Linda Morris, who will be with us; Deputy Minister of Finance Tamara Vrooman; and because we understand that we are going to start with Partnerships B.C., Mr. Larry Blain. We are very pleased to be able to discuss the Ministry of Finance and what our approach is to putting the budget together and how we intend to go forward over the next year.

**The Chair:** The minister for Vancouver–Mount Pleasant — the member.

**J. Kwan:** Thank you, Mr. Chair, for that elevated position, but the member for Vancouver–Mount Pleasant will suffice.

[1505]

Thank you to the minister for her opening remarks. Just for the record, I think my staff had e-mailed the minister in terms of the list of order of things. There might be one or two items that might be missing, so I just want to go through the list of order, and then we'll get right into the questions for the minister.

As the minister has identified, we would like to start with questions around Partnerships B.C. Then we would like to move on to procurement practices, capital projects, the public affairs bureau, and then on to some taxation questions and federal transfers. Then we would like to come back to Partnerships B.C., if we may, mostly because I know some of the other MLAs would be interested in coming back with some questions tied to specific areas in their own communities or their critic areas. I anticipate that we would need to come back to it, so I just want to give a heads-up to the minister on that — then, of course, moving on to very much local issues with the MLAs. So that's the order of things that we would like to proceed with, with the minister on our set of estimates.

First, on the Partnerships B.C. question. Before I actually delve into it, I would like to give an opportunity to my colleague the member for Delta....

**G. Gentner:** North.

**J. Kwan:** North. North and South tend to perplex me, but that's okay. We have 33 people steering me in the right direction now, which is good.

He will actually open up debate on Partnerships B.C., and then we'll switch on and off with respect to that, and then, of course, we'll get into some of the more detailed questions as we progress with our questions.

So with that, I hand the floor to my colleague.

**G. Gentner:** Thank you, hon. minister and support staff, for being available. I would like to start off by just delving into the services plan. This is your Partnerships B.C.'s Koran, I guess — your document which you've put forward. Certainly, there are some questions there that I would like to begin with.

First of all, the services plan states that after its third year of operation, the company is continuing to

achieve tangible results and has engaged as a Canadian leader for public-private partnerships. Could the minister please explain what is meant by leadership?

**Hon. C. Taylor:** We're very pleased with the success of Partnerships B.C. We are now being recognized not only across Canada for expertise but also in England, as well, which has been at the forefront of P3s. So we have received acknowledgment, praise and awards as well.

**G. Gentner:** Yes, I'm glad the minister has made some mention relative to the UK, because certainly, there are going to be some comparisons there with some of the successes and some of the horror stories that are evolving out of Great Britain.

We talk about the first fiscal year — new projects and clients that Partnerships B.C. has received and reached financial closing on, including the Bennett bridge, the Sea to Sky Highway improvement, Kicking Horse Canyon and the rapid transit project.

These new projects currently in the competitive selection phase.... I want to know how they are in that phase — how they've come about this and whereabouts in the phase they are.

**Hon. C. Taylor:** Each project is, of course, at a different stage. Did you want me to go one by one?

**G. Gentner:** I'm interested in the competitive selection, how these projects are currently in the competitive selection, one by one. It would be interesting to compare it, if we could.

**Hon. C. Taylor:** The ones you mentioned are all signed and completed. I believe value-for-money reports are out on all of them....

Interjection.

**Hon. C. Taylor:** Almost all of them, except Kicking Horse.

**G. Gentner:** The service plan makes mention of other projects that are in the development stages. Could the minister name them as well?

[1510]

**Hon. C. Taylor:** There are a number of projects that are coming along in various stages, again: Northern Sports Centre, Royal Roads, Whistler wastewater, long-term care with Vancouver Island Health Authority, long-term care with the Northern Health Authority and Golden Ears Bridge.

[A. Horning in the chair.]

**G. Gentner:** This would not include projects such as Surrey Memorial Hospital or possibly St. Paul's?

**Hon. C. Taylor:** Partnerships B.C. has been consulted on St. Paul's and has not at this point been consulted by Surrey Memorial.

**G. Gentner:** Therefore, the St. Paul's development is being considered by Partnerships B.C.?

**Hon. C. Taylor:** Partnerships B.C. has been asked to look at various options for legacy, St. Paul's.

**G. Gentner:** St. Paul's is being looked after at the request of which client or agency?

**Hon. C. Taylor:** Vancouver Coastal Health Authority.

**G. Gentner:** I'm trying to get my head around how this process works. So the Vancouver coastal authority decided, therefore, on its own steam, so to speak, to go forward. Was there any correspondence between the authority and the Minister of Health?

**Hon. C. Taylor:** I want to make it quite clear that it's not that this project is going forward. The health authority has simply asked Partnerships B.C. to look at possible options. A lot of work would have to be done, a lot of consultation, before anything were blessed with going forward.

**G. Gentner:** Thank you, minister; however, the question was: what role has the Ministry of Health played in urging the Vancouver coastal authority to apply to Partnerships B.C. as a possible candidate?

**Hon. C. Taylor:** The specific questions about how an idea comes forward from the health authority are better asked of the Minister of Health, but I do understand that the ministry does have someone sitting on their steering committee. But the Minister of Health could give you more information on that.

**G. Gentner:** In the service plan, Partnerships B.C. continues to operate under the business model developed last year. The company is organized in a manner which best enables it to focus on continuing to create new partnership opportunities, developing the public-private partnership market. How can the public assets be seen as marketable?

[1515]

**Hon. C. Taylor:** The whole idea of Partnerships B.C. is to bring in other investors who are willing to work with us on the necessary infrastructure that we must build for British Columbians, whether it's schools or hospitals or roads, but to do it in a way that transfers risk so that our taxpayers are protected — and brings in perhaps innovative ideas but does it in a way that also accesses private dollars as well as public dollars.

**G. Gentner:** The service plan goes on to suggest that "whether working on new or continuing projects, Partnerships B.C. has made client focus an essential

element of every project. In addition to the value added to the public through the continued development of partnership solutions, the company continues to become more efficient and focused on productivity." Could the minister please explain?

**Hon. C. Taylor:** This is actually a wonderful opportunity for us all to talk about Partnerships B.C. because I think the success story is not broadly known. The quotes that you read from the service plan, I hope others will read. In fact, they can find them on the Web.

What we are trying to do here is make sure that we can pull together financing and ideas for these public-private partnerships in a way that, first of all, transfers risk away from the taxpayers of British Columbia, does it in a way that saves money for the taxpayers and comes up with a final product that is better for the taxpayers of British Columbia. Our value-for-money reports, which have been done on those that you mentioned earlier, will show people exactly how much we've been able to save in that respect.

**G. Gentner:** Yes, I look forward to investigating those various details that the minister has enunciated.

While Partnerships B.C. claims to focus on its core business of delivering public-private partnerships and strives to maintain commercial viability, could the minister please explain: what exactly is commercial viability?

**Hon. C. Taylor:** It was very important when we first set up Partnerships B.C. to make sure that it wouldn't be done in a way that was a drain on taxpayers, because it was supposed to do exactly the opposite. It's supposed to save taxpayer dollars. It's also supposed to transfer risk and bring in these innovative ideas. So right from the beginning it was written as part of their mandate that they must have a model that wouldn't become a drain on the taxpayers.

You've asked exactly where you could see that. It's on their balance sheet. You can have a look at it. It shows that they've been successful so far.

**G. Gentner:** Therefore, the commercial viability is that of the clients. Is that correct?

**Hon. C. Taylor:** No, it's the commercial viability of Partnerships B.C.

**G. Gentner:** Commercial viability, therefore, has to be seen as a revenue stream coming in and money going out. According to the 2004-2005 Partnerships B.C. annual report, of the \$6.4 million of revenue received by Partnerships B.C., \$1.9 million or 42.3 percent came from the Ministry of Transportation, \$1.57 million or 35.3 percent came from the Ministry of Health Services, and 12.9 percent came from other provincial governments or other services. Is this what is meant by commercial viability?

**Hon. C. Taylor:** The ministries do pay for the services and the expertise that Partnerships B.C. brings to the project.

**G. Gentner:** If I have it correct, hon. minister, it's the government that's paying the tab for Partnerships B.C.; therefore, it's the government's subsidy to Partnerships B.C. that makes it commercially viable?

[1520]

**Hon. C. Taylor:** It's very important that everyone realizes it's completely voluntary for a ministry to decide to use Partnerships B.C. The fact that they've become so successful and are so highly regarded means that ministries, more and more, are turning to Partnerships B.C., because they know that it saves not only the taxpayers' dollars but the ministry's dollars. It's up to them whether they think that this is good expertise that they buy.

The other thing you should know is that we have lower fees for within government, for our ministries, than if Partnerships B.C. were to consult outside government.

**G. Gentner:** The minister suggests that the success of Partnerships B.C. is based on the fact that other ministries know about its success. But can the minister not confirm whether it is the mandate of all agencies to consider using Partnerships B.C.?

**Hon. C. Taylor:** It is a mandate for all ministries to consider P3s generally, in whatever form, but that does not mean Partnerships B.C. is a necessity.

**J. Kwan:** Just a question to lead into this. The minister says that Partnerships B.C. is open for all of the ministries to approach in terms of looking into potential options for the development of projects. Does Partnerships B.C. approach ministries and ask ministries whether or not there are initiatives which they want to undertake under Partnerships B.C.? Could the minister outline for me what that process is like, step by step?

**Hon. C. Taylor:** Yes, it works in both directions. Ministries sometimes approach Partnerships B.C. and ask them if they would have a look at a project, and it happens the other way around as well. When Partnerships B.C. sees an opportunity, they might approach the minister.

**J. Kwan:** Is there a set of guidelines — or criteria, if you will — which guides Partnerships B.C. in their approach to ministries for potential initiatives?

**Hon. C. Taylor:** No, there are no set rules or templates about how or when Partnerships B.C. might approach a ministry.

**J. Kwan:** Then how does it happen?

**Hon. C. Taylor:** It happens when Partnerships B.C. has an idea, shows initiative and goes forward to a ministry and makes a certain proposal or a suggestion.

**J. Kwan:** Who comes up with these ideas?



**Hon. C. Taylor:** It comes from the whole team at Partnerships B.C., and it's one of the reasons why we're very proud of the expertise we have now built within Partnerships B.C. That is of benefit to all B.C. taxpayers.

**J. Kwan:** Who is on this team?

**Hon. C. Taylor:** There are 38 people, and all of the management would be listed on the website.

**J. Kwan:** Are all 38 people management?

**Hon. C. Taylor:** Yes. Four would be what you would typically call management, and the others would be project managers.

[1525]

**J. Kwan:** I have a list of all the managers here. I'm just going to do a quick count to see if it adds up to 38. I only have 36 on my list, so that means two more people have been added to the list since we produced this, which would have been a week or so ago. I'm just wondering.... Maybe the minister can actually go through the list with me to see who I'm missing.

**Hon. C. Taylor:** I'm happy to.

**J. Kwan:** I guess we can do it. I thought the minister was going to actually make the list and put it on the public record. I can pass this list I have, which is just printed off the computer. I can do it either way, Mr. Chair, so I would seek your guidance with respect to that.

**The Chair:** I think that's up to the minister.

**Hon. C. Taylor:** It's all on the website. I am informed by the CEO that there are perhaps two vacancies, but the entire list of all the employees would be there.

**J. Kwan:** Why don't I just take a moment and pass the list to the minister? Maybe she can have a quick look-see, and then we can identify if those two names that might be missing are vacant positions or if we're just missing two names.

**The Chair:** Just a suggestion to the member and to the minister. If this sort of thing arises next time, maybe we'll just pass it over, and then maybe after a break it can come back. This way, we could keep the debate going.

**J. Kwan:** I'd be happy to sort of continue on questions as the minister is going through the list with her staff.

Oh, it seems like she's already got the list going.

**Hon. C. Taylor:** There is one vacancy, and one person who doesn't seem to be on the list is someone

named Tom Simpson. But I must also say that on the list one gentleman is retiring today — that's Al Sakalauskas — and there is one woman, Sarah Clark, who is on mat leave.

**J. Kwan:** I will need my list back because it's the only one I've got at the moment. I'll try to have duplicates of everything next time when I come.

Thank you for that. It helps that you've actually written the names down.

Could the minister please advise: how were these individuals chosen? Were they through a process of appointment by the government, or was it through a hiring process of people applying and then being selected for the various positions? Could the minister please go through each of them for me in terms of how the individuals were selected for their respective positions?

**Hon. C. Taylor:** Government has nothing to do with these hires. In fact, they either do a broad search or, if they identify someone in the community they'd like to have come into Partnerships B.C., they might approach them directly.

**J. Kwan:** Who on this list of 38 were by OIC appointments or were folks that were approached by the government directly — or through Partnerships B.C., were approached by these individuals — to serve in their various positions?

[1530]

**Hon. C. Taylor:** No one's an OIC.

**J. Kwan:** Who was approached, then, directly by either the government or Partnerships B.C. for their position?

**Hon. C. Taylor:** It's primarily competition. Even for our CEO it was a competition. If you'd like to give us the list, the CEO can look back over it to see if there were any of those people on the list that he approached directly. But it wouldn't have been government in any circumstance.

**J. Kwan:** Maybe I can suggest this. Maybe we should photocopy this so that we can each have a copy of it, and then we can continue on. I wonder if Madam Clerk....

Thank you very much.

I would be interested in knowing how exactly each of those individuals obtained their positions. While that information is being photocopied, I wonder if the minister can also advise this House of the job description associated with each of the positions. Is there a job description for each of the positions, and could we have that information?

**Hon. C. Taylor:** Yes. We'd be very happy to give you the job description for each position. Again, we would write that out and get that to you.

**J. Kwan:** If we could get that information before estimates are over, that would be very helpful, because questions may arise from that.

Could we get the information on the pay scale associated with each of the positions as well? There are a variety of different positions here. I see on the list: executive assistant; project consultant; communications coordinator; president and chief executive officer; vice-president, business development; chief project adviser; senior executive assistant; assistant vice-president; project liaison officer; project director; vice-president and policy practices; vice-president, corporate and government relations; chief project adviser. There are now two chief project advisers.

Then there is a senior executive assistant; assistant vice-president; corporate secretary and legal counsel; assistant vice-president, again; senior project consultant, again; project consultant, again; senior project consultant, again; senior financial officer; project liaison officer; HR manager; contract administrator; director, procurement services; project liaison officer; project consultant, again; senior project consultant, again; senior communications consultant; senior project consultant, again; co-op student; director of communications, again; comptroller; senior project consultant, again; senior consultant, again; administrative assistant; and assistant vice-president.

If the minister could provide that information in terms of the salary associated with each position, I would appreciate that very much.

**Hon. C. Taylor:** It is publicly available, and I'd be happy to get that for her.

**J. Kwan:** I guess I'll have a better sense of it once I get the job description associated with each of these positions, but I see that there is some duplication, in terms of job titles at least — a number of project consultants, a number of communications consultants and so on. I wonder: with this list of 36 names, are the individuals assigned to specific sectors for the exploration of potential public-private initiatives? For example, health would be one grouping. Transportation would be another. Education, advanced education, would be another. I'm just highlighting these groupings. Are these individuals assigned to a particular area in terms of the exploration for potential public-private partnership initiatives?

**Hon. C. Taylor:** Generally, people do tend to be divided somewhat by sectors, but it's not rigid, and people do move back and forth. The reason you see similar titles is because those are for different projects.

**J. Kwan:** I wonder if the minister can indulge me by advising this House who's assigned to what projects.

[1535]

**Hon. C. Taylor:** We will do that in the listing that we give you.

**J. Kwan:** Again, before estimates are over, because we would need to go through that information, and I'm

sure that there will be questions that will be generated from that.

Could the minister advise? I note that on the minister's website there are two offices, a Vancouver-based office and the Victoria-based office. I understand that the government may be closing one of the offices. Is that true?

**Hon. C. Taylor:** There are no plans to do that.

**J. Kwan:** Why are there two separate offices? What's the function of that?

**Hon. C. Taylor:** Public-private partnerships, obviously, have both the public and the private side, so it's found to be very useful to have offices both in Victoria and in Vancouver.

**J. Kwan:** What's the administrative cost for the two sets of offices?

**Hon. C. Taylor:** Could I ask exactly what you would like to know? Is it the office cost or all of the administration costs for Partnerships B.C.?

**J. Kwan:** I'll start with the office cost first.

**Hon. C. Taylor:** Yes, we will get the specifics, as long as we understand your question properly. Are you talking about the lease rates? Yes, we will get that.

**J. Kwan:** Thank you very much. Yes, I am to start with that. Then, of course, there are the administrative costs in keeping the two offices up and running and whether or not the minister can provide that information to this House.

The minister has nodded yes, so I just want that on the public record. I assume that we'll get that information as well, along with all the other requests that we have made so far. I assume someone's taking a list. Oh, actually it's all in *Hansard* — great.

Okay. The minister advised the House that because public-private partnerships are underway throughout the province — consideration for the government — it necessitates two separate offices. The breakdown of the folks in the various offices, though, shows that there are only three people in the Victoria office. Is that correct? This is what the document that I retrieved from the website shows. If that's not correct, maybe the minister can advise the House: what exactly is the breakdown, and how does that work?

