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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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Honourable Bill Barisoff

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TUESDAY, MARCH 7, 2006

The House met at 2:04 p.m.

Introductions by Members

M. Polak: This morning I had the opportunity to meet with a teacher from my riding, Shawna McKay. She teaches in the provincial resource program for deaf and hard of hearing in Langley. She has taught elementary grades from four to seven, and has been a teacher for the last 16 years and a teaching assistant for four years. She's here representing the Langley Teachers Association. Would the House please make her welcome.

Hon. G. Campbell: It's my pleasure today to introduce Mr. Harry Rawlins and 70 grade five students from West Point Grey Academy. One of the students is Ali Harkness, who is the niece of the member for Surrey-White Rock. I'm glad that Ali and her classmates were here today both for the Governor General and to watch us in the Legislature.

Also joining us today is Sylvia Zubki, who lives in Kitsilano in my riding but teaches at David Livingstone School in Vancouver and is president of the Vancouver Teacher-Librarians Association. I hope the House will make them all welcome.

[1405]

N. Simons: I would like to welcome to the House today my partner of — I figured it out — four years today, Scott. He's in the House, and I ask the House to make him welcome.

Hon. S. Bond: I'm delighted today to be joined in the House by someone who made a very special effort to be here today to hear the Governor General speak. He is a grade 11 student at Prince George Secondary School. He is an avid debater and, in fact, just recently attended the national debate championships. He has been a young parliamentarian from the B.C. Youth Parliament at Christmas. His school involvement includes student council, district student advisory council and a school planning council member. He is also involved with UNBC with the model UN. I am convinced that he has a future in this House, if that be his choice. Please join me in welcoming, from Prince George, Adam James.

D. Thorne: I'd like to introduce Neil Nicholson to the House. He came over today to meet with the Governor General and was successful in actually shaking her hand and saying hello before she was whisked away. Neil is a very involved resident of Coquitlam-Maillardville. He's a past chair of the Douglas College board and is staying as involved as he always was. I would like the House to make him very welcome.

K. Whittred: I'm really pleased to introduce to the House a librarian from Queen Mary School in my rid-

ing, Ms. Ieke Glese. I've had the pleasure of visiting Queen Mary School on a number of occasions, most recently during Literacy Week where I was invited to read to a number of the primary students, which was quite a pleasure. Please join me in welcoming Ieke to this House.

D. Chudnovsky: Today in the gallery is Kate Van Meer-Mass. Kate is my constituency assistant in Vancouver-Kensington. She was here this morning for the Governor General's visit, and she told me that she wouldn't mind doing that job sometime. She's hoping there's a course that she can take at VCC or Langara to learn how to do the job. Would you please welcome Kate Van Meer-Mass.

D. Jarvis: In the House today is a young lady by the name of Mrs. Arlene Ewing, who is also from North Vancouver. Arlene has been a teacher in North Vancouver for 22 years and is currently teaching grade seven at Queen Mary community school in North Vancouver. Arlene is deeply involved in issues regarding early childhood development. Would everyone please make her welcome.

J. Horgan: I just want to acknowledge someone who is in the precincts today playing the drums with the Esquimalt Jazz Ensemble: John C. Russell, who used to be the drummer in my kids' band, Rock and Roll Circus. John is a fine young Canadian. He was very pleased to entertain us and the Governor General today. I want you to all give a warm round of applause for the Esquimalt Jazz Ensemble.

Statements (Standing Order 25B)

PARKS AND TRAILS IN METCHOSIN

M. Karagianis: The furthestmost part of my riding is the community of Metchosin, which celebrates its rural nature and protects it quite fiercely. Metchosin celebrates some of the most beautiful parks and trails in the region as well. Some are quaint, and others are part of the history of the community. For hiking, biking, walking your dog or taking a leisure picnic, there are many to choose from.

Blinkhorn Lake Nature Park is off Kangaroo Road and is a 45-acre park that was acquired from the water district in 1999. The trails run along the eastern shore of the lake, and it is a great place to go hiking anytime in the year. The Lusse Way Trail is much harder to find, is very steep in places and is good for both the serious hiker and the serious trail-biker. The Libra and Gemini trails are, again, little-known trails that wander through 48 acres of Crown land.

[1410]

There are unnamed parks and trails in section 114 which are known by the community — 42 acres that were acquired in 1999. These trails run through park areas, the Deer Park Trail and to Metchosin Wilderness

Park. The Sea Bluff Trail trails along the perimeter of a sheep farm with ocean views and picnic tables and a sign that says: "Please keep all the gates closed behind you so the sheep don't get out."

Metchosin Wilderness Park may actually touch a memory for all of us. It is the 100-acre park. Winnie the Pooh fans will know that the 100 Acre Woods is an important and significant story for all children, and the 100-acre park in Metchosin is reminiscent of that.

The more quaint and historic trails: Wayne's Rock, Bob Mountain and La Bonne trails. These come off the Galloping Goose Trail near Matheson Lake, and the Madill Trail can take you on a walk from William Head down into the Metchosin municipal area.

SEDI HOMESAVE PROJECT

L. Mayencourt: I'd like the help of the House to make something important happen in our communities. I want to assist low-income families to make the decision of a lifetime: to own their own home. We know that housing prices are through the roof, and for some the affordability issue has never been greater. SEDI is a non-profit charitable organization that is dedicated to enabling poor, unemployed and under-employed people to become self-sufficient.