**Hon. C. Taylor:** I believe you have your pages in the wrong order, because the Victoria office continues.

**J. Kwan:** Is this one first?

**Hon. C. Taylor:** Vancouver office first, then it goes down to where it says "Victoria office" and then Victoria continues on the third page.

**J. Kwan:** Thanks very much. That's right, because then it's about half-and-half in terms of that breakdown. Okay, if I could get the information on the breakdown of the administrative costs and so on, along with the list of who's signed on to what project, that's very useful.

I wonder if the minister can advise.... I know that part of the system within Partnerships B.C. is such that it's on an incentive basis in terms of compensation. I note that, for example, the CEO, Mr. Blain.... In his contract, he is able to earn a bonus in his compensation with respect to advancement of initiatives under Partnerships B.C. Does that concept apply to any of the other positions in this document — the 36 other positions — and if so, how does it apply?

[1540]

**Hon. C. Taylor:** Everyone in varying degrees has that possibility of performance payment.

**J. Kwan:** I wonder if the minister can elaborate on that. If everyone is entitled to the bonus compensation under Partnerships B.C., is there a percentage? What are the terms or conditions that apply? For example, with Mr. Blain, based on the information that I have, he receives a base salary of \$275,000 plus bonuses of up to another 70 percent.

So I'm wondering: for example, if that's the formula that applies with Mr. Blain, what's the formula that applies with all the other staff?

**Hon. C. Taylor:** I will correct your number. Mr. Blain's base salary is \$329,000, and then there is the bonus possibility. The company is based on the private model of how you run a successful public-private partnership. That was the whole point in developing Partnerships B.C., so that we could do it in a way that really allows us to draw in some of the most talented people in the business — which we now have — build up the expertise so that we can save taxpayers so much money and transfer risk on all of these projects. It's been enormously successful, but part of this success depends on making sure you get the very best people. In this particular marketplace, you have to also be able to offer them performance pay as well.

**J. Kwan:** But I'm still interested in actually knowing what the formula is that applies for each of the staff in terms of the compensation package — with respect to the bonusing.

**Hon. C. Taylor:** There is no one formula, and it is different for every position. The range, for instance, on performance pay could be from zero percent to 8 percent up to zero percent to 80 percent, which is the CEO. It is based partly on their corporate review and partly on personal performance.

**J. Kwan:** I'm very interested, actually, in the details around this. Perhaps that's information that I could also receive from the minister, along with the job de-

scription, the base salary, the areas to which people are assigned and the projects that they have been assigned, and the bonusing package that people might be entitled to.

For example, the executive assistant. Is it the bonusing of zero percent to 8 percent, or is it zero percent to 80 percent, for example? Also, I'd be very interested in knowing what these individuals get in terms of the bonusing compensation that they received in the last budget cycle.

**Hon. C. Taylor:** The total compensation is publicly disclosed.

**J. Kwan:** I'm interested in the breakdown with each individual.

**Hon. C. Taylor:** Each individual's is publicly disclosed.

**J. Kwan:** Maybe the minister can direct me to where I can access that information.

**Hon. C. Taylor:** Usually it comes through requests to the office. If you're making that request today, we will get that to you.

**J. Kwan:** Yes, because I couldn't find it on the website. We just pulled this stuff out. If the minister can make that information available to the opposition, along with the other list of things that we've asked for — again, before estimates is over so we can come back to it — I would appreciate that very much. I would assume that is the amount of dollars they receive in terms of their bonusing package from the last budget cycle.

[1545]

Also, the formula that would apply for each of the positions, so we're clear on how that actually works.... I take it that the minister will provide that information to us.

**Hon. C. Taylor:** We will be happy to provide the compensation policy, including the bonus policy, to you. We will be very careful not to give you the specifics of how a certain individual is paid in a way that would either violate their privacy or be upsetting to other individuals within the organization, because as you would understand, salaries are not broadly discussed in the public domain.

**J. Kwan:** But there's also a question of public accountability. The minister's service plan talks about the importance of openness and accountability and making sure that this information, I would assume, is available to the public. I would think the minister would agree that taxpayers have the right to know what they are getting, the value for money, in terms of these individuals.

Don't get me wrong. It's not my attempt to attack a particular individual. It's just that I would think that as

the critic.... I would also think that British Columbians would like to know. When the government claims that there's tremendous success in Partnerships B.C. with various initiatives and that it's competitive in this nature with the private market, we would like to know how people are compensated and how the government is arriving at that conclusion with respect to performance — value for performance, if you will. Without actually having the figure of how much people are getting for what, it's very difficult for one to assess whether or not there's value for money here.

**Hon. C. Taylor:** I also think it's important for taxpayers to know how much people are paid within Partnerships B.C. as well as within government. We will get you those numbers, but we will protect privacy and not start talking about how an individual has been rated or how the individual performance numbers match up against the person they're sitting beside at work. That would be quite inappropriate and not done anywhere. We will give you all of the information that the Privacy Commissioner says is proper to give you, and we will make sure that we get this to you before estimates are done.

**J. Kwan:** Would that include the dollar figure, then? I understand that the minister is saying: "I can't tell you the ratings of each individual with respect to their performance." That's very much a human resources question, and I understand that. But I think the public has the right to know, though: how much money in the bonusing package are individuals receiving? I think that information should be available.

For example.... Well, actually, all the way from the top to the bottom. If every individual in the organization receives a bonusing package, is receiving bonusing moneys from taxpayers, shouldn't the taxpayers know how much they are receiving in terms of the bonus that's being paid to these individuals?

**Hon. C. Taylor:** Taxpayers should know how much each individual is being paid. We will get you that information, and we will follow the rules of human resources and the Privacy Commissioner.

**J. Kwan:** I would await, then, the minister for that information. I will have further questions, I'm sure, arising out of that.

Now, I wonder if the minister could advise this House on the question around performance related to everyone within Partnerships B.C. What are the performance measures for each of the staff? What would the government or the organization deem to be success in the definition of Partnerships B.C.?

[1550]

**Hon. C. Taylor:** The way these goals are approached is very similar to the way it's done in a lot of businesses. Each individual, basically, has their own service plan of the things that they intend to do throughout the year and are responsible for. As well,

the corporation, of course, has goals that are dealing with the financial initiatives and other goals that might be set. So each individual's performance would be measured against their own service plan.

**J. Kwan:** I think there were two pieces of information that the minister provided. Each individual sets their own service plan, and then the financial initiatives within Partnerships B.C. which the individual has achieved.... Could the minister please advise: who establishes the framework for these service plans for each of these individuals?

**Hon. C. Taylor:** I want to make it clear that individuals have their own service plan. They don't make their own service plan. So it starts at the top, with the board deciding what the plan is for the year — the strategic direction — and then it filters down as various managers deal with the individuals who are responsible to them.

**J. Kwan:** Then is it possible for us to have a glimpse into these service plans in terms of what the goals are? The government has laid out a service plan, overall, for Partnerships B.C., but within each initiative, with each individual who is tasked with the achievements within Partnerships B.C.... Could the public then have access to that information to determine what those goals, the objectives and the performance measures are within Partnerships B.C.?

**Hon. C. Taylor:** Hon. Chair, you have to realize — the member opposite — that you're asking for the personal developmental goals of individuals, which are not part of the public domain. It is important how Partnerships B.C. does. It's important that their employees all work together as a team to make sure that the goal of helping taxpayers in terms of.... Getting infrastructure projects built, having them built in a way that transfers risk from the taxpayers of B.C. and saves the taxpayers of B.C. money is the goal in the overall strategic plan. But in terms of a personal development plan for individuals, that's not part of the public domain.

**J. Kwan:** Sorry, Mr. Chair. I thought the minister talked about service plans for the individuals. Now these have become personal development plans for the individual. So perhaps the minister can provide information around the overall service plan for each individual and separate the part about the personal development plan.

**Hon. C. Taylor:** Whether you call it a service plan or a personal development plan — and I believe that in fact within, they tend to use the words performance plan — these are personal measures. Just as we wouldn't within any ministry have any individual putting their personal development plan, personal performance plan out into the public domain, neither would we here.

**J. Kwan:** I'm trying to assess, in terms of the bonusing information that will be forthcoming, and to determine what performance measures are in place for these individuals to access that money.... The minister mentioned two broad concepts around it, but I'm unclear as to when that performance measure has been achieved for a particular individual.

[1555]

The minister says that information is not available to the public because of privacy concerns. I would also venture to say though: without that information, how can the public get assurance that those individuals receive the bonusing compensation in accordance with performance measures that have been outlined? I will go into another area at another time, through these debates, around procurement practices and the challenges that have been exposed in those areas in terms of value for money.

So coming back to this, in terms of compensation packages for individuals, especially in the area of bonusing: how then can we get the assurance that the person is receiving the bonusing in accordance with the performance measures that have been identified?

**Hon. C. Taylor:** As in most businesses, it falls to the direct manager to ensure that the employees they're responsible for are meeting their goals, and then they do set the performance bonus. The board, of course, is ultimately responsible and directly does the CEO's performance pay plus base rate.

**J. Kwan:** Well, then, maybe it sounds like we have to FOI that information, in terms of what the performance service plans are for each of the individuals. Maybe that's the only way that the public can get access to that information, for them to judge. I think it's important for the public to have access to this information.

I'm not necessarily saying that the board is not doing its work, nor am I saying that the CEO is not doing the work. It's just that somewhere along the line someone needs to have an outside look into the situation, for them to make an evaluation on whether or not they're getting value for money.

Right now, with all the secrecy that exists in this process, the public has no way of knowing other than the minister standing up to say: "Trust us; it's all good." We've heard that before, and I'm a little bit worried about it. Maybe I shouldn't be, and I wouldn't be if the information were available to give me confidence that everything is in hand. This is what I'm driving at. I think we need reassurance of the confidence around that.

Perhaps we can look at it this way. What about having the Auditor General come in to do an audit with respect to the bonusing plan on the staffing and for his office to make an evaluation on how the performance is going and whether or not the bonusing and so on satisfies and gives confidence to British Columbians that the government is achieving the goals that they have set out to do with respect to the performance plans?

**Hon. C. Taylor:** An excellent idea, and in fact, that's what he does. The Auditor General is the auditor for Partnerships B.C. He has done several audits. They are clean audits, and he also does the value-for-money reports. So the Auditor General has, in fact, looked at this in detail and has given them clean audits.

**J. Kwan:** As far as I know, the Auditor General's office does reviews on Partnerships B.C. and not audits. Maybe I'm wrong. Maybe I didn't get the information with respect to that. Reviews are significantly different from that of audits with any initiative.

Maybe I'll stop there and ask the minister to clarify. Are those reviews, or are those audits?

**Hon. C. Taylor:** They are audits of Partnerships B.C. The Auditor General is the auditor for Partnerships B.C.

**J. Kwan:** The audits that the minister speaks of.... Maybe the minister can outline then for this House the audits that have been undertaken. What exactly did the Auditor General find? What did he undertake to investigate? Let's just start with those two questions.

**Hon. C. Taylor:** These audits are done annually, and they have been clean audits.

**J. Kwan:** The minister didn't answer my question. The minister keeps saying "clean audits." Are they audits of financial statements only of the organization, or are they audits of performance review, in terms of whether what the government says it is doing is actually being achieved?

[1600]

**Hon. C. Taylor:** It is both an audit that covers the books and the financial statements but also the performance review systems.

**J. Kwan:** The minister said performance review systems. Do they, the Auditor General's office, evaluate in that audit that the performance targets that have been set for each individual within the organization are being achieved, and if so — related to the question around compensation — that there is an evaluation of value for money?

**Hon. C. Taylor:** The job of actually evaluating the performance of individual employees, of course, falls to management.

**J. Kwan:** I'm unclear, then, because the minister said that their audit's done by the Auditor General. Along the line of questioning that I was making to the minister, with respect to performance review within the organization with individuals.... But it seems to me that there are two separate audits that are going on. I'm aware of the reviews that have been done, and I will go into the detail of the reviews, in particular from the Auditor General, with specific projects.

In terms of the audit of the organization in performance measures of each individual's service plan, I'm not aware of any information being made public with respect to that. Maybe the minister can direct me to where I can locate that information?

**Hon. C. Taylor:** As I said, the Auditor General looks at the systems, so he looks to see that performance goals are set out, that there are systems for evaluation, that there is a strategy within the company, and he audits every year.

**J. Kwan:** Are there any audits that have been done by the Auditor General with respect to individual service plans and value for money?

**Hon. C. Taylor:** No.

**J. Kwan:** Does the minister agree that there should be one done to give confidence to British Columbians — that, in fact, performance measures are being achieved and that there is value for money under Partnerships B.C. for these individuals?

**Hon. C. Taylor:** I believe one of the main reasons that Partnerships B.C. was set up was to recognize that we can work with the private sector and use private sector models in many cases to get better value for taxpayer dollars. I have great faith in the board of Partnerships B.C., and I believe that the systems in place are the right systems. I don't think, personally, that you need government starting to tell management how to do their job every step of the way and with every evaluation of every single individual.

**J. Kwan:** That's not my point, nor am I suggesting.... The Auditor General's office certainly does not do this work, and that is to tell politicians what their job is or tell organizations what their jobs are. What the Auditor General does, though, is review the information and see whether or not the goals that have been established by the government are in fact being achieved. That's all that they do, and yes, the minister says there's an overall review with respect to the Partnerships B.C. organization.

However, we're talking about individual bonusing systems that the minister has set up, so how do we know that that bonusing system is working? How do we know that the performance measure that's been set out is being achieved by these individuals and, therefore, the bonus compensation that goes with it?

The minister says: "Don't worry. Trust us. Our seal's on it; our board is on it." But what I'm asking for is for someone who will look into these matters, independent of government, independent of the board, and independent of the CEO, so that British Columbians can get the assurance they need that they are in fact getting value for money.

The minister says that that information cannot be provided to the House because of privacy concerns. Well, it would seem to me that the best person, then, to

go into the job, who is an officer of the Legislature, would be the Auditor General's office.

[1605]

So, again, if that work is not being done, how do we know? How do we get assurance from an independent source that what the government's saying is being done is, in fact, being done?

**Hon. C. Taylor:** The Auditor General is the auditor for Partnerships B.C. He does his job in a way that we would all be proud of. He looks at the financial statements, and he looks at the overall approach to performance and strategic goals and has given Partnerships B.C. a clean audit each time.

The reviews that you've also mentioned, of course, are on specific projects. That's where we get our value for money that tells taxpayers of B.C., in fact, how much Partnerships B.C. has managed to save the taxpayers but also how much risk has been transferred.

**J. Kwan:** I'll get into the reviews in a little while. They're quite.... Anyway, I'll just flag that, because I disagree with the minister's statement in terms of what those reviews show. There are lots of issues related to those reviews.

However, getting back to the issue around bonusing compensation and value for money and performance measures, all that we have right now is the minister's word in saying: "Hey, trust us. All is good." We've heard this before. We've heard it in other areas.

I don't mean to get into those kinds of debates, but let's just use the Minister of Children and Family Development for one second, where the government says, "Hey, don't worry about those files" — those 700 files that have been stopped in a warehouse, which the government had forgotten over the last number of years. Then we discovered that there were major issues and gaps within the ministry in the handling of children's files, where children and families have lost loved ones and with respect to investigations around deaths and so on. The government said, "Trust us," but the picture and the reality that came out were different.

In this instance, all that I'm trying to get at is some independent review, independent audit, independent assurance that value for money is in fact being achieved with all of the bonusing packages associated with each individual. I'm not getting that anywhere. If that information is out there somewhere, if in fact someone has done that work, I would appreciate the minister pointing that out for our attention. I don't mean an overall organizational audit. I mean individual service plans for the 36 staff on the list.

**Hon. C. Taylor:** It's not: "Trust me." It's: "Trust the Auditor General." He has repeatedly given Partnerships B.C. a clean audit. As well, just as an extra, we have asked the comptroller general to go in and review both the systems and the risk management, and he, as well, twice has given a clean review.

**J. Kwan:** The minister has also said, though, that these performance measures with the individuals are not being done in terms of audits by the Auditor General's office. Maybe we'll have to go and ask the Auditor General's office, through the Public Accounts Committee, in terms of conducting a review. Maybe we need to do that, because the minister's not committed to ensuring that that information is there and to giving British Columbians the kind of reassurance that I think they need.

Let me try a set of questions around this with respect to performance measures. What type of measures impact the bonusing scheme with these individual service plans? Is it the number of clients that one goes about getting? Is it the dollar amounts involved in the initiatives? How does that work?

[1610]

**Hon. C. Taylor:** These performance measures are in the service plan. It talks about things like completing projects, client satisfaction and many others.

**J. Kwan:** Is the number of clients considered in the bonusing scheme?

**Hon. C. Taylor:** If what you're asking is, is there is a bonus for bringing in extra clients, the answer is no.

**J. Kwan:** The clients that each staff is dealing with — are they assigned to the staff?

**Hon. C. Taylor:** We build a project team for every project.

**J. Kwan:** So the project that's been assigned to each of the staff that comes with the clients is assigned to the entire team. That is to say, the individuals within the team, whether or not they get extra clients into an initiative, are irrelevant with respect to the bonusing scheme.

**Hon. C. Taylor:** As the service plan states and as the board has laid out, it is important to grow the business, so that's an important initiative. In terms of how the project teams work once the project team is built, they concentrate on their specific project. With every project the goal is to bring it in on time and on budget and to have satisfaction all round from the clients and for the taxpayers.