If you've got a home, you know that this kind of asset is like a savings account. You see, your home can act as a cushion against any sudden loss of income or other financial risk. There are more benefits than just the financial ones, though. It is a fact that homeowners are more involved in their community than non-homeowners. They enjoy a higher success rate in their marriages, their family health is better, and their kids are doing much better in school.

SEDI is seeking provincial support for HomeSave, a project that would help families open a specialized savings account and have their savings matched by the province and the federal government. Participants could save for three to five years, and when they're ready to purchase a home, the matched savings can be withdrawn and used for a first-time home purchase.

In addition to the matched contribution, a community-based agency teaches families how to budget and save for the future. Here in Victoria we have just such a project running through the Gorge Social Services Agency. It is the family self-sufficiency program funded through the Ministry of Employment and Income Assistance. All we need is B.C. Housing at the table.

So here is a challenge for all of us to consider. Let's take the opportunity of the 2010 Olympics and the Olympic village. Let's encourage a small group of families to start a HomeSave bank account today, help them save over the next four years, and when the Olympics are over, let them have an opportunity to buy a home in the Olympic village. Working in conjunction with SEDI, I believe that an inclusive asset-based policy approach such as the proposed HomeSave project could allow low-income British Columbians a long-awaited opportunity to realistically save for and purchase their own home.

SELKIRK MONTESSORI SCHOOL

R. Fleming: Last month, on February 4 to be exact, a significant anniversary of an outstanding organization occurred in my community. The Selkirk Montessori School marked its 25th anniversary. Founded in 1980 by a group of dedicated parents under the leadership of Ms. Karen Colussi, the Pacific Montessori Society, as it was then known, has worked tirelessly to achieve what Selkirk Montessori School is celebrating 25 years later — an exceptional and caring community school.

At the Selkirk Montessori preschool, elementary and middle schools, children learn at their own pace through guided exploration. This education movement's founder, Maria Montessori, who worked the turn of the last century to promote the idea of expanding the human potential of our children, stressed the educational goals of independence, confidence, self-discipline and love of learning.

Students leave Selkirk Montessori with a secure foundation for a successful transition to further studies. Selkirk Montessori has changed a great deal over the past 25 years. Today it is located in an exciting new waterfront setting in a safe, earthquake-proof building that is fully up to code and fully wheelchair-accessible. The school now offers a full B.C. curriculum to grade eight, taught by Montessori-trained staff whose credentials exceed provincial standards.

[1415]

I'd like to personally thank Ms. Penny Barner, the school administrator, for her outstanding work in her community and at the Montessori School. Would the House please join me in recognizing the significant milestone for this outstanding registered non-profit school organization in my community.

SKILLS TRAINING IN B.C.

J. Rustad: I rise today to talk about great news for the people of Prince George—Omineca but also about the challenges this creates. B.C. is back, and our economy is booming. The unemployment rate in my riding is at or near historic lows. For the first time in decades, jobs are looking for people. But this creates challenges. Finding, training and keeping skilled employees is becoming increasingly difficult.

Our government understands this, which is why we're committing an additional \$400 million in new money to meet the skills challenges. It's also why I'm holding a round-table discussion on skills challenges in Vanderhoof next week. I'm inviting community leaders and representatives from the area to create an open dialogue. Solutions come through open discussions.

An example of this is in health care. The people of Prince George had enough of the mismanagement in the '90s, and thousands rallied to ask for solutions. Our government listened and created the northern medical program, meeting the skills challenges in the north for the north.

We also undertook an aggressive hiring policy, and now the health care services in the north have im-

proved dramatically. Today we're showing the same real leadership by recognizing and continuing to meet challenges. We built a new college campus in Quesnel. We've opened the John Brink Trades Centre of Excellence in Prince George. We're working on our local college to find ways to increase skills training and opening up opportunities for industry to take leadership through a \$90 million initiative.

Real leadership is about listening to what people of our province are saying and then building solid, credible and visionary plans towards meeting our needs. This is what our government is doing.

VANCOUVER DISTRICT SCIENCE FAIR

S. Simpson: I'm pleased to speak today about a wonderful event I attended on March 4 in Vancouver — an event that I'm sure the member for Vancouver-Burrard, who also attended, would share my enthusiasm for. The Vancouver District Science Fair, which was held at Vancouver Tech Secondary School, brought together over 400 grades seven to 12 students from across the district to present some 200 science projects.

The projects were as diverse as you could imagine: hovercraft design; environmental projects looking at air and water quality; experiments around DNA, biology and chemistry, among others. It was a great opportunity for these young scientists to share their work, to engage with university professors, lecturers and students who volunteered their time to evaluate the students' work and, more importantly, to encourage them to continue their curiosity and their accomplishment in the science field.

I had the opportunity to speak to many of these young people and was very impressed by their knowledge, their understanding and their passion for science. They spoke about the future and about wanting to make contributions to building a better and more sustainable place for us all.

As we look ahead, we all know that science will play a critical role in ensuring the sustainability of our future. We need a better understanding of how our planet works, how we can use technology more effectively, how we can find alternatives to fossil fuels and develop approaches to grow that are more in harmony with our environment. These are big challenges, but I must say I was very encouraged by my time with these young people who offered such hope as our next leaders in the scientific community.

I ask this House to join me in congratulating all of these young scientists and the people who work with them, and to encourage them to continue to develop their skills, curiosity and their contributions for all British Columbians.