**J. Kwan:** The client, the number of clients.... Sorry, I was diverted for a moment with my train of thought, and maybe I didn't hear the minister correctly. Is the minister saying that there is no relationship with the bonusing scheme with respect to the team bringing in clients?

**Hon. C. Taylor:** It's really important to realize, when we talk about the project team, that it is specific to whether it's Abbotsford hospital or Sea to Sky. That project team must concentrate on that project, and their

goals would be to make sure that they bring it in on time and on budget.

**J. Kwan:** The part of the bonusing scheme evaluation — does the minister consider the dollars or the revenue being generated by a particular initiative as a component in evaluating performance measures?

**Hon. C. Taylor:** To make it clear, the Minister of Finance has nothing to do with these decisions within the management of Partnerships B.C.

**J. Kwan:** However, Partnerships B.C. is actually under the umbrella of the Ministry of Finance, so I would think that the Ministry of Finance and the Minister of Finance would be very interested in how that operation operates. If Partnerships B.C. is not reporting out to the Minister of Finance on how this information is being considered, why is it under the Ministry of Finance?

[1615]

**Hon. C. Taylor:** This is really an excellent point. I'm very happy to talk about it, because it's all about governance. The Minister of Finance must be responsible for Partnerships B.C. — making sure that it is meeting its goals and objectives; that it, in fact, is getting audited by the Auditor General; and that the comptroller general, when they looked at the review, said that they also supported the work that was being done by Partnerships B.C.

It is the Minister of Finance's job to look at the reviews that the Auditor General has done on each project, which consistently show that there is value for money in each and every one of them. That is the job of the Minister of Finance. The mistake in governance is when someone who is overseeing various areas then starts to poke in and have political influence and tries to put their judgments onto something that should be operating in a way that would meet the needs of the Auditor General. I will not do that.

**J. Kwan:** Well, the minister says that part of her role here is to ensure that Partnerships B.C. is meeting its goals and objectives. You would think that under the different layers of goals and objectives, we would arrive at the place where we talk about the bonusing scheme and the individual service plans — performance plans, if you will — that each person has under their organization and how that is being achieved and whether or not, most important of all, taxpayers are getting value for money.

But the minister says she's not interested in that. I find that curious. I do. As a minister who is responsible for Partnerships B.C., she simply just says: "Oh, okay. It's all good, and I'm not worried about it."

Maybe the sum is small, you know. Maybe it's just spare change or something that the minister need not worry about. But even then, one would think that the government would be worried about it. One would think that the minister responsible would be worried

about it and would want to make sure and review the information and also get assurance from an independent auditor on those specifics.

As is often said, Mr. Chair, the devil is in the details. That's certainly the case with a lot of initiatives, especially big initiatives within government. If we don't pay attention to those details, things could go awry very quickly, and problems could surface.

But the minister says — and I find it very curious that the minister said — that she's actually not concerned around that. I have to say that I find it very perplexing, Mr. Chair.

Let me ask the minister this question. In terms of the evaluation for bonus compensation, the minister says on time, on budget as a component piece. Who sets out the time lines?

**Hon. C. Taylor:** It is at the client's direction, but there are time lines set as a result of the project being taken on. There are deliverables at various stages of it to make sure that the project is proceeding.

I will say again for the record that, in fact, I do appreciate the work of our Auditor General. I regard his advice as being important, and he has given clean audits to Partnerships B.C. I will not be the first politician to start influencing and interfering with Partnerships B.C. In fact, if I started to do that, I guarantee you that the Auditor General would not give us a clean audit.

**J. Kwan:** Let's be very clear about what I'm asking of the minister and that is an independent review by the Auditor General into the service plans of the individuals that are receiving bonuses — bonus compensation from taxpayers — under the auspices of Partnerships B.C.

[1620]

My question is: how can the public and British Columbians — taxpayers — have the assurance that in fact they're getting value for money, that in fact the service plans, the performance measures that are being set out, are being achieved and that the bonuses are in fact appropriate? I just want a different set of eyes to review that. That's what I'm asking for. Nowhere have I asked for anybody to interfere with respect to the projects. I want to know whether or not British Columbians are getting value for money.

The minister has refused to provide the information to this House, refused to ask the Auditor General to engage in that kind of examination. If the minister says, "Everything is all good; you don't have to worry about it; it's all in hand," then let the Auditor General do that full audit into these details. I'm not talking about an overall review. I'm talking very specifically about the dollars the government is providing to the compensation bonusing package and about the fact that people are achieving the performance measures they've set out. That is all. Let's be clear about that.

I'm interested, from the minister, with respect to, I guess, a review or information around the bonusing compensation package for Partnerships B.C. staff. Is it such that the bonusing only comes forward if goals are

achieved? In other words, there's no reverse bonusing, if you will, with respect to performance measures? That is to say, if goals and objectives are not being met, what happens in those scenarios?

**Hon. C. Taylor:** This system is not new, and it shouldn't be a surprise to anyone. All of our other Crowns do it as well — have performance-based pay at certain levels. What I would say is that if someone in fact did not do their job properly and did not meet their goals and plans, then they wouldn't get the bonus pay.

**J. Kwan:** The individuals on the list here, are any of them on contract with the ministry, or are they all staff that have been hired as part of the public service system?

**Hon. C. Taylor:** These are all employees of Partnerships B.C.

**J. Kwan:** Are there any consultants which Partnerships B.C. is utilizing?

**Hon. C. Taylor:** Yes. Consultants are hired from time to time if there's extra workload or certain expertise that's required.

**J. Kwan:** Could the minister provide the House with the list of consultants that Partnerships B.C. has contracted with, with the various initiatives?

**Hon. C. Taylor:** Yes.

**J. Kwan:** Could the minister also provide the information on the consultants: what they're tasked to do, how much they're being paid and how they were selected in terms of procurement practices?

**Hon. C. Taylor:** Yes. Certainly, what consultants have been paid, we will get that list to you as we do with other areas at Public Accounts.

In terms of how their services are procured, if it's over the \$25,000, as the rules say, then we go through a competitive system.

**J. Kwan:** Is the minister saying that information would not be available to us until it is provided through the Public Accounts documentation?

[1625]

**Hon. C. Taylor:** No, I didn't say that. I said it's in the same form that you see consultants at Public Accounts, where you see the list of what they've been paid and the year. We will get that information to you — not waiting till public accounts.

**J. Kwan:** Sorry, I misunderstood the minister's answer. Thank you for that. Could we also get that information before estimates is over?



When I say before estimates is over.... Mr. Chair, as you can anticipate, there will be questions that potentially could arise from the information which we receive. It would be very difficult, of course, once estimates is over, to try and go back to answer these questions, because we have no mechanism of doing that. So we would need to actually get the information. When I say before estimates is over, I don't mean, you know, the minute just before estimates is over. I mean perhaps by Wednesday sometime, so we can actually take a look at the information and therefore determine what other questions may follow. I hope that's reasonable in terms of the request.

**Hon. C. Taylor:** We'll do it as quickly as we can.

**J. Kwan:** Sorry, I didn't hear the minister's answer.

**Hon. C. Taylor:** This is good exercise, hon. Chair. We'll do it as quickly as we can.

**J. Kwan:** I take it as a yes that we could get this information before we wrap up estimates but with enough time so that we can review the documentation and so that we can put the questions to the minister. I take it that "as quickly as we can" means that.

Mr. Chair, I don't mean to be a stickler here. It's just that if we don't get that information before we wrap up estimates, then there's just no opportunity to ask these questions. We would need to be able to do that. I take it on good faith that when the minister says, "As soon as we can," it means within the time frame in which I have highlighted for this House.

**Hon. C. Taylor:** Hon. Chair, I'm not trying to be cute here. I'm telling you exactly the truth. We will do it as fast as we can, and we understand your point.

**J. Kwan:** Okay, then. We will just have to wait for the information and make sure we still have ample time to actually ask the questions when we receive them. The quicker it is, I suppose, then the faster we can move on with estimates debate in the Ministry of Finance.

I'd like to ask the minister the question around procurement practices specifically related to the consultants in Partnerships B.C. There are rules and guidelines that are set out, and I just want to ask, first, the question of the rules and guidelines that apply in terms of procurement practices related to government. Are they the same rules that apply with Partnerships B.C. as well?

**Hon. C. Taylor:** They're at least the same and perhaps more rigorous.

**J. Kwan:** I didn't see in the website the procurement practices that relate to Partnerships B.C. Maybe I missed it, but could the minister, then, provide that information in terms of the guidelines that apply with

respect to procurement practices under Partnerships B.C.?

**Hon. C. Taylor:** Yes.

**J. Kwan:** The reason I ask is that I think it is important information for the public to know what sorts of practices Partnerships B.C. are engaging in with respect to procurement so that we can actually make a comparison. If, in fact, they're more vigorous than the government guidelines, then all the better. So I would just like to take that information. I thank the minister for committing to providing that information to us before estimates debate is over.

Could the minister, then, please advise, too, with respect to the procurement practices in Partnerships B.C.: are any of the contracts in violation of its own guidelines that have been set out?

**Hon. C. Taylor:** No.

[1630]

**J. Kwan:** One of the issues that were identified by an internal review on procurement practices within government was the issue around cost-benefit analysis — or lack thereof, I might say. In terms of a review within these contracts that Partnerships B.C. has undertaken, has there been an internal review by the government with respect to their practices on procurement and all the issues associated with it in terms of value-for-money analysis and so on?

**Hon. C. Taylor:** There's been no specific internal audit, if that's the question, of procurement practices, but the board of Partnerships B.C. is charged with the responsibility of making sure the policy is followed.

**J. Kwan:** There have been no audits or review, but the minister is comfortable, I think it's fair enough to say, that the procurement practices are being followed. How do we know that? The government said that, as well, in other areas within government, but there was an internal review that showed otherwise.

**Hon. C. Taylor:** Not only is this a very professional and high-level board with a lot of expertise in this area, but they also have an audit committee, which does constant analysis of this, and they have satisfied themselves that the procurement policies are followed.

**J. Kwan:** I'm sure that the staff within government are also very professional, but nonetheless, problems surfaced with the government's own internal review with respect to procurement practices, which we'll get into.

Let us be very clear. I'm not questioning around the individuals that are doing this work. Again, what I'm questioning is an independent set of eyes that would go into looking into these matters to give the kind of assurances that I think British Columbians deserve with respect to procurement practices and, in this in-

stance, tied to Partnerships B.C. The minister says that work has not been undertaken. Are there any plans for that work to be done within Partnerships B.C. to give the public that independent assurance on procurement practices?

**Hon. C. Taylor:** We have received absolutely no complaints about Partnerships B.C. and the procurement policies. However, I'd certainly be happy to add it to the list the next time we do an internal audit spot check.

**J. Kwan:** You wouldn't receive any complaints, because nobody's looking into it, I suppose. If people looked into it, there may be, in fact, documentation that would support the fantastic work that people are doing within Partnerships B.C. That would be good for the public to know. But on the other hand, it could also show that maybe the work being done is not so fantastic, and there might be some challenges and issues that we should be aware of. That's what I'm asking.

So far there's been no audit with respect to that. The minister says that she will add it to the list for the next review that's being done. When is the next review being planned?

**Hon. C. Taylor:** We do them regularly. There's one being done right now.

**J. Kwan:** When the minister says that they do it regularly.... These are annual reviews, as far as I understand. Is that correct?

**Hon. C. Taylor:** Yes.

**J. Kwan:** How long does it take to do the review?

**Hon. C. Taylor:** On the annual ones it takes about three to four months to do, but we do the big governmentwide review every two years. In the meantime we are always doing spot checks.

**J. Kwan:** Okay. So let's just break these down piece by piece. The governmentwide review is every two years. When was the last one done?

[1635]

**Hon. C. Taylor:** In 2004.

**J. Kwan:** Is the review, then, underway now — a governmentwide review?

**Hon. C. Taylor:** It will be this year.

**J. Kwan:** When does the minister expect that work to be underway?

**Hon. C. Taylor:** It has commenced.

**J. Kwan:** When does the minister expect that work to be completed?

**Hon. C. Taylor:** Probably sometime this summer.

**J. Kwan:** Sometime this summer. Will that information be public?

**Hon. C. Taylor:** All of our internal audits are available on the website, and I know that the full report was FOI'd at one point.

**J. Kwan:** Is the full report going to be on the website?

**Hon. C. Taylor:** It is the subject of FOI.

**J. Kwan:** What is going to be on the website?

**Hon. C. Taylor:** The list.

**J. Kwan:** Well, I would venture to say this. Having the list on the website doesn't provide a whole lot of information other than a list of titles, if you will. Of course, the substance of the report is what's important, related to the list. Will the minister commit to providing that information on the website?

**Hon. C. Taylor:** The list will be on the website, and as has been the practice, they can be FOI'd.

**J. Kwan:** I take that as a no — that the minister would not put that information on the website and that one has to go through an FOI process in trying to get the information. Even if you went through the FOI process, the information reviewed, I would venture to say, is not detailed enough to provide sufficient information for one to get a clear understanding of what's going on.

Maybe I can ask the minister this question. The work that is now underway with respect to this two-year review on government procurement practices.... What ministries are being reviewed?

**Hon. C. Taylor:** It's random.

**J. Kwan:** I can appreciate that the selection of the ministries for review is random. But has the team that has been assembled to do this work selected the ministries that have been randomly picked? If so, could the minister please advise: what ministries are going to be reviewed?

**Hon. C. Taylor:** We're not aware, at this point, of exactly what the team is working on, so we'll find out.

**J. Kwan:** Once the minister finds that information out, could the minister provide that information to the House or to me?

**Hon. C. Taylor:** Yes, we'll provide the information. We just have to find out.

**J. Kwan:** Thank you very much. If the minister finds out before estimates are over, I would appreciate

the information. If it's not before the estimates are over, I would appreciate receiving it when it is available.

Does the minister know how many contracts would be reviewed in this exercise?

[1640]

**Hon. C. Taylor:** I wonder if I could ask the question.... If we're finished with Partnerships B.C., I could pull in our other procurement people. So you're going to go back to.... Do you want us to bring in our procurement people so that we can address your questions in more detail?

**J. Kwan:** I'd be happy to ask the procurement practices questions at a later time. We segued into it. I apologize, Mr. Chair. I was asking about procurement practices within Partnerships B.C. It's just so enlightening in terms of the information I'm trying to seek — I expected that it would be enlightening — that I got sidetracked. No, we're not done with Partnerships B.C. at all. We've just barely scratched the surface. I will save all my procurement practices questions for down the road.

Just to add and to be sure, then, will Partnerships B.C. be reviewed by annual review?

**Hon. C. Taylor:** As I committed a moment ago, yes, we'll do that.

**J. Kwan:** That's great. Thank you for the great news. I look forward to receiving that information. Hopefully, it will confirm the minister's confidence in the area, so I look forward to receiving that information.

Let me just go back to Partnerships B.C. with respect to some broader and more general questions around it. The minister mentioned that there's an audit committee within Partnerships B.C. related to procurement practices. Who is on that committee?

**Hon. C. Taylor:** This information is on the website, with the audit committee members. The chair is Ellen Morfitt.

**J. Kwan:** What exactly does the committee do?

**Hon. C. Taylor:** The audit committee does what every audit committee and every private business does, which is watch the expenses, watch the budgeting, watch the procurement, watch anything that has to do with the financial practices of the business to make sure that everything is being done properly.

**J. Kwan:** So the audit committee is charged with all of those responsibilities. Did I hear the minister say, then, that none of their procurement practices have been violated? I think the minister might have said that earlier, within Partnerships B.C. Am I correct in understanding that?

**Hon. C. Taylor:** Certainly, to the best of our knowledge, Partnerships B.C. has followed all of the procurement policies.

**J. Kwan:** I just wanted to be clear about that. I think the minister said that earlier, and of course, the internal review will also then demonstrate that outcome, I would anticipate, once that information is out sometime in the summer.

Could the minister please advise on the more general questions around Partnerships B.C. on the...?

I'm sorry. Before I get into that, I'm just going to check with my colleague on whether or not he wants to jump in. Just give me one minute.

Yes, my colleague did indicate that he wanted to get in on some questions around one procurement process, particularly one contract within Partnerships B.C. I'm going to yield the floor to my colleague for a moment, before I get into my other questions.

**G. Gentner:** I will be brief. The minister sort of alluded that there have been no real major procurement problems relative to Partnerships B.C. But there has been a report written by the fairness auditor relative to, of course, the Okanagan Lake Bridge project. One of the statements that was made was: "I would recommend that future procurement processes include a provision in relationship disclosure and conflict-of-interest forms which specifically asks evaluators and advisers about any financial interests in the various companies or parties."

[1645]

My question to the minister: why is it that there has not been, for all projects, relationship disclosure and conflict-of-interest forms?

**Hon. C. Taylor:** This is part of the process that Partnerships B.C. goes through to make sure there are no conflicts. The suggestion came that there should actually be a written part of the form, which is fine.

**G. Gentner:** The suggestion, if I have it correctly, is that a party was not happy with the procurement process in Kelowna — correct?

**Hon. C. Taylor:** We've received no complaint.

**G. Gentner:** I'm a little puzzled, therefore, because why would the fairness auditor say: "I'm of the opinion that the forms, as constituted in the initial phase of the procurement, were not clearly worded with regards to disclosure of 'financial' interests"?

**Hon. C. Taylor:** Partnerships B.C. actually names the fairness auditor to help make sure that our procedures are good ones. He gave us a clean audit from his point of view but did make a couple of constructive suggestions about things that would work even better.

**G. Gentner:** I'll continue with the report. "It would also provide greater comfort and assurances for the province and Partnerships B.C. in ensuring a fair and unbiased process. The form was amended at the final stage of the procurement process at the fairness auditor's suggestion" — so there have been some changes

along the process relative to this particular bid — "but the various team members did not all execute the revised document before evaluation commenced." Would the minister like to comment?

**Hon. C. Taylor:** We're not sure what your question is. Is it asking if all the contractors signed off on the revised form?

**G. Gentner:** Let's just go to a recommendation from the fairness auditor, which was that "a standard form of confidentiality and conflict-of-interest relationship disclosure be adopted for all projects involving the province of British Columbia and Partnerships B.C." Does this document now exist for all projects?

**Hon. C. Taylor:** We don't know the details of this specific one, but we'll find out for you. We're always looking for good ideas and ways to improve our process. This was a process — let's be clear — that we were doing. We were making sure the conflicts weren't there. The suggestion was simply that we have a part of the form that stated that.

**G. Gentner:** I'm asking the minister whether or not you've adopted the fairness auditor's recommendation to come up with a standard form for all projects relative to confidentiality and conflict. Again, have you adopted these recommendations? Or are we seeing a different type of relationship relative to procurement and confidentiality at every other project?

**Hon. C. Taylor:** As I just mentioned, the CEO of Partnerships B.C. is not positive whether this is currently on the form, but we will let you know.

**G. Gentner:** Therefore, I have it that there is no standard form of confidentiality and conflict-of-interest relationship disclosure for Partnerships B.C. projects.

**Hon. C. Taylor:** It is our policy and always has been our policy to make sure that confidentiality issues and conflict of interest are addressed. What you are talking about here is a specific way of putting it on the form.

[1650]

**G. Gentner:** Well, that still doesn't arrest the difficulty I have with a potential conflict of interest and improper disclosure. I will go on to suggest that what the fairness auditor says — and this was April 6, '05.... "There were several differently worded documents used during the two-year span of this project, as well as ones which were different from other P3 projects."

My question to the minister is: do we make up the procurement and the conflict-of-interest disclosures depending on what project we're doing at the time?

**Hon. C. Taylor:** With every project — and these are massive projects — you have different lawyers involved, and every lawyer has their own preference for

exactly what those contracts will look like. It is our intent to try and standardize the contracts across the various projects, but you will understand that there are differences between building a bridge and building a hospital or a school, so there will always be some variances.

**G. Gentner:** But there is an attempt to standardize some procurement. Obviously, there is a difference between the building of a hospital and a bridge, but in the engineering sense, you'd think there would be some standardization in order to save costs relative in particular with, let's say, engineering of P3 projects in transportation. Again, is there no standardization here?

**Hon. C. Taylor:** This is a primary goal of ours, and we're working towards standardization. I think you might have some idea that when you get lawyers from a number of different areas involved, it's hard to get total agreement. We've made a lot of progress on standardization, but we're not there yet.

**G. Gentner:** Relative to different lawyers, what were the legal costs of Partnerships B.C. last year, and what are the anticipated legal costs for 2006?

**Hon. C. Taylor:** For clarification, are you asking for the legal costs of Partnerships B.C. or the legal costs for each and every project?

**G. Gentner:** Well, I'd like to know both, frankly — the costs involved in the paperwork and relative to putting together these contracts. For example, let's just pick Abbotsford. What's the total cost, to date, relative to legal bills, putting together the contract for the hospital at Abbotsford?

**Hon. C. Taylor:** As with consultants, when we were asked about consultants, we can certainly pull out the amount that has been paid to various lawyers.

**G. Gentner:** I'd like to go back to this confidentiality and conflict-of-interest relationship disclosure form that doesn't seem to be taking steam in the ministry. I'd like to know, really, what were the differences in the documents and the procurement that created this catalyst of complaint relative to the Okanagan Lake Bridge project.

Obviously, there was a complaint based on somebody who didn't get the contract that he or she thought they were entitled to and who complained, only to find out that there has been no proper standard form of confidentiality and conflict-of-interest relationship disclosure. Will the minister look further into this, and will she report in a timely manner back to the House?

**Hon. C. Taylor:** As always, if you have a specific example, please give it to me.

**G. Gentner:** I have an example here. It's from the report of the fairness auditor on the procurement pro-

cess, Okanagan Lake Bridge project, April 6, 2005. Hopefully, you will report back and let us know whether or not these complaints made, as seen through the fairness auditor, are correct.

[1655]

**Hon. C. Taylor:** As I said before, we will get the information to you on the form and the follow-up to the report.

**G. Gentner:** I'll move back into the organizational side of things, if I may.

Relative to the structure of the organization, when there's an applicant that comes forward, which department does that go to? Does that go to the vice-president of partnerships development or the vice-president of policy and practices? Does it go to the vice-president of corporate and government relations? Or does it just wind up in the comptroller's office?

**Hon. C. Taylor:** An application, I assume you were talking about, for an individual who would like to work with Partnerships B.C. would go to the HR person.

**G. Gentner:** No. I'm sorry, hon. minister. It's not an applicant for a job. It's an applicant who wants to become a partner — namely, that of a client from a ministry. Let's say, hypothetically, that a ministry just decides to enter into a partnership or asks that this be investigated. Which door does that come through? Does it go through the partnerships development division, or does it come in through the corporate secretary and legal counsel division?

**Hon. C. Taylor:** Typically, it would come to the CEO, but it could come to the individual who's charged with business development.

**G. Gentner:** Therefore, it would go to the CEO, and my understanding is that it would be unsolicited. It would be unannounced to the CEO when an application would come from a ministry?

**Hon. C. Taylor:** Typically, as I said, unsolicited applicants, perhaps from the Health Ministry or elsewhere, would probably go to the CEO but could go to the individual who is charged with business development.

**G. Gentner:** So it basically goes through the partnerships development division, as earmarked by the CEO. That would be the entry level — correct? — which would manage the partnerships development initiative.

**Hon. C. Taylor:** As I said, typically through the CEO but also through the manager who is responsible for business development.

**G. Gentner:** Therefore, partnerships development — the division — also looks at developing new public-

private structures, and therefore these new structures would include.... Is that where we'd see some restructuring as well — corporately?

**Hon. C. Taylor:** I'm sorry. I don't know what you mean.

**G. Gentner:** I'm looking at the service plan at page 8, where the partnerships development division looks to "develop new public-private partnership structures and opportunities." My question is: is it this function that looks after the structures of the corporation or looks at structures relative to creating new partnership opportunities?

**Hon. C. Taylor:** New partnership opportunities.

[1700]

**G. Gentner:** Now, the policy division is one that looks after development, implements policy and best practices, and provides procurement services. If I have it correct, it is this department that specializes in procurement services — correct?

**Hon. C. Taylor:** Yes, they specialize in improving our knowledge bank and making sure we're using best practices.

**G. Gentner:** I didn't quite get it. Do we have the name of that vice-president of policy and practices?

**Hon. C. Taylor:** It's Grant Main.

**G. Gentner:** The other division — corporate and government relations. It does the lead work for other provinces to develop partnership markets. My question to the minister is: are we creating a partnership market outside British Columbia?

**Hon. C. Taylor:** There are two different things. One is projects, whether the projects are in B.C. or not; the other is whether the partnerships are people from B.C. or not. Often with the banking side of it, for instance, they may be international, or they may be national partners.

Partnerships B.C. has been so successful in building both our expertise and our reputation for doing such good work that we're now getting approaches for advice, for instance, from the province of Quebec. We have worked with the Yukon. Our reputation is now, as I mentioned before, international — in Europe as well. So we are getting approaches all the time. The whole partnership market, worldwide, is expanding.

**G. Gentner:** I haven't found in the budget in Partnerships B.C. what the revenue stream is relative to the pay we're receiving on this advice.

**Hon. C. Taylor:** It's in general revenue because, with these various clients, they ask us specifically not to break that out publicly.

**G. Gentner:** So with these specific clients, are we talking about provincial governments, or are we talking about corporations?

**Hon. C. Taylor:** It's other governments who approach us, and they tend to be sensitive about confidentiality.

**G. Gentner:** Okay. Do we have a ballpark of what advice is worth per hour to a ministry in another province?

**Hon. C. Taylor:** The rates would be comparable to the private market asking for this advice. This is just an estimate, but around \$200 an hour. They sometimes, also, will pay us a lump sum for information that we now have put together because we've become such experts in this.

**G. Gentner:** How much advice has Partnerships B.C. found abroad and at what cost?

**Hon. C. Taylor:** In the first year we did pay for advice from Partnerships U.K., but we haven't paid for any advice in the past two years, because in-house we now have some of the top experts, certainly in Canada.

**G. Gentner:** Perhaps the minister should find renewed advice from the United Kingdom. I think things have changed quite a bit over in that neck of the woods. That is something that we can bring up, hopefully — maybe even tonight — as we segue into the international examples.

[1705]

I'm also interested in the Partnerships B.C. projects with other local governments. Where are we? Are we entertaining any projects with local governments, regional or otherwise?

**Hon. C. Taylor:** We have given advice for the Whistler project, for RAV and for Golden Ears Bridge.

**G. Gentner:** Are there any others in the hopper — not those that are on stream relative to being developed but correspondence with other regional governments and/or municipal governments?

**Hon. C. Taylor:** We have had correspondence from time to time with regional governments at a very preliminary level, but at this point, to the best of our knowledge, there are no other projects other than the ones I mentioned.

**G. Gentner:** Partnerships B.C. not only looks for partnering with private partners, but you also give advice to businesses, according to this strategic plan, "ranging from advice to business transaction and procurement management, to overall project management." That advice goes beyond just that of the government?

**Hon. C. Taylor:** We only give advice in terms of the transaction itself. It's not that we're advising business on any of their projects, but given the work we do for government, this is advice on how that business transaction will be developed.

**G. Gentner:** If I have it correct, the advice extends to the private sector, then.

**Hon. C. Taylor:** We do not work for business. Public-private partnership means that businesses work with us. So within the partnerships that we develop for a project like Abbotsford, then we do all work together on that.

**G. Gentner:** With due respect, I think it's almost an oxymoron. I mean, the fact is that you do work for business. You're there to ensure that they make money. That's the whole purpose of Partnerships B.C., hon. minister.

According to your service plan, "the company is incorporated under B.C. Business Corporations Act, and its core business is to...foster a business and policy environment for successful public-private partnerships by offering a centralized source of knowledge." Is this government policy?

**Hon. C. Taylor:** Yes. This is the reason for setting up Partnerships B.C. Contrary to your previous remark, it is to save taxpayer dollars. If you look at the ambulatory care facility at VGH, that is saving taxpayers \$13 million. If you look at Abbotsford, it's saving \$39 million. If you look at Sea to Sky, it's saving the taxpayers of B.C. \$139 million. That was the purpose in setting up P3s, and they've been very successful.

**G. Gentner:** Relative to working with other local governments, has there been any discussion with any municipal school boards?

**Hon. C. Taylor:** There certainly have been some preliminary discussions about seismic upgrades for schools but not specifically with school boards, which I think was your question.

[1710]

**G. Gentner:** I'd like to return quickly again to the consultants. "Partnerships B.C. provides services directly through its own expertise and also by utilizing external consultants where specialized advice is required." I thought we had our own secretary that did that. Since the minister made mention earlier that this is an expanding market, what do we foresee in the future, relative to the increased secretariat for Partnerships B.C. within the next five years?

**Hon. C. Taylor:** Each project we're building is different and requires certain expertise. It would not make sense for us to hire all of the experts in all of the areas on a full-time basis. It makes more sense financially to bring in those experts when you need them. For in-

stance, with Abbotsford hospital it was necessary to bring in someone who was an expert in hospital building management.

**G. Gentner:** What is the role of PricewaterhouseCoopers with Partnerships B.C.?

**Hon. C. Taylor:** It depends on the project, of course, but they have given us some advice internally in terms of how to set up good benchmarking for performance.

**G. Gentner:** Do we have an idea of what that advice has cost us to date?

**Hon. C. Taylor:** As I indicated to the previous member who asked the question about consultants, we will get the dollars of what consultants have been paid.

**G. Gentner:** Do we know when that would be? Would it be before the end of this week or during the estimates, or will it be two or three weeks?

**Hon. C. Taylor:** This was not one that the Finance critic actually asked for before the estimates, but we will certainly do it as quickly as we can pull out those numbers. I think there were other questions and information and material that were asked for as quickly as possible.

**G. Gentner:** Just quickly to one project, if I can. I'm sure some members will be back and may want to discuss it further. Relative to RAV or the Canada line, my understanding is that this whole package was put together originally by Partnerships B.C. What role did Partnerships B.C. have in the development suggestion that the government look into forming something called InTransit BC?

**Hon. C. Taylor:** Partnerships B.C. was not involved with RAV and building the design and the project but were asked by government to come in and give advice and make sure that it was being properly set up so that the taxpayers of B.C. would be adequately protected.

**G. Gentner:** But the minister will admit that the seed was planted for RAV, and Partnerships B.C. will take some credit, however described, into its formation, and that there is some accountability at the end result that should be taken by the premise that was laid out by Partnerships B.C.

**Hon. C. Taylor:** Partnerships B.C. worked on aspects of the RAV line that related to the province of B.C. in order to protect the taxpayers of B.C.

**G. Gentner:** Relative to protecting the taxpayer of British Columbia, does that include the pension plan money that has been funnelled, in its way, into InTransit BC?

**Hon. C. Taylor:** The pension plan is one of the investors in the RAV line.

[1715]

**G. Gentner:** My question to the minister is: what role did Partnerships B.C. have in the eventual development of InTransit BC? I feel there's some ambivalence here relative to the role which Partnerships B.C. has played and, in particular, the movement of Canadian public pension funds from the BCIMC towards the partnership with SNC Lavalin.

**Hon. C. Taylor:** Partnerships B.C. was certainly part of the larger evaluation team.

**G. Gentner:** So where we are today with RAV or the Canada line? It's not part of the larger team?

**Hon. C. Taylor:** Partnerships B.C. was not involved with RAV at the beginning, as I previously said, but was asked by the government to evaluate the project to make sure that the taxpayers of British Columbia would be safeguarded. As well, they were asked to be a part of the evaluation team that looked at the two bids.

**G. Gentner:** So, minister, you're suggesting that the financing of RAV, where we are today, had nothing to do with that evaluation and how we could find value for money.

**Hon. C. Taylor:** Being part of the evaluation team obviously meant that Partnerships B.C. indicated which bid they thought was the best bid.

**G. Gentner:** I hope the minister isn't wringing the ministry's hands on this project, because it was there from the get-go. My understanding is, if the minister can correct me, if there's... Relative to the line of credit to pay for in the case of default, it will be the public pension fund or holders that will be second in line. Is that not correct?

**Hon. C. Taylor:** The pension group certainly made an investment in the project.

**G. Gentner:** Well, I guess that's the answer that the public pension holders just receive — that they could very well be on the hook here.

Now, on the RAV line construction contract price, the evaluation and the hoopla and the wonderful attributes of Partnerships B.C. was going to throw out there, relative to the New Jerusalem called P3s.... What exactly is the construction contract price today of the Canada line, and/or would we call it the RAV line?

**Hon. C. Taylor:** It's a fixed-price contract that is out there. It's been in the public domain, and it hasn't changed.

**G. Gentner:** It just seems to me to be changing every day. With a fixed contract in the traditional procurement process, the contractor would have to uphold those figures, and he'd have to bite the deficits. However, is there not something here called a concession agreement within all this web?

**Hon. C. Taylor:** I have to emphasize: this one that you've picked, RAV, is not our project.

[1720]

**G. Gentner:** I suppose we can come back to it later. You know, I take issue with the fact that it's not a RAV project. I mean, it certainly was a major startup and earmarked as a project that the government felt good about in its day.

Relative to SNC Lavalin.... They're also involved in the William R. Bennett bridge. Is that not correct?

**Hon. C. Taylor:** Yes.

**G. Gentner:** My question, therefore, is: what is the internal rate of return for SNC Lavalin's investment in the Okanagan bridge? Is it 12 percent per annum?

**Hon. C. Taylor:** We will not know those numbers until 20 years into the project.

**G. Gentner:** Does the minister suggest that we don't know what the percentage of the internal rate of return is within the next 20 years?

**Hon. C. Taylor:** I mean, that's one of the advantages of P3s. The business takes on some risks, so they won't know their internal rate of return until that far along.

**G. Gentner:** We'll talk about transferring the risk shortly.

Again, what is the cost to finance \$720 million for 35 years at 12-percent interest? Do we know? I mean, can we do the math?

**Hon. C. Taylor:** Hon. Chair, if he would like us to do the math, we'll do the math. The point is that these companies, when they come into these projects, agree that we transfer the risk onto their books and onto their businesses.

**J. Kwan:** I'd like to ask some questions around risk management. Before I do that, my colleague the critic for Transportation has been waiting very patiently to try and ask some questions of the minister on Partnerships B.C. I'm going to yield the floor to him, and then I'll come back again to my questions.