GRAVEL INDUSTRY IN B.C.

R. Hawes: For years, gravel wars have waged across much of our province because gravel pit and quarry operations don't mix well with residential life. While local governments accept that the provincial

government is the permitting agency for gravel extraction, there's no real agreement as to which level of government approves processing or, for that matter, what even constitutes processing. In the absence of agreement, we have costly litigation.

Gravel is an essential product for maintaining growth, infrastructure and a functioning local economy. In the Fraser Valley, for the past three years a committee comprising municipal and regional government, the provincial government and the aggregate industry has been meeting to end the gravel wars.

[1420]

By jointly planning where extraction and processing can take place in future, tensions will be eased, litigation will end, and there will be some certainty. The planning process is prefaced by agreeing that we need at least a hundred-year supply of local aggregate. The entire region is being mapped on a yes-no-maybe basis. A no zone means aggregate production cannot take place. In a yes zone, everything can take place, including asphalt and ready-mix. Aggregate activity can take place in a maybe zone, with conditions that have, hopefully, been predetermined.

The process of determining future needs, where supplies might be, mapping the zones, and finally determining conditions in the maybe zones has proven to be extremely time-consuming — however, everyone agrees, well worth the effort. Once complete, the tripartite plan is to be enshrined in community plans and can be altered only with tripartite agreement. This is an excellent example of government and industry coming together to solve a problem through discussion rather than through litigation.

Oral Questions

GOVERNMENT SUPPORT FOR COASTAL FOREST COMMUNITIES

Mr. Speaker: Member for North Coast.

B. Simpson: It is fitting that I'm now the member from North Coast, given that I wish to speak about the coastal forest industry.

Mr. Speaker: Cariboo North, sorry.

B. Simpson: Mr. Speaker, the throne speech spoke of transformative change without mentioning the crisis in the coastal forest sector. Many coastal communities and forest workers do not share this government's view that everything is rosy and getting rosier. These communities and workers are living with the negative impacts of mill closures and the threat of mill closures. The CEO of the Coast Forest Products Association captured the essence of this issue well when he stated on public radio that "it is very important to ensure the communities and the workers affected by change are taken care of fairly and honourably."

The needs of coastal communities are being ignored by this government. To the Minister of Forests and

Range: why did the government not include a specific targeted program to assist the coastal forest sector in its budget?

Hon. R. Coleman: I thank the member opposite for his question. The member may or may not know there is a coast forest recovery group that meets regularly, which we put in place back in December, including the Coast Forest Products Association. We have looked at a number of aspects with regards to this. We made some stumpage changes and some pricing changes in January at the truck loggers convention. We have also engaged in another process to go out and look at the ability to attract capital to the coast for future investment, and we are working with all the parties on the coast to try and find long-term solutions. There is also a report coming out from the Competition Council that the member may be aware of, which has some recommendations in it that I'm reviewing now with regards to the coast.

I think it is important that we all, on both sides of this House, recognize one thing. We have to work cooperatively for long-term solutions for the coast. We're not going to do it in a partisan way. We're actually going to do it by finding solutions for the communities on the coast of British Columbia.

Mr. Speaker: The member for Cariboo North has a supplemental.

B. Simpson: Well, the minister completely missed the point of my question. I wasn't asking about what the CEOs of the forest companies needed to be competitive. I was asking about the needs of communities and workers who are going through a very painful transition. Last fall the Minister of Forests and Range was given a briefing by CIBC World Markets in which he was advised that the industry is not sustainable in its present form. The CIBC briefing also stated that "We need the equivalent of a Manhattan Project for the forest sector to get back into the game."

To the Minister of Forests and Range: why were workers and communities excluded from the Competition Council process? Why have they not been given a chance to get their voice into the process of reinventing the coastal forest industry?

Hon. R. Coleman: I have spoken to communities. I've spoken to mayors and councillors of communities. I've spoken to regional directors with regards to the forest on the coast. I've met with any organization that wanted to sit down and discuss the coast with me over the last nine months. That process is going to continue. There's \$100 million in the revitalization trust for forestry on the coast, which is something we put in place for the transition — which the member is well aware of.

[1425]

The member is also well aware of the fact that not just the forestry at the coast but forestry in British Columbia faces an 85-cent-plus dollar today. The market has changed dramatically for the people on the coast

with regards to where they can sell their products. There is a huge change coming for us to work cooperatively to find the solutions on the coast with regards to forestry. I intend to find those solutions. I started that by making quick short-term decisions at the truck loggers convention in January. That is now leading into the next phase and the next phase. We will work cooperatively with anybody on the coast to find the solutions. But if the member believes in a panacea solution that could be swept on tomorrow to change the structure on the coast, it's not true.

Mr. Speaker: Thank you, minister.

Hon. R. Coleman: The fact of the matter is that we have to find the solutions long-term together to attract the capital, create the jobs and build the industry on the coast of British Columbia.

Mr. Speaker: Member for Cariboo North has a further supplemental.

B. Simpson: I know that the minister has spoken to a lot of people. The question is whether or not he's listening to a lot of the people who are speaking to him.

In 2001 the Pearse report recommended that government efforts and resources should be "directed from supporting failing enterprises to helping workers and communities adjust to changing circumstances." Yet an advanced draft of the Competition Council report states that the guiding principle of an effective government response to their crisis must be "evenhanded reduction of the social rents paid by industry."