**D. Chudnovsky:** To the minister, good afternoon — and to her staff.

Let me start with this. The minister said a few minutes ago that the purpose of Partnerships B.C., the P3 structures, is to save the people of British Columbia money, and she asserted that we were saving so many millions here and so many millions there. Is the minister aware that the Minister of Transportation in estimates in the fall said that it was never the purpose of using P3s to save money?

**Hon. C. Taylor:** I have no idea what the Minister of Transportation said, but there have been several goals

all along. One is to get the best value for B.C. taxpayers, one is to transfer the risks going forward, and the third to access some of the innovative ideas that are out there in the private sector without expecting that government has all the answers.

**D. Chudnovsky:** So if the Minister of Transportation did say in the fall, as he did, that it wasn't the purpose of using the structure of P3s through Partnerships B.C.... If his position was that it wasn't the purpose to.... If I remember the minister correctly — I think I can quote him — that it was never the purpose of this strategy to save money, would she say that the minister was then incorrect in the statement?

**Hon. C. Taylor:** I will repeat: I have no idea what the Minister of Transportation said.

I will say again that Partnerships B.C. has been a tremendous success and that it has done even more than we hoped. It has saved Vancouver taxpayers \$13 million with Vancouver General, \$39 million with Abbotsford and \$139 million with Sea to Sky. It has transferred risks so that taxpayers of B.C. are in a better position than we would have been.

[1725]

We have accessed some imaginative technology as we've gone along, and we are being recognized across Canada for the value and the expertise that we have in Partnerships B.C.

**D. Chudnovsky:** We'll no doubt make available to the minister shortly the quotations from the Minister of Transportation in the fall so that we'll be able to analyze together his comments.

Let me move forward. How much have we saved? The minister asserts that this strategy for doing capital projects is.... Among the reasons or justifications for such a strategy is saving money. Could we have a sense of what the total amount of money is that we have saved the people of B.C. through using this strategy?

[H. Bloy in the chair.]

**Hon. C. Taylor:** We issue value-for-money reports as soon as everything is finalized and the Auditor General has signed off on them, and it would be a simple matter to add those up.

**D. Chudnovsky:** Could the minister outline for us how the calculation is done to determine the savings — the so-called savings?

**Hon. C. Taylor:** We calculate the public sector comparator and how this relates to it.

**D. Chudnovsky:** When and how is the public sector comparator done?

**Hon. C. Taylor:** These calculations are made from the time the client first comes forward with the idea,



and they are finalized by the time the contract is signed.

**D. Chudnovsky:** When is the public sector comparator published? That is to say, when you're doing a big project, of course, there are all kinds of calculations being done all the time. The question is: when is the comparison done between the assumed cost of the public sector comparator and the cost that is put forward, that is agreed to by Partnership B.C., I'd assume, and the private partner?

**Hon. C. Taylor:** It becomes public, obviously, as soon as we go to RFP.

**D. Chudnovsky:** Well, perhaps the minister could help me, because I'm not an expert in this area, but I just want to get the time line straight. I think I heard the minister say that the public sector comparator is made public at the time of the request for proposal. Am I correct? Is that what happens?

**Hon. C. Taylor:** No, that's not right, and if that's how I said it, I was incorrect.

Also, with different projects it's done at different times, but generally, at the time of the RFP is obviously when we have to decide. They've been moving targets up until that time, and at that point we decide what the numbers are and go to RFP. It all becomes public with the value-for-money audit.

**D. Chudnovsky:** When does the value-for-money audit happen?

**Hon. C. Taylor:** We try to do this as quickly as possible after financial closing, and you can understand the reasons why. The reports have been so positive. We want to get that information out in the public domain as quickly as we can.

**D. Chudnovsky:** Is it the case that, in fact, the comparison is done after the decision is made to let the contract?

[1730]

**Hon. C. Taylor:** As I said several questions back, we do it right from the beginning — make the assessments. There are some changes along the way, but by the time we go for proposals, then that has to be identified and tied down at that point.

**D. Chudnovsky:** I apologize for my naivety or innocence in this area, but I think I heard the minister talk about proposals again — that it's tied down before the proposal. But I thought a minute ago the minister said that it's tied down at the time of the signing of the contract. Perhaps I'm mishearing, or perhaps it's my newness to the field, but I just want to get it straight.

**Hon. C. Taylor:** The numbers are discussed right from the beginning of the project. There are some

changes. By the time we go to proposals, we have to have settled the numbers. So it's settled at that point. It becomes public when the value-for-money audit goes out.

**D. Chudnovsky:** Could the minister explain to us in a bit more detail what that process of comparing the potential private contract is to the public sector comparator? What goes into that? What process is used? What questions are asked, and what's the process for doing it?

**Hon. C. Taylor:** The process, as you can imagine, is quite a complicated one. It is a process that tries to measure the objectives of the government and what the project looks like and how it's going to happen. It evaluates the risk transfer, how much risk is being transferred and what the value of that would be. So it's quantitative as well as qualitative.

**D. Chudnovsky:** I'm going to get back to that answer, but perhaps I can just step back a second. The minister has referred on a number of occasions to the value-for-money audit. Is it the case that that is an audit? Is that a financial audit the way we understand financial audits, or is that really just a review of the assumptions internal to the contract of the project?

**Hon. C. Taylor:** It is a review.

**D. Chudnovsky:** Back to the issue of how the public sector comparator is done and how it's compared to the preparation of the contract that is eventually let. For instance, is the cost of borrowing a part of the assessment that's done in preparing the public sector comparator?

**Hon. C. Taylor:** The answer is yes, we often do it, but not always.

**D. Chudnovsky:** Could the minister perhaps give an example or describe the way in which such an assessment is done? For instance, when a project is being contemplated or worked on, and this process that the minister describes of comparing, doing an assessment of what the public sector or traditional procurement model might cost as opposed to the P3 model.... Speaking specifically now about the costs of borrowing, when it's done.... The minister has said that sometimes they do it and sometimes they don't — a curious assertion. Nevertheless, when it is done, how is that done? How is that comparison done, or how is that assessment done?

[1735]

**Hon. C. Taylor:** The discount rate that we use replicates the private sector.

**D. Chudnovsky:** I was going to get to the discount rate — and I appreciate the invitation — so let's set that aside for a second. There's a comparison made between the discount rate which is chosen for the particular

project and the public cost of borrowing. Is that how it's done?

**Hon. C. Taylor:** Your question has a couple of parts, but in terms of the reason why government doesn't always or Partnerships B.C. doesn't always do it in the same way is that government doesn't always borrow in order to finance these projects. So P3s become quite different from other projects that are just isolated. When we get to setting the discount rate, then we do try to replicate the private sector risk.

**D. Chudnovsky:** Perhaps we'll get at it from a slightly different direction. There is a difference, is there not, between the cost of public borrowing and the discount rate assigned to projects?

**Hon. C. Taylor:** The rate that government borrows at is one rate, but what we're talking about here is not just that but also factoring in a risk factor. One of the major points of these P3s is to make sure that we're transferring risk, and that has a value.

**D. Chudnovsky:** We're certainly going to get to transfer of risk and its value — and I appreciate that invitation as well — but let's see if we can unpack this piece of it for a little bit.

The assigning of the discount rate — would the minister not agree? — has a direct relationship to what the cost of the public sector comparator is. Is that not the case?

**Hon. C. Taylor:** Obviously, it has a relationship to the value of the P3 project.

**D. Chudnovsky:** Thanks to the minister for that.

So it would be the case, would it not, that if...? Let's take an example of a project. The discount rate is assigned at 7½ percent, and a calculation is made as to what the public sector comparator would be worth. It's compared to the value-for-money review, and an assessment is made at some point — and has been made in every case that I know of — that the P3 saves the public money. If in those situations the discount rate that was chosen were to be 1 percent or 2 percent less than what is chosen, the public sector comparator would come up dramatically different — would it not?

**Hon. C. Taylor:** It's very important what rate you choose, obviously, for that reason. That's why we are comforted by the fact that the Auditor General has signed off on the way we do it.

[1740]

**D. Chudnovsky:** Do I understand the minister to be saying that the Auditor General makes an assessment of the appropriateness of the discount rate? Correct me if I am wrong, but I don't think that's part of the job.

**Hon. C. Taylor:** In fact, the Auditor General signed off that our assumptions were fair and reasonable.

**D. Chudnovsky:** Well, we'll pursue that at some length, and we thank the minister for that answer.

Is it not the case that had the discount rate for the major projects that the government has undertaken through Partnerships B.C. been 2 percent or 2.5 percent less than the discount rate chosen, in every case the public sector comparator would have been cheaper for the people of B.C.?

**Hon. C. Taylor:** You just can't go around picking numbers and saying: "Well, that's a discount rate that suits my purposes or argument." I could say back to the member opposite that in fact we could have picked a higher one, which would show even higher value for money.

What we must do is acknowledge that it is risk we're talking about transferring, and risk has a dollar value to it. The Auditor General, with his review of our value for money, has said that our assumptions are fair and reasonable.

**D. Chudnovsky:** Interesting. I'd love to pursue that line, but I know that my colleague from Vancouver-Mount Pleasant will want to pursue that.

I want to pursue this issue of the dollar value of risk, which I find an interesting concept and one that we need to look at in some detail. Through my discussions with the Minister of Transportation and now here today, there's been some emphasis placed on this transfer of risk and the fact that the people of the province don't have to take on that risk. Therefore, this strategy for dealing with these major capital projects is a good one. How do we determine the value of risk that's transferred in any given project?

**Hon. C. Taylor:** I think really the proof is in the pudding, and that is that these projects we have completed are coming in on time, on budget. Risk has been transferred, and we are saving B.C. taxpayers' dollars.

**D. Chudnovsky:** At least on that one, you're consistent with your colleague the Minister of Transportation, who also couldn't tell us what the value of risk is.

Now we're buying something here. We're going to the supermarket, and we're buying something. We're buying risk, and I want to know what we're paying for it. It seems a simple question, and it seems a reasonable question on behalf of the people of the province. The minister and other ministers have said that we're transferring risk. It's a commodity, and we're purchasing it. We need to know, the people of the province need to know, what it costs. What does it cost to transfer the risk from the public to these private companies? What do we pay for it? How do we determine what we pay for it?

**Hon. C. Taylor:** As we've said several times, part of it is that you get this fixed-price contract. I think every person who's listening would understand what risk there is for companies right now in giving a fixed-price contract. Look at what's happened with inflation —

whether it's construction, whether it's shortage of labour. Those are the risks that we are transferring to the private sector, and the value-for-money review that is signed by the Auditor General has supported what we've done and the dollars that we in fact have saved.

[1745]

**D. Chudnovsky:** I want to understand the kind of answer that we've gotten on this. Is it the case that the minister can't tell us what the cost of risk is, or is it the case that she won't tell us what the cost of risk is?

We understand on this side what it is that she's saying. She's saying she thinks the whole basket of groceries costs less. There's a debate to be had about the discount rate with respect to that. But when I go to the store and I buy a basket of groceries, I look on the shelf and find out what each item costs.

The minister's telling us that she's buying something, the people of B.C. are buying something, and it's got a whole bunch of pieces to it, but she doesn't know — or she says she doesn't know — how much one element of that basket of groceries costs. My question, through you, Chair, to the minister is: how come you don't know that? Shouldn't the people of B.C. be able to say to the Minister of Finance: "What does it cost to buy that for us?" And shouldn't the Minister of Finance be able to answer?

**Hon. C. Taylor:** I would encourage the member opposite not to put words in my mouth. Every project is different. In fact, the actual number that's used is in all the public information with the value-for-money reports. If you want to know, ask me specifically. Sea to Sky: the risk was \$42.9 million. We ended up, in the value-for-money report signed off by the Auditor General, getting additional value of \$133 million for the taxpayers of B.C.

Every single report has the line. It says risk adjustment. That's the number.

**J. Kwan:** I apologize to my colleague, but I can't help but to just jump in for a few moments here. I am perplexed with some of the answers the minister is giving to the House. I wonder if she could give me some clarity on this.

Perhaps we can backtrack, then, on the issue around....

**The Chair:** Member, before we start, I would like to call for a recess until 6:40.

**J. Kwan:** Okay, then. What happened to our clock?

**The Chair:** It's in the corner; it'll be up tomorrow.

**J. Kwan:** Oh, I see. I'm sorry. We were having such fun that I didn't realize the time has flown.

You're right, Mr. Chair. I move that we recess until 6:45.

**The Chair:** I'll declare a recess until 6:45.

The committee recessed from 5:48 p.m. to 6:47 p.m.

[H. Bloy in the chair.]

On Vote 30 (*continued*).

**The Chair:** I'd like to welcome everybody back to the Douglas Fir Room, Committee A. We'll call the member for Delta North.

**G. Gentner:** We were talking briefly about the bridge at Kelowna, and I would like to talk about the Lavalin deal. The return of Lavalin's investment, or return of equity, is guaranteed to SNC Lavalin in these P3s. Is that not correct?

**Hon. C. Taylor:** There's no guarantee of returns. They have to earn it.

**G. Gentner:** If the P3s were so good, why did the lenders require SNC to post a letter of credit?

**Hon. C. Taylor:** In the world of finance, if you have a letter of credit like that, then for sure you get a better rate.

**G. Gentner:** While Partnerships B.C. has continued to focus on its core business, it says in the service plan they need to ensure that project costs are kept to a minimum. What costs do you foresee that were cut in this budget year?

**Hon. C. Taylor:** I wonder if you could clarify your question. Are you talking about the budget of government? Are you talking about partnerships? Are you talking about a specific project? What budget?

[1850]

**G. Gentner:** I'm referring to Partnerships B.C.'s budget.

**Hon. C. Taylor:** I'm still not sure that we understand your question, because Partnerships B.C.'s budget has not been cut.

**G. Gentner:** Well, we'll move on to something else: "The 2006-2007 service plan continues to be focused on achieving value for money for taxpayers by the timely delivery of more capital projects, increasing competition and innovation and procuring major capital assets." My question is this: so there was not enough competition before?

**Hon. C. Taylor:** I think one of the things we must all remember is that P3s in Canada are fairly new, and one of the reasons for setting up Partnerships B.C. was so that the taxpayers of British Columbia could benefit by these projects, which, of course, bring in private dollars, transfer risk and end up with value-for-money reports.

This is a learning experience, I would say to you, for the private sector as well as for the public sector, and as more people are getting comfortable with how these projects work, we are seeing more bidders come forward.

**J. Kwan:** I'd like to go back and touch on — I guess before the break we were starting to talk about risk assessment issues, value for money and assessments, and so on — some questions around the risk transfer model and the issues related to risks on P3s.

It's interesting to note, actually, that there was a quote back in September 2005 from *Project Finance* magazine, and to quote CEO Mr. Blain: "We make sure that we make the right value for money assessments, although we're using a risk transfer model that is so complex only a few people at the provinces understand the ins and outs of it." Let's see if we can try and understand the ins and outs of the risk-related issues.

As far as I understand, Partnerships B.C. compares the costs the government will incur under a P3 contract with the cost that it estimates government would have incurred and additional risks government would have assumed under a conventionally government procured and financed project. Those are sort of the comparisons one would pick up to see whether or not there is actually value for money.

Let me just start with that assumption. Partnerships B.C. estimated that the present value of the costs that government will incur with P3 contracts over a 25-year lease period would total something like \$790 million. That's from the documentation that has been presented from the organization.

Just assuming for a moment that's the case, can I ask this first question of the minister: does Partnerships B.C.'s analysis fairly present the real financial implications to taxpayers of P3s versus the conventionally procured and financed arrangements? In other words, does the analysis accurately and transparently inform the P3 public policy debate in that matter? What's the minister's opinion on that?

**Hon. C. Taylor:** We believe so, and we believe that's why the Auditor General signed off on this review.

**J. Kwan:** I will touch on the Auditor General's report and so on, but I don't think we'll have time to do that. I do have a lot of issues related to that matter, but I'll come back to it another time. I'm just going to park that.

[1855]

Am I assuming from the minister's answer that, yes, she is saying that the risks associated with P3s versus those of conventionally procured and financed projects are such that the minister is satisfied that Partnerships B.C.'s analysis fairly presents the real financial implications to the taxpayers? Am I assuming, from the minister, that that's her point of view?

**Hon. C. Taylor:** That's correct.

**J. Kwan:** Thank you to the minister for that.

May I also ask the question: does the minister agree that the annual costs Partnerships B.C. assumes for what one calls, I guess, these public sector comparators do not reflect the actual costs of government borrowing?

**Hon. C. Taylor:** The whole point of doing these P3s is to make sure we're doing public sector comparatives that are much broader than: what does it cost government to borrow? The whole point is to transfer risk to the private sector and also to take into account inflation, so the number represents all of those issues.

**J. Kwan:** What is the government's actual borrowing rate?

**Hon. C. Taylor:** We're just looking it up in our budget documents, but as you know, it changes almost day to day.

**J. Kwan:** I would appreciate the information, even though it changes — as is the case with the private sector as well — but one would assume that generally speaking, the government's rate of borrowing is lower than that of the private sector. Is that a right assumption?

**Hon. C. Taylor:** That's generally true. Once in a while you might get a very large private company that is able to get good rates, as well, but generally, it's true that government's rates are lower.

**J. Kwan:** Sorry, I have a.... It's so good to have my colleagues, my technical support, here. My computer was just about to run out of juice on me. Luckily, someone was able to lend me a battery from their computer.

**The Chair:** Member, just one moment.  
Member rises.

#### Point of Order

**D. MacKay:** On a point of order, Mr. Chair.

I believe there was a ruling that came down from the Speaker's office that members who are in possession of the floor are not to use any electronic devices, so I would ask the member from Vancouver that if she's asking questions of the minister, she should have her laptop closed.

**The Chair:** I'll take it under advisement for clarification.

**J. Kwan:** As far as I know from the rules from the Speaker's office, it's for particular periods of time — for example, question period, throne speech, budget speech — but in terms of estimates debate and so on, electronic equipment is allowed in the House. If the Chair would undertake to clarify that, I would appreciate it.

Thank you, Mr. Chair, on that.

### Debate Continued

**J. Kwan:** Okay. Then back to the question around interest rates, borrowing rates and so on. The minister says that generally speaking, the government's borrowing rate is lower than that of the private sector, but from time to time there might be a company or a corporation out there that's very large and that therefore might be able to get similar rates to those of the government. Is the minister aware of any companies that are now engaged with Partnerships B.C. that actually have an equivalent rate of borrowing or a better rate of borrowing than that of the government?

### Point of Order (Speaker's Ruling)

**The Chair:** Just one moment. I'd like to clarify the use of electronic equipment for all members.

[1900]

It's a memorandum from the Speaker, the hon. Bill Barisoff, on February 16, 2006, point number three: "Electronic devices must not be used by a member who is in possession of the floor." So I'll remind all members to abide by this ruling.

### Debate Continued

**Hon. C. Taylor:** The answer is no.

**J. Kwan:** Thank you very much, Mr. Chair. Okay, then I'll just have to use hard copies.

I would also ask our colleagues to double-check with the House Leader with respect to that, please. If someone could volunteer to do that, I would really appreciate it. Thanks.

Okay. I just want to get into this question. To secure debt financing, P3s must also provide some equity, I would think, and the rate of return required on the equity portion of the capital is, generally speaking, significantly higher than the cost of debt. Would the minister agree with that statement?

**Hon. C. Taylor:** Yes, that's true, although the returns in these kinds of projects tend to be lower than in other private sector projects.

**J. Kwan:** Yes, I'm just trying to sort of lay the foundation in terms of the assumptions around issues of risk associated with P3s.

Would the minister agree that the government's debt is secured by its ability to raise taxes in order to repay its loans and that it does not depend on the project's performance?

**Hon. C. Taylor:** That's true.

**J. Kwan:** Would the minister agree that there is not a need, then, to add a risk premium to government borrowing rates to measure the true cost of government financing?

**Hon. C. Taylor:** That's generally true, and it's why on a straight government project you would see contingencies built in for that risk.

May I also, hon. Chair, read into the record the borrowing costs that you asked for? In September, in our budget book, we said 5.0. For '06-07 we are saying 4.9.

**J. Kwan:** Thank you to the minister for that information.

Would the minister agree, for the Sea to Sky Highway project, that the decision to invest has already been made and that B.C. taxpayers will assume the long-term liability to repay its costs regardless of whether it is a prudent investment or not?

**Hon. C. Taylor:** No, the proponent only gets paid if they perform.

**J. Kwan:** Let me just try to get at it a different way. Maybe I didn't put my question well enough to the minister for me to get my point across or for me to understand the answer related to my question.

[1905]

In the Sea to Sky Highway project, isn't it the case that taxpayers would have to assume a 25-year lease obligation under this P3 arrangement?

**Hon. C. Taylor:** In the P3, specifically with Sea to Sky, if the proponent did not perform, they would lose all of their equity, and the taxpayers of British Columbia would take over the lease.

**J. Kwan:** So if they don't perform, then the taxpayers are assuming a 25-year lease obligation under this P3 arrangement.

**Hon. C. Taylor:** In the case of the proponent not performing, they're the ones that lose their equity. What we would take over is.... We'd just take back the property at no cost to us.

**J. Kwan:** The minister says we would take back the property at no cost to us. Okay. Let me just set that aside for a moment, and then I'll come back to more detailed questions around the Sea to Sky Highway. Could the minister please advise: what is the incremental risk that government assumes under normal, conventionally procured and financed infrastructure projects?

**Hon. C. Taylor:** This refers back to what I mentioned before. On a straight government project, it would be in the contingency.

**J. Kwan:** Sorry, I didn't hear the minister's answer.

**Hon. C. Taylor:** This refers back to the answer I gave before. On a regular government project, that's covered by contingency.

**J. Kwan:** Okay. Under a P3 scenario, what risks are in fact transferred, and what management benefits can

taxpayers reasonably expect? Let me just start with those two questions for the minister.

**Hon. C. Taylor:** The proponent assumes risk that covers operating risk, time risk and performance risk. All those risks are absorbed by the private company, and it saves B.C. taxpayers from having to assume that risk.

**J. Kwan:** How are those risks calculated over time?

**Hon. C. Taylor:** There's beginning to be quite a body of work on P3s around the world, and there are set approaches that one takes. You talk to the experts, engineers and advisers, who give us their best advice on what the risk is on a particular project.

**J. Kwan:** Do the risks have anything to do with financing?

**Hon. C. Taylor:** We need the question clarified as to what exactly the member is asking.

**J. Kwan:** As far as I understand, the risks that we're talking about... Well, actually, let me backtrack and come back to this. What is the incremental risk associated with projects that are undertaken through P3s?

[1910]

**Hon. C. Taylor:** As I mentioned before, in fact, in our value for money, you can see all of the risks that are listed. It looks to me like there are perhaps 20. All of these risks are incremental risks that the private financier who comes in as a partnership would have to absorb.

**J. Kwan:** Is it the minister's opinion that we cannot achieve private sector efficiencies through the traditional, conventional way of procurement and financing of infrastructure projects?

**Hon. C. Taylor:** A good example of a misstep that has happened in the past when government just decides to do a project all on its own — and just talks only about the interest costs, which you've been referring to, and doesn't take into account risk — would be the fast ferries and what actually happens out there as projects get built. What we are doing with something like P3s is transferring the risk of what might happen onto the private investor rather than onto the taxpayers of B.C.

**J. Kwan:** I'm tempted to actually go and talk about fast ferries, but of course, the initiative around that centres very much on new technologies and so on. Having said that, there were issues and problems associated with it to which the former government had been called to order, if you will, by the public, so it's not in my interest to engage in that debate.

What I'm interested in, however — with respect to P3s and what we're talking about under Partnerships

B.C. — is whether or not taxpayers are really getting the benefit that the government claims they are. As the CEO himself has stated around the complexity of these risk models, we need to try and work through it, piece by piece, so that the public can understand and try to assess truly whether or not what the government says is actually being materialized and whether, in fact, there are real benefits with respect to these.

Generally speaking — and I want to go back to this question — is the minister saying we cannot achieve private sector efficiencies through the conventional way of procurement and financing of infrastructure projects such as the development of the Sea to Sky Highway, such as highway development?

**Hon. C. Taylor:** There are many instances that P3s do not work for. One of the responsibilities of Partnerships B.C., when they're asked to look at things, is to make an evaluation and decide whether it's going to be the right project for the taxpayers of British Columbia. The Sea to Sky is a perfect example of how that particular project, basically, has saved taxpayers \$133 million. It is important that everyone realizes that the Auditor General has signed off on our value-for-money report, and we publish those as soon as the financing project has completed.

**J. Kwan:** I'm going to come back to the value-for-money report by the Auditor General — which is a review and not an audit — and the details associated with that, which I know the minister keeps falling back on. There are some big issues associated with the minister's comments around that, but I'm going to come back to that another time.

I want to talk about risk transfers for the moment. What risk transfer — relative to the traditional, conventional way of procurement practices and financing of infrastructure projects with respect to design-build projects — does the minister think the simple addition by P3s of costly, private financing can bring? Can the minister advise me on that?

[1915]

**Hon. C. Taylor:** Again, I will refer the member to the value-for-money reports, because it's all laid out in detail. This is available to the public. Anyone can have a look at it.

I'll just read a few of the risks that you're talking about. "Design of highway and structures." "Construction of highway and structures — risk of time and cost overruns experienced..." "Majority of the risks associated with environmental factors, including changes to restrictions and permitting..." "A significant number of the operations and maintenance risks, including the risk of latent defects in the upgraded sections which are undertaken..." "Increases in operations and maintenance costs as a result of changes in the composition of traffic — for example, if heavier use of highway by heavy trucks causes more damage to the highway."

This is just the beginning of the list of the kind of risks that we in these partnerships transfer to the pri-

vate sector so that the taxpayers of British Columbia don't have to assume all of these risks.

**J. Kwan:** I just want to be clear on the record here. According to the Auditor General, with respect to the review that was done.... The Auditor General states very clearly in his letter that he expressed "no opinion as to whether the expected results will be achieved." This is relative to the Sea to Sky Highway improvement project. So in my view, it seems to me that what the Auditor General is saying is that the assumptions the government has made around this.... The Auditor General has not done an audit on it, and he's expressed no opinion as to whether the expected results would be achieved — for the record, Mr. Chair.

Would the minister agree with that, or is the minister aware of this information from the Auditor General's office?

**Hon. C. Taylor:** Absolutely. In fact, the Auditor General did say that the assumptions were fair and reasonable. I believe, as the member would know, that you can't do an audit until the project is finished, and that's 25 years. So that's why this is called a review. He looked at the assumptions and signed off on the value-for-money report. An audit can only be done at the end of that 25-year period.

**J. Kwan:** I'm going to come back to this issue. To be frank, part of the problems around the lack of an audit around these initiatives centres around the lack of information or access to information. Having said that, the minister keeps on saying that the Auditor General has verified the government's assumptions, that the Auditor General has signed off on the savings that the minister had stated — the \$39 million and so on. In fact, it seems to me that the Auditor General has not expressed an opinion as to whether or not those results would actually be achieved, so nobody has signed off on that. What the government is saying is that they are expecting that, but whether or not that materializes remains to be seen.

Like I said, I want to come back to these issues, and I will go through the Auditor General's report in detail with respect to that particular project. But that's not my intent at the moment. I want to just go on to broader-based questions around assumptions related to risks.

The minister read off a list of risk transfers related to P3s versus that of the conventionally procured and financed projects. Is the minister suggesting that the long-standard construction law — such as completion bonds, fixed price contracts, performance penalties and incentives, etc. — was all as a result of P3s? Did they not exist prior to P3s? Are they not related to conventionally financed and procured projects as well?

**Hon. C. Taylor:** All sorts of projects use issues as you've outlined. What P3s can do is transfer the risk — like the ones that I've read, and I can certainly read more of those kinds of risk — to the private investor rather than the public taxpayer. But there are construc-

tion projects that Partnerships B.C. decides not to do — for instance, the Pitt River Bridge.

[1920]

**J. Kwan:** Yes, the minister, I suppose, can read on the record what some of the risk assumptions are. What I'm trying to drive at is this, though: some of the risks that the minister is talking about are also managed through conventionally financed and procured projects — are they not? Isn't that part of what the contingency issue is all about?

**Hon. C. Taylor:** I would just refer the member back again to fast ferries, as an example of a project that was based on certain interest assumptions. Unexpected things happened along the way, and because there was no private investor to assume that risk, the taxpayers of British Columbia had to assume that risk.

**J. Kwan:** I know the one place that the minister likes to harken back to is around the fast ferries issue. For all we know, the public-private partnerships that this government has assumed would be several fast ferries in the making.

What I would really like is to get the minister to provide information to the taxpayers. It's to assess these risk matters and the assumptions that somehow, in fact, the government claims that the savings that are to be had with public-private partnerships would really materialize. What assumptions has the minister made around these projects that would actually produce the kinds of results that the minister stated?

The problem I have so far is this: what we have are not audits from the Auditor General with respect to public-private partnerships. We don't even have performance measures by the Auditor General with respect to what the government says it's achieving with these initiatives versus what is materializing. We don't have those kinds of audits by the Auditor General. The Auditor General stated very clearly that he doesn't have the budget to do it, even though he would like to undertake that work. In this budget the request by the Auditor General was not granted by the Finance Committee. Was it actually granted by the minister by way of the budget itself?

We have no third-party evaluation into this. The minister goes back to the reviews that she says provide the kinds of assurance that the minister is hanging her hat on. The reality is that with respect to those reviews, they are not audits. The Auditor General stated very clearly in his letter that he cannot say.... I quote again from the documentation from the Auditor General. He has no opinion as to whether the expected results would be achieved. At the end of the day, it could well be that these public-private partnerships will actually cost taxpayers more money rather than less. I hope that's not the case.

I would like to get into the debate here and have the minister illustrate, identify the issues that we're talking about and give the kinds of reassurances that one would hope to have for British Columbians in

terms of their money and the expenditure of their moneys. That's what we're trying to drive at here.

Maybe the minister can start by giving us the value on the risk transfers with the list of risk items that the minister identified. Could she put a dollar figure to those items?

**Hon. C. Taylor:** As I read into the record earlier today with this same question, it is \$42.9 million. It's in the value-for-money report on the Sea to Sky.

[1925]

**J. Kwan:** Breaking it down, though, on an item-by-item basis.

**Hon. C. Taylor:** You clearly do it by the deal. It's a basket of risks, and the assessment is made. The number is in the value-for-money report.

**J. Kwan:** The information that I get from the documentation is simply a tag-on of 18 percent to 20 percent of project costs. There's no breakdown, really, of the dollar figures associated with the risks, and that's what I'm trying to get a sense of in terms of what we're talking about. The minister is so sure, though, that there are savings to be had. Well, then break it down for taxpayers so that we can understand it.

**Hon. C. Taylor:** These are wonderful projects that everyone in British Columbia, including the opposition, should be very happy about, because it does save taxpayer dollars and it does transfer risk to private companies and takes it off the backs of taxpayers. It often brings in new innovation and methods as well. We are very pleased that we can say that the Auditor General has signed off on these reviews.

I would hope that as Finance critic, the member opposite does realize that you can't do an audit until the project is finished. We've done one review immediately on the value for money, and it is our hope that the Auditor General, perhaps every five years as we go along, will continue to do those reviews. All of this should give the taxpayers of British Columbia comfort — that he has signed off and found our assumptions to be fair and reasonable.

**J. Kwan:** The minister keeps referring back to the Auditor General's report and keeps on saying: "Well, you know, we can be certain that the Auditor General has signed off on our assumptions and that in fact the savings are going to be materialized."

Yes. Yet the Auditor General says that he has no opinion as to whether or not the expected results will actually be achieved. In my view, there's a bit of a difference around that. It's quite a huge difference when you actually look at the letter that the Auditor General puts forward. He keeps on saying that this is not an audit; that he does not express an audit opinion on the report; that, however, it's just a review around it; and that he really has no opinions as to whether the expected results will be achieved. But the minister — the

way in which she's communicating this matter, it's as though the savings are in the bank.

Now let me be clear. The issue is not about an ideology. The issue here is about risks to taxpayers. The issue here is whether or not what the government is saying they are doing is actually being achieved by an audit of an independent set of eyes. We don't have that audit. We don't have that information.

The Auditor, insofar as the review only talks about basic assumptions.... On the assumptions, I would go as far as to say this: the Auditor would say that they are plausible. He's not saying that they are impossible. Nor is he saying that they would necessarily materialize. All that he's saying is that they are plausible in this review. I just want to be very clear around that, and as I said, I will go back to the report in detail around the Auditor General, around that front.

The minister didn't actually answer my question, though, with respect to the issues around the risks that are being transferred and the value on those risks. There's a general figure that applies — something like 18 percent to 20 percent — with the project costs. Why can't the minister itemize the dollar figures with the identified list of risks that have been transferred through a P3 scenario?

**Hon. C. Taylor:** It is important to note that every project is different, and every project has a different set of risks. In some that risk assessment would be fairly low. But in this particular one it was judged — with all the uncertainties, as we talked about, with the highway and the environmental issues, truckload and other issues — to be higher, and that's why that \$42.9 million. But for other projects, it has been less.

[1930]

**J. Kwan:** I appreciate that for different projects there are different risks associated and that there are different levels of risk associated.

[R. Cantelon in the chair.]

Okay, let's talk about this particular project. The minister read off a list of transfer risks related to the Sea to Sky Highway. Can the minister itemize the dollars associated with the transfer of risk for that project?

**Hon. C. Taylor:** Once again I will say that the dollars are \$42.9 million. The risks are all listed on the page of the value-for-money report.

Each deal is regarded as a section, so the risk management is one portion of the deal. For instance, with another one, like the Okanagan Bridge, the risk was judged to be between 7 percent and 8 percent — much lower, because the risks were not as substantial.

**J. Kwan:** The minister keeps going back to the global figure, but she's not providing the itemized list that I'm asking for. Why not? Why is the minister not providing this information? Why is she resisting providing this information, which I think would be helpful



for British Columbians to understand the government's claim that P3s would actually save taxpayers money?

Break it down for us so that we can actually see what she's talking about as it's identified to each of the risk factors.

**Hon. C. Taylor:** We are following the best business practices available internationally, nationally and certainly provincially. We have had our value-for-money paper signed off by the Auditor General. I would also add that the credit rating agencies — which are about as sophisticated as you can get in terms of assessing investment deals and risks, because that determines their credit rating — are very happy with these reports, very happy with our P3s and, especially, are very happy with the value-for-money reports.

**J. Kwan:** While the minister is happy about the value-for-money reports, on the other hand, I have less assurance about it. The savings actually haven't materialized, and for all we know, the costs could actually be a lot higher for taxpayers. We don't know. We don't know that.