That's a panacea — in short, even more concessions by communities and those who work in the industry, including the demand for a 50-percent reduction in industrial property tax rates provincewide. That's a panacea.

To the Minister of Forests and Range: will the minister commit today to act on the recommendations of both the Pearse report and the advice of the CIBC and engage coastal communities and workers in a process to engage them in the reinvention of the coastal forest sector?

Hon. R. Coleman: I'm pleased that the member has finally made the stretch I've been asking him to make for the last nine months, and that is that there has to be a stretch over to the reinvention of the coast forest sector in British Columbia. In the past, the member has had the opinion that there was some reason why there did not need to be that change in the forest sector of British Columbia on the coast.

Today he has come to the realization that change is needed. He's come to the realization, by quoting from those courts, that we've actually moved down that direction, because I already acted on some of the things out of the CIBC thing. I'm moving on the things from the Competition Council thing.

You know what we're going to do, member? Together, both sides of this House are going to find solutions for the coast of British Columbia.

Interjections.

Mr. Speaker: Members. Members.

GOVERNMENT RESPONSE
TO CONCERNS OF SANDSPIT RESIDENTS

G. Coons: It is interesting that the minister has indicated he has met with groups and organizations, because the people of Sandspit and communities across Haida Gwaii, Queen Charlotte Islands, have felt they've been abandoned by this government. For months now, residents of Sandspit have been asking the Ministry of Forests and Range staff and the Minister of Forests himself to provide them with an update on the status of negotiations between the government and the Haida Nation. In the meantime, due to the government's lack of substantive progress on these negotiations, workers are unable to work, property values are declining, and the future of this once vibrant community is in jeopardy.

To the Minister of Forests and Range: will the minister do the right thing and commit today to go up to Sandspit, hold a town meeting to hear the residents' concerns and share with them the status of the negotiations with the Haida?

Interjections.

Mr. Speaker: Members. The Minister of Forests and Range has the floor.

[1430]

Hon. R. Coleman: I'm not sure if the question is better put to myself or the Minister of Aboriginal Relations and Reconciliation. The member must be aware that there are some delicate relationships on the Charlottes with regards to negotiations, with regards to treaty and protected areas and certain aspects of the flora, the fauna and the animal culture that exists on the Charlottes. We're trying to work through all those issues.

A new relationship actually established the opportunity to work on that, starting last June, and we've been working with those groups. We have people in the Ministry of Forests that regularly travel to the Charlottes — and I mean regularly — to meet with folks in those communities with regards to the issues on the Charlottes.

Frankly, as we get closer, I'm more than happy to sit down and engage the communities if we think there's an opportunity to explain where we can get some finality on the Charlottes with regards to forestry and the other aspects with regards to first nations.

Interjections.

Mr. Speaker: Members.
The member for North Coast has a supplemental.

G. Coons: I think, as the correspondence to the minister indicates, that the people of Sandspit do re-

spect the need to negotiate a deal with the Haida, as do the opposition. However, the government owes it to all residents to keep them informed, as every resident is impacted by these negotiations.

The uncertainty surrounding the negotiations is leading to a severe drop in property values, the out-migration of longtime residents and workers, and the potential closure of businesses and schools. Communities are in a downward spiral, all as a result of this government's failure to communicate.

Again, perhaps the Minister of Forests and Range, if he isn't willing to do the right thing and go to Sandspit... Will he at least send a senior staff person, who knows what is going on, to meet with the residents and address their concerns?

Hon. P. Bell: The member should know that the Ministry of Agriculture and Lands has responsibility for land use planning in the province, and specifically what he's referring to is exactly what we're focused on right now. He should know there's been an extensive process engaged with all communities on Haida Gwaii. In fact, we're in government-to-government negotiations with the Haida at this point, and we believe there is a good, long-term sustainable solution for Haida Gwaii that meets the needs of first nations and meets the needs of the local communities.

INVESTIGATION INTO
RELEASE OF GOVERNMENT RECORDS
ON PERSONAL INFORMATION

H. Lali: Yesterday the Minister of Labour and Citizens' Services, in the spirit of atonement for the past sins of this government — which is actually becoming a daily occurrence with this Liberal government — had apologized for, as the minister put it, a screwup — not just any old screwup, but one which saw the release of personal, confidential records of tens of thousands of British Columbians.

In the course of his mea culpa, the minister said: "Oops. By the way, there was a second screwup a couple of years back." Will the minister tell us today just what motivated this Liberal government to cover up the first screwup and saw the release of personal and confidential records?

Hon. M. de Jong: Thanks to the member. Well, I do, in response to the question, want to take advantage of the opportunity to advise all members of the House and British Columbians, conclusively, that the tapes which were the subject of the story in the newspaper on the weekend and the discussion in this House yesterday have now been re-secured.

Interjections.

Mr. Speaker: Members.

Hon. M. de Jong: Further to that, I want the member to know that with reference to the other incident

that I spoke of yesterday, in fact, four or five years ago there was a situation in which a forensic computer specialist purchased some computer equipment — it was equipment that had been scrubbed clean — and was able to retrieve certain information. That gave rise to involvement by the Privacy Commissioner and a renewed set of guidelines.

But I want to say this, finally. I am now convinced that there is no ironclad way to ensure that, whatever the scrubbing technology, you can sell computers or information-gathering material safely guaranteeing the security of privacy. The ban that was put in place temporarily will become permanent.