I actually think that if we break down the transfer risks associated over time and clearly identify them, maybe we can then start to have a better indication of what the minister suggests is going to materialize. The minister is refusing to provide that information, and honestly, I really don't understand why. I really don't.

Then let's go back to the issue around borrowing rates. The higher P3 borrowing rates reflect, I would assume, a P3 financing risk. Is that not correct?

**Hon. C. Taylor:** It reflects the risk of the project.

**J. Kwan:** That's correct. It reflects the risk of the project, which can transfer to risk to British Columbians over time. The calculation of the benefit of these P3s, based on the financing rates.... What numbers are being used by the government, by the minister, in determining that there would be a significant benefit to taxpayers, based on the transfer risks, on financing?

[1935]

**Hon. C. Taylor:** We do assume that the benefits of the P3 will pay for the higher cost of financing — and of a risky project.

**J. Kwan:** Let me ask the minister this question. Are there guarantees of profit margins for companies involved in P3s?

**Hon. C. Taylor:** This may be the fourth time I've answered this question. No.

**J. Kwan:** What is the credit rating of the companies working on the Okanagan Lake bridge — for example, SNC-Lavalin Group?

**Hon. C. Taylor:** I wouldn't know what the credit rating of a private company is.

**J. Kwan:** Does the minister care to find out?

**Hon. C. Taylor:** It's very important that we check out the financial capability of the companies involved, and we do that.

**J. Kwan:** But I'm specifically interested in the credit ratings of these companies. The reason why I ask that question is that it is actually relevant to the financing rates and therefore to the potential benefits that result from P3s in terms of transfer risks and to the notion of whether or not P3s are the way to go versus that of a traditionally financed and procured project.

**Hon. C. Taylor:** Lenders lend on the basis of the project.

**J. Kwan:** That's not my question. Does the minister know what the credit rating is of the companies working on the Okanagan Lake bridge?

**Hon. C. Taylor:** I have answered this. No.

**J. Kwan:** And the follow-up question is: does the minister care to find out? If not, why not?

**Hon. C. Taylor:** Credit ratings — as the member, I assume, would know — are publicly available, should she wish to look at them. But the important part for us is to make sure we put together a project with a reputable private investor wherein we transfer the risk to that private company to save taxpayers. Our value-for-money report is a very important part of this exercise where we show everyone who wants to look at it all of the assumptions that were made and the value for taxpayers.

I will remind the member opposite that for the Vancouver ambulatory care, the value-for-money report says that we saved taxpayers \$13 million; for Abbotsford, \$39 million — this is taxpayer dollars; this is important; and Sea to Sky Highway, \$133 million. Now all of these value-for-money reports have been reviewed and signed off by the Auditor General.

**J. Kwan:** Let us be clear. I think that there are issues which we need to explore around Partnerships B.C. and their calculation of the expected cost differences between public-private partnerships and those of the conventional way of doing projects, of financing and procuring infrastructure projects. There's a key component here, in talking about savings that are to be had for taxpayers, based on the financing rates.

The minister admitted not so long ago that the borrowing rate for government is actually a much better rate. Generally, it tends to be a much better rate than that of corporations, with the exception of very large corporations that might be able to get the same kind of borrowing rate as that of the government. But as far as she knows.... The questions which I asked her centred around whether the minister is aware of any corporations that are involved in public-private partnerships

that have better borrowing rates than that of the government. The answer was no.

[1940]

Going back to this point, then, and trying to figure it out on the issues around incremental risks, on the issues around savings and value for money, I think it's central that we try and get at what the borrowing rates are that these companies have available to obtain. Because that goes to the centre of whether or not P3s are actually cheaper than the conventional way of doing infrastructure projects.

The minister doesn't care to find out, though — which I find a bit shocking — what the key proponent's borrowing rate is on the Okanagan Lake bridge. Does the minister care to find out what the credit rating is of the companies working on the Sea to Sky Highway initiative?

**Hon. C. Taylor:** I'll spend a little bit of time again talking about the public sector comparator, because it's not just interest rates, which is the only part that you have referred to. It is important for the member opposite to realize it's not just interest rates. It is also inflation, and it also is risk analysis. For the taxpayers of British Columbia, there is no question that transferring the risk on to a private investor and taking it off the backs of B.C.'s taxpayers is a very positive and important thing to do. We had the value-for-money reports, and I do hope that people will look up those reports and see the analysis that's there for them to look at.

You must also realize that we have now done \$4.3 billion worth of projects with \$2.4 billion of private money. Once again, we're using private money to build the infrastructure that's so important to British Columbians, and we're doing it in a way that also takes the risk off the backs of the taxpayers of B.C.

**J. Kwan:** That is why I was trying to break down the risks associated with these P3s and these transfer risks. The minister says that there's a whole variety of them, and she's right. There is a whole variety of them. But trying to, first of all, get at the figure associated with borrowing rates....

One percentage point or 2 percentage points on borrowing rates of significant projects is a lot of money and could make projects go one way or another with respect to actual real values or benefits back to taxpayers. That is why I try to break down the numbers. The minister would not provide that information. I'm still perplexed as to why the minister is refusing to provide that information.

By providing that information, by breaking down the list of risks associated, with dollars attached.... It will only go to reaffirm the minister's point — wouldn't it? — if they add up. Shouldn't taxpayers have the right to know how these numbers are adding up and where they're coming from, or should we just sort of go with blind trust here?

**Hon. C. Taylor:** It is not a matter of not answering the question. It's a matter that the member doesn't like

the answer, which is that risk analysis is done on a basket basis, per deal. That's how we have done it. That is best practices. That's what the Auditor General has signed off on. That's what the credit rating agencies have signed off on, and it is the way that risk analysis is done.

**J. Kwan:** The issue here is this. On behalf of the taxpayers, I would like clarity the figure the minister has arrived at. How has she arrived at those figures? All we know from the review that's been undertaken is a general figure of 18 percent to 20 percent on the total project costs. That's all that we know. We don't know any more than that in terms of the detailed breakdown. What the minister is asking us to do is to trust her, take her word for it. Well, I think that British Columbians deserve a little bit more than that.

I honestly do not understand why the minister refuses to provide that information. Is she refusing to provide that information because she doesn't know it? Is she refusing to provide that information because she doesn't want taxpayers to know how the \$49 million figure was arrived at outside of a global percentage assumption, or is there something else?

[1945]

I expect that the financing component of P3s is a significant piece related to the calculation of cost savings, yet we can't nail the minister down in providing that information.

Then all that I can say is: what's the minister trying to hide, and why is the minister trying to hide that information? Do taxpayers have to wait 25 years for the completion of the project before they can see whether or not the figures that the minister identified actually will materialize? Maybe the minister is hoping that in 25 years' time all of us — I would expect, good grief — will long be gone from here and maybe people will have forgotten around that. I venture just to say for myself that I would expect to be gone 25 years' time from now. Oh my God. I'm afraid to think how old I would be, but I won't go there.

**D. Jarvis:** Pretty old.

**J. Kwan:** That's absolutely correct. Some days....

The point here is this. Wouldn't it be useful and advantageous for taxpayers to know how those figures are arrived at and that you actually can use the baseline measurement of how those figures have been arrived at, beyond the 20 percent broad-stroke assumption, so that we can actually measure what the government is saying is happening against reality down the road?

I guess I'll have one more go at it. What is the minister afraid of?

**Hon. C. Taylor:** It's not a matter of "trust me." It's "trust the Auditor General, trust the credit rating agencies, trust the investors and trust the people across Canada and internationally who have designated Partnerships B.C. as a leader in doing this." We are also a leader in transparency. One of the things that I hope

everyone.... I hope some people are watching, because this is important to understand Partnerships B.C. If you go to the website, you'll get the value-for-money reports on all of our projects. It breaks it down, and people will be able to see, as I started to read down the list, all the risks that have been taken into account.

I'll read a few more: protest or trespass actions; geotechnical site conditions; acquisition of property required for highway construction, including risks related to cost and timeliness to acquire such property; responsibility for repairing any latent defects in work which was completed prior to the contract commencement; bringing the highway back into an agreed-upon condition. It goes on and on.

I would hope people in the public would get these reports. They would see all of the risks that have been analyzed. They would see the costs. They would also see the fact that these value-for-money propositions result in saving money for British Columbia taxpayers. For the Sea to Sky Highway, which is the one we happen to be concentrating on, it means a difference of \$133 million and extra benefits to the people of B.C.

These are good projects. Partnerships B.C. is highly regarded. We have, from all of the relevant financial experts, been given a blessing in terms of our value-for-money report.

**J. Kwan:** Okay, so the minister wants to cheerlead. That's fine. She can do that. But she won't identify the dollar figures associated with the risks identified in these reviews. She doesn't want to tell British Columbians what they are.

Then let me ask the minister this question. In that list, there are a whole range of them that are shared risks — risks which British Columbia taxpayers would have to pay for. Maybe the minister would care to let British Columbians know what those shared-risk values are in dollar figures. Let's start with the Sea to Sky Highway project.

**Hon. C. Taylor:** Again, the book and the charts show you exactly which risks are shared and which ones are only taken by the private sector.

**J. Kwan:** That wasn't my question — was it, now? My question was this: what is the dollar value associated with the shared risk which British Columbians have to undertake? I think they have the right to know that — don't you, Mr. Chair?

**Hon. C. Taylor:** Once again I will say that we deal with these risks on a basket basis per project. It is the same answer, no matter how many times you ask the question. That's how these assessments and financial transactions are done.

[1950]

**J. Kwan:** I understand the basket concept. The minister talks about how they are different for every project. I fully understand that. I've all these reports here. They're not as fancy as the minister's, because they're

not coloured. They're just photocopies. Nonetheless, the content is the same.

Let me just start with the Sea to Sky Highway project. Let me itemize the shared risks that British Columbians would have to undertake with these public-private partnerships. Shared risk one: "the adequacy of geotechnical information regarding matters such as conditions below the highway surface." This is the Sea to Sky Highway project. "The Ministry of Transportation is responsible for the accuracy of some of the data that it provides, and the S2S is responsible for interpretation of all of the data provided." On that item I'm very interested in understanding for British Columbians what the dollar figure is of risk that British Columbians are exposed to. What percent is allocated to the government, and what percentage is allocated to the private partner in this instance?

Another example listed here is the unexpected site conditions at locations where the Ministry of Transportation has provided the benchmarking mechanism. What is the risk in dollar value to taxpayers, and what is the risk to the private partner in dollar figures? What is the percentage of the split of the risks associated with that?

"Requirements for moving utilities to construct the highway and structures and the risk that utility companies will not move quickly enough to meet the S2S's schedule or that they will levy higher-than-expected charges for the relocation work." What's the risk associated, again, on this item for taxpayers versus that of the private partner?

Another item in terms of the shared risk: "impact of delay in proceeding with construction schedule caused by the discovery of archaeological findings during construction." In some cases that could be a huge risk related to aboriginal issues and so on. Again, I would like to understand the risk assumptions here and how much the taxpayer is responsible for versus that of the private partner.

"Increases in the future of general insurance premium cost charged by the insurance industry for the insurance required by the contract." This is another big piece in terms of insurance costs and premium costs and so on. So I'd like clarity from the minister around our risks — that is, the taxpayers' risks — associated with that.

"Changes in certain types of laws which are not characterized as discriminatory or targeted for S2S or S2S's industry," for example. These are shared risks that have been identified.

Then there are risks that are identified that are public risks, "acquisition of property required for highway construction, including risks related to cost and time lines to acquire such property," as a risk to taxpayers. What are we talking about here in terms of taxpayer exposure?

"Responsibility for repairing any latent defects in work which was completed prior to the contract commencement date or for works undertaken by other Ministry of Transportation contractors." That's another area of risk that I would like to get some clarity on in terms of taxpayers' exposure.

"Bringing the highway back into agreed-upon condition after the occurrences of significant natural events, such as landslides" — huge risk for taxpayers on that item.

"Changes in certain types of laws, generally related to those laws which are targeted at S2S or the contractor's industry or can be characterized as discriminatory."

Last but not least: "Requirement to undertake soils or other remediation as a result of the discovery of undisclosed contaminated soils." On that item alone, I can recall some of the projects from history past in terms of risks that were exposed to taxpayers — significant exposure around that.

I'd be very interested in understanding, then, from the minister, on these items of risk that taxpayers either shared or would have to assume in terms of P3 initiatives....

[1955]

**Hon. C. Taylor:** The whole idea of P3s is to take some of the risks the government would normally assume and put it on the backs of a private company. If you want to talk about fast ferries again, we will. That was an example where the government took all the risks. There were some unexpected incidents that happened. There were some design changes, and there were cost overruns, and we ended up with half a billion dollars for the fast ferries. Because there were no private partners involved whatsoever, B.C. taxpayers had to assume all of that.

What we do with P3s through Partnerships B.C. is bring in private investors as well. You have the list, and it's quite clear which risks are taken over by the private sector and absorbed as part of this P3. The risks that you've read out that are the province's risks — they would be ours if we were doing the project all by ourselves. The important part is they are the risks that we're able to transfer to a private sector.

**J. Kwan:** If you actually go into the evaluation of these transfer risks.... Let me just take, for example, the value-for-money item on risk transfer: a value-for-money report that was produced for the RAV line, or the Canada line, in March 2004.

In that document there was a section explaining the difference between costs of the public sector comparator and that of a P3. Actual construction costs between the best proposal and the public sector comparator are nearly identical. However, a chart in the report allocates \$253 million in construction risks to the public sector comparator and none to the best proposal.

On that basis, if you use that report and the assumptions that came out of it, would the minister agree that it would be normal to transfer some construction risks under even the most rudimentary of design-build contracts? Wouldn't that be correct to make that assumption?

**Hon. C. Taylor:** It is true that with design-build you can transfer some risks, but we have found that with P3s you can transfer more risk.

**J. Kwan:** Let's just backtrack and talk about another project for a minute, because the minister is fond of talking about previous projects. Would the minister agree, though, that considerable construction risk was transferred when the currently operating SkyTrain lines were built?

**Hon. C. Taylor:** All these projects, of course, should be discussed with the Minister of Transportation.

**J. Kwan:** Yes, of course we will, but the point that I'm trying to make is this: in that instance, with the RAV project, it's interesting to note the numbers that were calculated and identified in this report state that all the construction risks associated with the public sector comparator were identified, but none were identified to P3s. Why would that be?

**Hon. C. Taylor:** I will say again that the RAV project is not a Partnerships B.C. project.

**J. Kwan:** But it is an investment of provincial tax money into the RAV project. It was only recently that there were conflicting views around RAV, were there not? It was a project under Partnerships B.C. Later on, I guess, the risks increased, and then it was sort of somewhere else. There were conflicting statements, certainly, from different individuals at different points in time around that.

[2000]

On that question, I'm very interested in knowing, though.... On the calculations of value for money, on the calculations of savings for taxpayers, how could it be that construction risks were attributed to the normal way of doing a project through a public sector comparator, versus that of a P3? None of the construction risks were attributed to a P3.

How is that a fair comparison — if you were to come up with numbers for people to evaluate and for consideration — in terms of what mechanism of procurement practice or alternative is actually a better one for taxpayers?

**Hon. C. Taylor:** Once again, this was not a Partnerships B.C. project and is not a Partnerships B.C. project.

**J. Kwan:** Well, isn't that interesting? If that's the best answer that the minister can come up with and say: "Oh well, we're not responsible for that." It's a public-private partnership involving taxpayer dollars from British Columbia — and, I might add, significant taxpayer dollars. I would think the minister would actually be interested in looking into that. I would think that the minister would be interested in making sure that capital initiative is going to yield the kind of benefits that it claims it would. I would think that the minister would be interested in checking into the assumptions that were made with respect to a P3 in the RAV line versus that of a conventional way of doing a project — a public sector comparator approach — but that's not the case.

The minister says: "Oh, well, who really gives a darn about that because it's not a Partnerships B.C. initiative." But it is money that is going to be invested by the taxpayer. On behalf of taxpayers, this government is investing in that initiative. One would have thought, actually, that the minister would want to know that the risks associated around that would be looked into and that the assumptions made around the risk factors are, in fact, accurate.

The minister doesn't want to talk about that. Interestingly, I just talked to the Auditor General because with respect to the RAV line, there's a report by the Auditor General that was supposed to be out awhile ago, actually. In fact, that project has been delayed because of the difficulty in accessing information related to this review. I look forward to receiving that information, because I think that it matters to British Columbians with respect to public-private partnerships.

The minister keeps saying that the purpose of P3s is to transfer risk to the private sector. This, of course, begs the question as to why the private sector would want to participate in a P3 project if they could not make profit in the first place. If the P3 is such a good deal for the government and, therefore, such a good deal for taxpayers, how does the private sector, then, benefit?

**Hon. C. Taylor:** Of course the private sector makes profits. They wouldn't stay in business if they didn't. They also make profits on the design-build examples that you've been using.

**The Chair:** May I say to members that the scope of the estimates debate is quite broad, and there are many opportunities for questioning. I would like to encourage the members to ensure that the debate does not become repetitious and that we return to a parliamentary tone and move forward.

**J. Kwan:** Hon. Chair, I think we've all been very parliamentary in this House, and I don't think the questions are repetitive — from the point of view that the Partnerships B.C. initiatives are very complex to the point of view that, I suppose, questions are asked of the minister and the minister may not like to answer the questions. It doesn't mean that the areas have been canvassed thoroughly and that responses have been given.

What is important — and I take your guidance, Mr. Chair, on this — is that British Columbians actually get the answers that they deserve with this debate. This is the only avenue by which one could ask the minister specific questions related to areas of responsibility that fall under her ministry, and Partnerships B.C. is an enormous one. It is a very, very big component within that, and there are lots of issues associated with it.

[2005]

The minister has identified that yes, P3s are, in fact, important to the private sector in that they would, I assume, only want to engage in them if there is a financial incentive or profit incentive related to them. Bor-

rowing rates are a reflection of risks, and P3s rank default risk or financing risk to the government. This means that they require higher interest rates to cover the costs of the risk. When the minister talks about risk and when she's talking about the value of risk transfer, which risk is the minister talking about? Are they financing risks, or are they project risks?

**Hon. C. Taylor:** Yes, project risks.

**J. Kwan:** That's what I thought, so I'd like to ask the minister: what are the financing risks associated with P3s?

**Hon. C. Taylor:** As we said before, those are the risks of the private sector.

**J. Kwan:** Is there a dollar value, a financial risk that the government associates with P3s?

**Hon. C. Taylor:** Once again, the benefit, of course, is on the upside for the taxpayers of B.C. with the value-for-money reviews and reports.

**J. Kwan:** Is there a dollar value of financial risk that the government associates with P3s for the taxpayers?

**Hon. C. Taylor:** There isn't a specific number on potential financial problems — if that's the question you're asking — that someone might run into. The protection for the taxpayers of B.C. is that we have these fixed contracts. The operating risk and the development risks go to the private sector.

The other thing that I did mention earlier — and it is a very important part of these P3s — is the opportunity for innovation. The Sea to Sky Highway would be a great example of what happened. Government was assuming there was one way to widen the road — and that's the most expensive way — which was just to blast out the rock, but private sector innovation has shown another way to expand the highway. Everyone wins when we bring in innovation to the mix.

**J. Kwan:** We'll get back to the details of this. Just to note, for example: the design for Sea to Sky was actually, I believe, paid for by ICBC dollars. We could get into the details of Sea to Sky around that.

What I'm interested in is this. Is there not an element of risk that taxpayers must pay when we finance projects through P3s? Is the minister saying that there are no risks at all in terms of dollar values?

**Hon. C. Taylor:** Of course, there are the retained risks, but what you have done is take a number of risks and put them onto the private investor. That is the important issue that makes it different from us just building a project ourselves, where all of the risks are on the backs of the taxpayers of B.C.

**J. Kwan:** Is there no scenario in which the minister sees that the risks associated with P3s could potentially

be a lot higher than what the minister assumes? She's saying right now, as far as I can understand, that with all P3s that the government has entered into, the taxpayers would not be exposed to financial risk associated with these projects. Is that correct?

[2010]

**Hon. C. Taylor:** As I said before, there are certain retained risks that we keep, but we would have those risks in any kind of design-build construction, unless you want to say that we shouldn't be building these things. Then that certainly would take all the risks away.

The other thing you have to remember is that if, for instance — and we talked about it earlier — something happened ten or 15 years from now and the operator couldn't continue, we would get the asset back, and we would keep the equity that the private investor put in, so the taxpayers are also protected in that way.

**J. Kwan:** The minister insists, from what I gather from her answer, that taxpayers are not exposed at all with P3s. Am I understanding that correctly — that taxpayers are not exposed to risks associated with P3s? All that we have done here with P3s is off-load risks onto the private sector. In fact, risk has been minimized for taxpayers. That's what she's saying, Mr. Chair. Am I correct in understanding that?

**Hon. C. Taylor:** For the third time, there are retained risks that the province keeps.

**J. Kwan:** Okay, then on the retained risks that the province is exposed to.... I'd like the minister to tell this House: what are those risks, and what are the dollar values associated with that, so we can actually, by way of a measurement, determine the savings for taxpayers and the exposures for taxpayers in these P3s? How did the government come to arrive at share risks and public sector risks versus that of private risks?

**Hon. C. Taylor:** Because the retained risk would be there whatever model of financing we used, a specific dollar value is not put on that. If we do a design-build, those risks are there plus the risks that we off-load in a P3. The important thing for everyone to think about is that if you like this model.... It is quite possible that the opposition does not, in any form, like a P3 model. That would be fine, and that's just a policy difference.

In doing this model, what we believe we see — and our value-for-money reports show it — is a way of accessing private dollars to build public facilities that we all want, using fewer public dollars, off-loading some of the risks involved, bringing in innovation and getting better product at the end of the day that saves the value-for-money dollars for taxpayers.

**J. Kwan:** The minister keeps on stating that the financial risk is carried by the private sector, but the financial risk is not being passed on to the private sector. The higher financing costs are passed back to the tax-

payers through higher project costs. Am I not correct in understanding that?

**Hon. C. Taylor:** Financing costs, of course, are just one part of P3s.

**J. Kwan:** Yes, I do know that, but I think it's a significant part of P3s. The minister won't give me a figure on what that might be. Let me just be clear about this. Is the minister stating that higher project costs, as a result of higher borrowing costs, are paid for by the private sector, not the taxpayers? If that's the case, that would be great. Could the minister give me that reassurance — if that's in fact the case?

**Hon. C. Taylor:** I will come back to the basic point. If there doesn't turn out to be a value-for-money benefit, we don't do it, and the Pitt River Bridge is a clear example. We looked at it and didn't feel that it worked or brought benefit to the taxpayers, so in that case it's not a P3.

**J. Kwan:** That wasn't my question. Nice try, though, but that wasn't my question. What I'm asking the minister is this: the higher project costs as a result of higher borrowing costs — are they paid for by the private sector in P3s, or are they paid for by the taxpayers in P3s?

**Hon. C. Taylor:** Project costs are lower.

[2015]

**J. Kwan:** The minister says the project costs are lower. We just established earlier that for the corporations or companies involved with P3s, none of them has a better borrowing rate than that of the government. In fact, the government has the best borrowing rate. But that's not the borrowing rate which we're going out with. We're going out with the private sector's borrowing rate, yet the risk associated with the private sector borrowing rate is attributed to taxpayers.

Am I not correct in understanding how P3s work? Am I mistaken in that? I hope that I am. I'd like the minister to answer the question straight up, for the third time, that higher project costs as a result of higher borrowing rates are paid for by the taxpayers and not by the private sector. Am I not correct in understanding that with respect to P3s?

**Hon. C. Taylor:** The member is not correct. Capital costs are higher; project costs are lower.

**J. Kwan:** I was talking about borrowing costs — borrowing costs with capital projects.

**Hon. C. Taylor:** Borrowing costs are higher; project costs are lower.

**J. Kwan:** But project costs are project risks. Financing risks relate to the borrowing cost. Am I not correct?

**Hon. C. Taylor:** When you put together a P3, you're pulling in people from the private investment world,

you're pulling in government, and you're pulling in expertise. One of the big advantages is the advantage I mentioned earlier. Part of it is the transfer of risk, part of it is the value for money that comes, but a big part of it is innovation. You're often bringing in private sector where it's their core business. It's something they know how to do really well, much better than government. That's how you get the project costs lower, even though that particular company might borrow at a cost that's slightly higher than government.

**J. Kwan:** Who pays for the borrowing costs — the taxpayers or the private partner?

**Hon. C. Taylor:** In these contracts we pay the performance costs over a period of 25 years. The private investor — he or she does the borrowing for their part of the project.

**J. Kwan:** The minister says that we pay for the performance costs. Could the minister outline the performance costs for this House?

**Hon. C. Taylor:** Every project is different. The performance analysis and criteria are different for each one, but they are in the value-for-money report so that you can look at what the criteria are. As the private sector meets the time lines and the criteria, then they receive their performance benefits. But if they don't, then of course they don't get paid.

**J. Kwan:** I appreciate that each project is different and that each project's got different performance costs associated with that. I fully appreciate that. Is it the case for all P3s, though, that the higher project costs associated with the higher borrowing costs are assumed by taxpayers in all of the instances?

**Hon. C. Taylor:** If the project costs weren't lower by doing it this way, we wouldn't do it.

**J. Kwan:** But that wasn't my question. I'm just trying to get clarity here within the projects and initiatives that the government has signed onto with public-private partnerships — the components of risks attached to the taxpayers.

[2020]

One of these is around higher borrowing costs, and these can be significant with respect to projects, but I'm not saying that's all of the costs associated with the projects. I'm talking specifically about the borrowing costs for public-private partnerships. Are those borrowing cost risks attached to taxpayers and not to the private partner?

**Hon. C. Taylor:** When the proposals come in, after we do the RFP, that's where they have put in their costs, along with all of their ideas about how to do the project and any innovation. So that's when it comes in. The government has a chance, and Partnerships B.C.

has a chance to look at the various proposals that come in and choose the best one for the taxpayers.

**J. Kwan:** Then is the minister saying no, that the taxpayers would not be exposed to the higher borrowing costs? Or are taxpayers exposed to higher borrowing costs with all the proposals that come in, with all of the P3 projects? Which is it?

**Hon. C. Taylor:** We would not choose to do a project in this way if it were going to cost more. We choose it because the proposals that come in have a lower project cost.

**J. Kwan:** That's on the assumption of a variety of risks and transfer risks, which the minister does not care to itemize with this House in terms of what those dollar values are. But there's one piece that I think one could actually identify the dollar value that's attributable to this component. That would be higher borrowing costs. As far as I could tell, based on all of the answers the minister has given to this line of questioning, the higher borrowing costs with P3s are transferred to taxpayers. They're assumed by the taxpayers; they're not paid for by the private sector. That's what I've been able to gather from the minister.

The minister keeps on saying: "Oh, but if overall the project costs are going to be higher, then we wouldn't engage in these public-private partnerships." Fair enough, if that's the minister's assertion. Of course, the work that needs to be done is to determine whether or not the assumptions that the government has identified with the risks actually translate to those actual dollars, so that one could really evaluate if it's a better deal for taxpayers — public-private partnerships versus the conventional way of doing infrastructure projects.

If you could bear with me, Mr. Chair, I'm just trying to determine for taxpayers what their exposures are. As far as I could tell, one item that taxpayers are exposed to would be higher borrowing costs for all public-private partnerships. Isn't that correct?

**Hon. C. Taylor:** RFPs go out. Businesses put together their proposals for how they would like to participate in the RFP. Part of their proposal would be what they anticipate their costs would be. Part of their proposal would be whatever innovation they can bring to the project. Part of their proposal would be the timing, when it could be done and what the costs would be.

Say we get four different proposals, and we decide which one is the best for the taxpayer. If you're asking if somewhere along the way, after they are the proponent, their interest costs go up.... That's their responsibility. That's the whole point of getting this tied up and signed immediately. Then you have the long 25-year lease, over which time they have a responsibility to honour that contract.

**J. Kwan:** No, that wasn't my question. My question was the higher borrowing costs associated with public-

private partnerships and the risks that taxpayers are exposed to, related to that.

[2025]

[H. Bloy in the chair.]

Once the contract is signed and whatever the terms of the agreement are, I would assume.... It sounds like they may include a fixed number on the borrowing costs and so on, and then the private partner may be responsible for anything above and beyond the borrowing costs after the contract has been signed. Up until that point, though, there's a figure which should apply then. I would assume that it is the taxpayers who are responsible for that component of the risk. Am I not understanding this correctly?

**Hon. C. Taylor:** You're not understanding this correctly. The proposal does not come in from the proponent only based on what their borrowing costs are. It's everything else. I have to tell you that there are many private companies that can simply do these jobs better than government could do them. They make up in savings on that part of their proposal for somewhat higher costs in borrowing. The package as a whole has to be of benefit for the taxpayers of B.C., or we simply don't do it.

I must say that I have just been handed a report that came out under your ministry, when you were the minister, talking about public-private partnerships and talking about how they are able to reduce the cost of operating or maintaining facilities by applying economies of scale, innovative technologies, more flexible procurement and compensation arrangements by reducing overhead. So, you know, this is not a new idea — what we're doing. What we are doing with Partnerships B.C. is doing it really well.

The value-for-money reports, signed off by the Auditor General, show that.... For instance, with the ambulatory care at VGH, that saved taxpayers \$13 million. For Abbotsford, it saved taxpayers \$39 million. You get the same project. You get everything that you want for that hospital, but you also have saved taxpayers \$39 million. Sea to Sky Highway, \$133 million. These are projects that the experts, the credit rating agencies, the Auditors General and others have looked at and have said they do provide value for money for the taxpayers of B.C.

**J. Kwan:** The minister is talking as though those savings have already materialized. They have not. Let us be clear about that. The Auditor General states that much. In fact, in his letter he states that we don't know. He doesn't know necessarily whether or not the figures will materialize. I hope so. To be honest with you, I hope so. I do hope that what the minister and the government claim in terms of savings for taxpayers will actually result. I hope that is the case, because that benefits British Columbians, to be sure.

But the other thing I'm wondering about is that.... What I'm trying to get at here is whether or not the

assumption that's been made on the public-private partnerships initiatives that the government is engaged in will actually materialize. I don't know that. Taxpayers don't know that. The minister actually doesn't know that.

I would say that the dollars in savings the minister has talked about, in terms of breaking down where those dollars are going to be saved from, is what we're trying to get at in terms of the risk, the transfer of risk and the long-term transfer of risks from the government. But the minister won't provide that information by way of breaking it down for the taxpayers so that they understand what those risks are and the cost of those risks and how they're being transferred to the private partners.

Let us be clear. The minister — with some fanfare, it appeared to me — read off some documentation from when I was a minister on public-private partnerships. The issue around public-private partnerships is not an ideological issue here in terms of whether or not I support it. What I want to see is actually evidence to back up the claims of the minister. Maybe public-private partnerships are good things. But then again, they may not be.

That's the issue. It's not an ideological debate. I'm not saying that one should never enter public-private partnerships, nor am I saying that people should always just enter into public-private partnerships. What I'm trying to get at here is to try and understand a little bit better on behalf of British Columbians the risks associated, particularly the financial risks that are associated to taxpayers around P3 initiatives.

[2030]

On that note, can the minister advise this House on non-transferable risks? Does Partnerships B.C. accept that there are going to be non-transferable risks, regardless of whether or not a project is financed through P3s? And the non-transferable risks that have been identified in one project that I read off — those are costs to the taxpayers at the end of the day, and those non-transferable risks, in comparison to the transferable risks.... Can the minister provide information to this House — that comparison, in terms of how that is evaluated?

**Hon. C. Taylor:** The retained risks would be there for the taxpayer whether we did this project — for instance, Sea to Sky — through a public-private partnership or whether we did it design-build and did every little bit of it ourselves. There's no difference in taxpayer vulnerability under one model or the other model. Sometimes we very specifically retain certain risks because we think that we can manage them better than the private sector.

**J. Kwan:** Well, the elements of these risks that could not be transferred as easily or effectively — and there are some with each respective project.... The risk transfer relative to what could be done under a traditional way of doing projects — the publicly financed and procured project.... I would assume that those risks are.... Well, one may argue that they're more modest, potentially, than that of a P3 because of the associated piece



around financing borrowing costs, which is why it's so important to actually divide up the risks associated — so that we actually attach dollar figures to them and so that we can figure out which is, in fact, a better way.

But I'm not able to get that information from the minister, because she won't provide it. On that basis, is there any reason to believe that the value to taxpayers of risk transfer equals that of the cost? Could that be a scenario that could actually surface?

**Hon. C. Taylor:** I'd like clarification. Are you asking if the value that we put in the report — for instance, the \$42.9 million — is equal to the value of the risk that we're asking the private sector to assume? Is that the question?

**J. Kwan:** The possibility of a risk.... The value of risk transfer: could it, at the end of the day, be equalized with the savings that could be had through a P3 initiative?

**Hon. C. Taylor:** I'm not sure what the question is. We list, in the value-for-money, all of the risks that the private sector has taken on. We put a dollar value which we believe accurately represents those risks that the private sector has accepted.

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**J. Kwan:** The CEO at the Public Accounts Committee actually said that the discount rate that one should use should be project-specific, that every project is in fact different, that the discount rate should reflect to some extent the riskiness of the project, and that there's no fixed rate that one could use. We know that not only

does Partnerships B.C. attribute an enormous amount of risk to the public sector when they are fixing up these projects, but they also, I think, offload even more risk into the discount rate. Is that not correct?

**Hon. C. Taylor:** The discount rate, as we said earlier, can be broken down into three parts: interest costs, inflation and the risk associated with the specific project. So that's why it is different for every single project.

**J. Kwan:** Does Partnerships B.C. disclose the value of the risk transfer when it's producing value-for-money reports? Is that information available internally?

**Hon. C. Taylor:** That is the \$42.9 million that we keep referring to.

**J. Kwan:** Does the value of risk transfer include the value of risk that's included in the discount rate?

**Hon. C. Taylor:** I believe that the member opposite is actually asking if we are double-counting the risk, which we are not.

**J. Kwan:** Actually, I have questions around the discount rate — a lot more questions than the time allows.

I've just been handed a note to move that the committee rise, report progress and ask leave to sit again. I'd better just oblige and do that. I'll come back to the questions around this issue the next day.

Motion approved.

The committee rose at 8:38 p.m.



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