Mr. Speaker: Member for Yale-Lillooet has a supplemental.

H. Lali: I'm not doubting this minister's sincerity in taking remedial action. What I doubt is this Liberal government's commitment to keeping secure the personal information of British Columbians, especially through good times. Again, we have heard the apology yesterday.

[1435]

My question: will this minister stand today and give us the reason why this Liberal government chose to cover up rather than disclose when it first became aware that its disposal protocols for sensitive personal records were screwed up?

Hon. M. de Jong: Well, first of all, the guidelines are on the Internet. The protocols where there is a breach in guidelines are available for the public on paper and on the Internet. No one is trying to cover anything up. That's why, immediately in both instances, when information came to the attention of this minister and a previous minister, the Privacy Commissioner and his office were immediately notified, immediately brought....

I have to say this. The work that has taken place cooperatively with that office, with the media outlet that acquired the tapes in this instance and with the individual who acquired them at the auction has been exemplary.

I think we've got a big job ahead re-establishing in British Columbians' minds the confidence they need to have that their private information will be kept secure, but that's what's going to happen. It will be kept secure.

GOVERNMENT COMPUTER SYSTEM SECURITY

R. Fleming: British Columbians obviously have a right to know that their private information stored on the government's computer systems is safe and secure. Last June the Auditor General released an audit of the government's corporate accounting system. The Auditor General delayed the release of this report by six months to give the government time to fix dangerous computer security flaws that he identified. Can the minister responsible assure this House that serious

computer security problems identified by the Auditor General have been fixed?

Hon. M. de Jong: We in government work on a continuous basis and take the recommendations of experts and watchdogs like the Auditor General very seriously and spend literally millions of dollars a year.

This last incident was not about security. The guidelines are there, the protocols are there, and a mistake was made. As a result, the privacy and the private rights of thousands of individual British Columbians were compromised. We're going to eliminate that risk by making sure that this never happens again, by ensuring that this kind of equipment is never again sold.

Mr. Speaker: Member for Victoria-Hillside has a supplemental.

R. Fleming: The auctioning of government computer systems may be one fiasco, but my question is about the Auditor General's findings that there are serious problems with the government's corporate accounting systems — with firewalls that were often down, allowing the possibility that third parties can access the government's system.

My question to the minister: can he assure this House that since the publication of the June report, there have been no serious breaches of the government's computer system that would jeopardize British Columbians' personal and private information?

Hon. M. de Jong: I will repeat for the member that assurance, which is that on an ongoing basis, we employ all of the available technology — the latest technology. We upgrade systems. It's an expensive proposition. It's a big network. We want to ensure that we have an efficient computer structure but also one that can offer that guarantee to British Columbians.

Again, I emphasize to the member that with all of that security, all of those protocols and all of those policies in place, that doesn't change a thing when a mistake is made and tapes or computer equipment are improperly sold. British Columbians deserve to know that their privacy rights are being protected, and those rights will be protected.

[1440]

M. Farnworth: This is about more than equipment and a mistake being made and materials being sold at auction. The opposition has been advised that at least one breach of security, which involved a minimum of 78 government computers and access through the highest level of passwords and involving several ministries, occurred. Apparently, the government found out on the sixth of February of this year that outsiders had been accessing the system for at least two months. Will the minister either confirm or deny that this breach occurred?

Hon. M. de Jong: The officials within the ministry are on watch constantly to ensure that any attempt to

break into the government's computer networks, whether it's with individual ministries or the network itself.... Action is taken to ensure that doesn't happen. Attempts are made and are followed up on, and where appropriate, the Privacy Commissioner is notified. That, to my knowledge, has taken place in every instance where any attempt has been made, successful or unsuccessful.

Interjections.

Mr. Speaker: Members.

The member for Port Coquitlam-Burke Mountain has a supplemental.

M. Farnworth: In order to assure the public of this province that their private information is secure and that this breach of security was investigated properly, will the minister commit today to bringing back to this House by tomorrow the computer system trouble ticket ITIMS IM099729 and the supporting documents that go along with it, as well as the occurrence file numbered C102006-026, from the office of the chief information officer?

Hon. M. de Jong: I will make the inquiries that the member would expect me to make when confronted with the information he's presented to the House.

GOVERNMENT ACTION ON SKILLED LABOUR SHORTAGE

G. Robertson: Today costs for capital projects in the lower mainland are skyrocketing, driven in part by the biggest skills shortage in B.C. history. Well, outside of the lower mainland over 50 percent of businesses are unable to fill job vacancies, according to a recent B.C. Chamber of Commerce survey. This government for the past four years...

Interjections.

Mr. Speaker: Members.

G. Robertson: ...did nothing to prepare for this crisis. In fact, it cut the skills training budget in 2001.

The Minister of Finance said last week that skills training was cut because "there frankly weren't the jobs that required it." Does the Minister of Finance believe that waiting four long years to restore funding for skills training is a prudent way to handle what is widely acknowledged as the greatest threat to B.C.'s economy?

Hon. C. Hansen: What the member is talking about is a direct result of the fact that the economy of British Columbia has created 275,000 additional net new jobs since 2001. This is a success story, and it's part of the challenges that come along with a tremendous success story.

Mr. Speaker, I'm pleased to advise the member that actually just today, I got some latest statistics on the number of apprentices that are being trained in British

Columbia. As of April 1 of 2004, when the Industry Training Authority was first established, we had 14,676 registered apprentices in British Columbia. As of February 28 there are now 26,007.

[1445]

With the new budget that's been put in place for skills development in British Columbia — an increase of \$400 million in this last budget alone.... Of that, \$39 million is being targeted directly at the Industry Training Authority. Another \$90 million is being put in place for tax credits to encourage more employers to engage apprentices in British Columbia. This government is meeting that challenge.

Mr. Speaker: Member for Vancouver-Fairview has a supplemental.

G. Robertson: It's interesting how much of a surprise all these new jobs are — all of a sudden. For four years nothing, and surprise — jobs.

[Applause.]

Interjections.

Mr. Speaker: Members. Members. Member for Vancouver-Fairview. Members from the government side.

G. Robertson: It does speak volumes as to this government's ability to prepare for the future and to....

[Applause.]

Interjections.

Mr. Speaker: Members. Members.

G. Robertson: I call on the government for one more round of applause for the skills shortage.

[Applause.]

Interjections.

Mr. Speaker: Members. Members. Has the member got a question?

G. Robertson: Confusion and mismanagement are at the core of this government's approach to the skills shortage, along with uncalled-for applause.

The Finance Minister said that there weren't the jobs to maintain or increase the skills training budget over the last four years, but others were saying just the opposite. The B.C. Chamber of Commerce, the B.C. Business Council, the Conference Board of Canada and the Canadian Federation of Independent Businesses were all raising the alarm four years ago that a skills shortage crisis was upon us, which required action and investment.

To the minister: do you agree with the Finance Minister that there was no problem until this year, or do you agree with the leading business organizations of this province that we've had a problem all along?

Interjections.

Mr. Speaker: Members. Members.

Hon. G. Campbell: The member opposite wants to go back four years. Four or five years ago in this province, tradesmen were leaving because they were looking for work elsewhere. Today in British Columbia we don't just have investment in activities in the construction industry. We have investment in tourism, in mining and in energy, and every single one of those industries is growing because at last they have a government that encourages investment and creates jobs in British Columbia.

In the last two years there's been a 73-percent growth in the number of people that are at work in apprenticeship programs. What's really important, to answer the member's question directly, is: do we listen to the groups that he mentioned — the Business Council, the Chamber of Commerce? My answer is yes, and that's why his side of the House will never again come back to this side of the House.

Interjections.

Mr. Speaker: Members. Members.

[1450]

CHILD CARE FUNDING

D. Thorne: Since 2001 the B.C. government has cut \$40 million from the provincial child care budget. Until today the federal government has picked up the slack, providing millions to the province for child care. In fact, B.C. had a five-year funding agreement with the feds worth \$633 million for children under six, but Prime Minister Stephen Harper cancelled it. These federal dollars funded quality, affordable child care for B.C. families, and this government let that money slip away.

To the Minister of State for Childcare: what will you do now to fill the financial gap created by the cancellation of the federal government child care program? Will your government reinvest in child care for British Columbia families, or will you abandon it?

Hon. L. Reid: Our vision for child care remains clear. B.C. children will enter school better prepared to learn, better prepared to succeed. B.C. families will have access to quality child care. Families will have access to a range of services in British Columbia — early learning programs, services that we're going to deliver in concert with the Ministry of Education. Children with special needs will be better supported to learn as they go forward in the community.

Children will be cared for by qualified early child care providers. We are working in partnership with the sector. B.C. families will have access to community hubs where a range of services will be provided.

That is the British Columbia vision for child care. We will continue to deliver on that vision for child

care, because it's vitally important that we have the strongest possible start in this province for British Columbia families. That work is underway. That work will continue.

[End of question period.]

K. Conroy: I seek leave to present a petition, Mr. Speaker.

Mr. Speaker: Leave granted. Proceed.

Petitions

K. Conroy: This is a petition from over 800 residents in West Kootenay-Boundary who are very concerned about the level of maintenance and care that the roads and highways in the West Kootenays and Boundary have had this winter of 2005-06. They want the Ministry of Transportation to investigate this matter and to work with Emcon to develop a higher level of service.

Orders of the Day

Hon. M. de Jong: Mr. Speaker, in Committee A, I call Committee of Supply — for the information of members, the estimates of the Ministry of Finance — and in this chamber, continued debate on the throne speech.

Throne Speech Debate

(continued)

D. Chudnovsky: Mr. Speaker, good afternoon to you and to the members on both sides of the House. I'm pleased to rise this afternoon to respond to the throne speech. I think of it as the second chapter of my comments for this month. I was pleased last week to be able to make some comments about the budget.

I'll continue with my perspective by picking up where I left off on the issue of health care and privatization. As members will know, those on this side of the House are extremely concerned about a move towards privatization of health care. There are those on the other side who have suggested that that concern is primarily an ideological concern — which, from my perspective, is certainly the pot calling the kettle black.

[1455]

The move to privatization, or the suggestion of a move to privatization, needs to be dealt with, of course, with respect to objective criteria that we can look at, and judgments need to be made as to the quality of the health care that's available to the people of the province.

If I might, I would like to continue with some comments that I was making a couple of weeks ago about those assessments and about the concerns that we have here on this side of the House, and certainly that I have when it comes to moving towards privatized health care.

The three most pressing issues begin with the issue of patient safety and patient health. I commend to those on the other side some of the terrific work that's been done across North America — and particularly in the United States — and across Europe, which investigates the health and safety of patients in health care facilities and compares privatized health care facilities to public health care facilities and finds without much debate.... There's not much controversy about what the results of those investigations are.

In virtually every case, those facilities that are run on a private-for-profit basis are less safe and less healthy for patients than those that are in the public sector. It's not an ideological argument. It's an argument that has to do with the health of the people of this province as we move — as the government has suggested that we will be moving — towards a privatized system. So I ask of those on the other side of the House — and it's a responsibility of those on this side of the House — to have a close look at the work that's been done, the assessment that's been done, and the accounting that's been done with respect to the health of those patients who find themselves in private or public health care facilities.

The second concern that drives me in this debate about the privatization of health care services has to do with decision-making in public policy. When health care is a commodity, not a service, that market drives decision-making with respect to health care. It is in the nature of the market economy that commodities are bought and sold — you know, buy cheap; sell high. If we move to a situation where health care decisions and health care services are driven by what sells rather than the health needs of the population, we will be doing a disservice to the people of the province.

This government has said that it is moving in that direction. So we as an opposition and I, certainly, put forward the notion — not as an ideological notion but as a practical health care outcomes notion — that we move in the wrong direction when we commodify, when we make of health care a commodity as opposed to a service delivered to the people of the province. Decisions about health care and other social services — but we're talking about health care here — should not be made on the basis of what sells in the marketplace. They should be made on the basis of the needs of the population.

The third concern — not an ideological concern but a practical concern — that I have about the move towards private health care delivery is that we make an error when we begin to make private decisions about health care policy as opposed to public decisions. Now, I will be the first to say in this House that I don't always like the decisions that governments make regarding health care and many other public policy issues.

[1500]

I've said before in this House that I have been a Surrey teacher for almost 30 years, and the government of education in Surrey — the school trustees — has made all kinds of decisions that I don't like over the years. Certainly, this government has made all kinds of decisions that I don't like over the years, but they were

elected by the people. That's democracy. That's the way public policy decisions should be made. They should be made by those elected by the people. The people of this province do not want — and they're right not to want it — significant public policy decisions about health care made by some board of directors in Cleveland or in Brussels. It's an inappropriate way for decisions about health care to be made in British Columbia.

It's not ideological. It's about democracy. It's about who decides. It's about who we trust to make the important policy decisions with respect to the health of the people of the province. That should be done publicly. It should be done by the people who were elected by the residents of the province. It should not be done by private interests for private reasons. Even this government, which has made all kinds of errors, is the correct government to make health care decisions for the people of B.C., because the people of B.C. chose them. It's not some private board of directors that should be making the decisions for the people of the province when it comes to health care.

Now it's important, it seems to me, that we do have a discussion about reform and innovation in health care. We need reforms and innovation in health care. We need to make sure that the services that we provide as a community — not the commodities we make available as a private concern but the services we provide for each other as a community — are the appropriate services, that they're done efficiently, effectively and safely. That requires of us that we have an ongoing discussion about health care reform.

That's why this side of the House, the opposition, has made an issue out of the broken promise with respect to long-term care beds. There's two parts to the argument. First, our elders, the people who built this province, the people who built our families, deserve the kind of services which are appropriate to them, and in many cases that's residential long-term care service. In many cases that's what they need and what they deserve. So as an issue on its own, it's appropriate for us to remind those opposite and to remind the people of British Columbia that that promise was broken.

[S. Hammell in the chair.]

But there's an additional health care policy question that needs to be dealt with, with respect to the broken promise. That health care policy issue has to do with the availability of appropriate care. When the 5,000 long-term care residential spaces are not available, as we've heard in this House over the last few weeks — and they aren't available — our elders, the people who built this province and our families, the people who have amassed the wealth, the wonderful wealth and the privilege in which we live, are forced into facilities and into services which are inappropriate to them.

What kind of facilities? Emergency rooms and acute care beds. When our elders are forced into those beds inappropriately because it doesn't match the care they need and deserve, then that care isn't available to the rest of us and the people who need it.

So when we say from this side of the House.... Our leader throughout the election campaign and since then has made a point of speaking to the need that that promise be kept. She's talking about two things. She's talking first about the right of our elders to be taken care of in the way they need and deserve. But she's also talking about the health of the system, the need for the system to appropriately serve members of our community. When those beds in acute care, in emergency rooms and in other places are full because our elders need to be cared for, then those beds are not available to the rest of us when we need them.

So that discussion has begun. It's a good discussion; it's an important discussion. The opposition has participated in it. It has driven that discussion, has pushed and pushed and pushed. Now we have another promise. We will be holding the government to account for that promise, because the last one was broken. The seniors deserve it, and the system needs it.

[1505]

There's another element of the health care debate that needs to be looked at really carefully. It's the part of the debate around health care reform that's taking place across the world. We need to be at the forefront of that discussion. It has got to do with the reform of primary health care in our communities. "Communities" is the key word there.

If you look at the Romanow report, the Romanow report which that side of the House seems to have lost somewhere.... Former Premier, leader, goes around the country, speaks to thousands of folks, asks them what they think solutions are, has a discussion with them, and one of the most important issues.... One of the most important reforms he talks about is reform of primary health care. Somehow this government seems to have forgotten that there was a Romanow report. They seem to have lost their copy. Well, we'll find them copies, and we'll show them where Mr. Romanow and the thousands of Canadians with whom he spoke look to primary health care reform as a solution.

What does that mean? What does that mean on the ground? What could it mean for British Columbians? It could mean for British Columbians that we have community health care clinics or facilities — use whatever word you want — with a range of services — MDs, family practice people, nutritionists, nurse practitioners, dental care, pharmacists — in a community-based facility. These exist in our province and provide fantastic care to the people of the province. We can begin to draw people away from acute care facilities into community-based facilities, community-governed facilities where community boards are involved in the governance because they know better than anyone what the needs of their communities are. We can begin to draw those folks away from a system which made some sense in the past — this is innovation; we're talking about the future in reform — towards a system which we need in the future.

That's a discussion we need to have. Didn't see much about it in the throne speech, but it's a discussion that we need to have, that Mr. Romanow began with

Canadians. Canadians were pretty clear about what they wanted. British Columbians are Canadians. We need to continue that discussion, and we need to find ways to innovate, to provide care for people in communities in the public system. That takes political will. It takes wanting to do that. It takes an assessment of our needs and a commitment to public care. Why? For ideological reasons? No. Because we're together in our communities doing the best we can for each other.

That's what public care is about. It's about us in communities doing what we can for each other in the best way possible. It's not about buying and selling health care, and that's not the direction that Canadians want to go.

I've taken longer on health care than I thought I would, but I want to get to transportation for just a little bit. I've had the privilege over the last few months to begin to look at and begin to learn some things about transportation policy in our province. I want to say that it's a privilege in this sense. A year ago if you had asked me if I would be learning about why trains fall off tracks and about bridges and about congestion policy and about widening highways or not widening highways, I would have responded in two ways. I would have laughed, and I would have been fearful. But it's not so scary. These are really important issues, and if you work at it, you can begin to learn some things about the issues.

[1510]

I want to say that in this House over the next number of months and years, we will be discussing at some length, I think — and we've already begun — a project which the government calls the Gateway project. The Gateway project is a project for providing a transportation strategy that serves the needs of the people of the lower mainland and, more broadly, the people of the province and serves the needs of those who move goods in the lower mainland and, more broadly, in the province.

We believe on this side of the House that it's an important discussion and an important project. It's so important that we're not going to let it be political. Parts of the Gateway project are politics dressed up as transportation policy, and we don't think that that's the way to go with transportation in this province. We think we need to look carefully and in a scientific, ordered and step-by-step way at the transportation needs and the transportation solutions.

So for instance, the Minister of Transportation and the Premier have been talking about the Gateway project. I was pleased to attend the re-announcement of the re-announcement of the re-announcement of the Gateway project in downtown Vancouver a few weeks ago. The Premier made a speech, and the Minister of Transportation answered questions, in which they said: "This Gateway project is an important project that's going to cost \$3 billion."

Well, I think we need to stop right there and say: "Is that the case? Is it the case that the project that has been put forward by the Premier and the Minister of Transportation is going to cost \$3 billion?" I don't think so. I

think it's really important that we be hardheaded and businesslike about these issues. It is the case that every single major capital project that the government has been working on over the last number of years is going substantially over budget.

Now, the Minister of Transportation plays a game about the word "budget," because he talks about the final contract that's signed as opposed to the amount of money the government said they were going to spend. Let's talk about the amount of money the government says they're going to spend. They say they're going to spend \$3 billion on the Gateway project, when the Sea to Sky Highway, the RAV project, the Olympic project, the Bennett bridge in the Okanagan.... Every single one of them is hundreds of millions of dollars over budget.

We have a responsibility, an accountability, to the people of the province to say to government — and we say this to government, and we will continue to say it to government, the minister and the Premier: "We need to be clearer. We need to come clean with the potential costs of this project."

I noticed on TV the other day that the minister was scoffing at our estimate. We'll see. We'll be here to see whether the estimate that's been put forward by the government turns out to be true, at \$3 billion for this project, or whether, like the RAV, they'll be starting to throw pieces of the project overboard at the same time as the price rises. Our estimate is \$4½ billion, and our estimate is based on the assessment of those who are looking at the rise in cost of these big capital projects.

Their estimate is that over the next four or five years construction costs will increase by about 50 per cent. Now, there are elements of the Gateway project that are going to be well beyond the next four or five years, but we're moderates over here. We're conservative. We think \$4½ billion is closer to what it's going to cost than what the minister has said. We'll see, but we will continue to ask the tough questions. We will continue to hold the government to account. We will continue to get them to itemize the cost of these projects to make sure that what the people of the province are told is closer to what the real costs will be.

The second element of the Gateway project has to do with tolling. The minister has told us.... For this we need to genuinely thank him, because the debate on tolling is an important one and we need to have it in the lower mainland. The minister has told us — and he's been in the media a lot with respect to the potential cost — the proposed cost of tolling in the lower mainland on the part of the Gateway project which is the proposed twinning of the Port Mann Bridge and the widening to double the width of Highway 1 in the Vancouver corridor. He's told us in the press that what that will cost people is a \$2.50 toll going one way on the new Port Mann Bridge and \$2.50 going around the other way on the new Port Mann Bridge. That's five bucks. The debate has been around five bucks.

As you know, Madam Speaker, because you live there, the people of Surrey are a little skeptical about that \$5 to get in and out of Vancouver. The people of the valley and those going the other direction are skept-

tical. But, of course, that's not the whole story. If you look at the leaked document from which the minister takes the proposed toll, you'll see that those people who did that study talked about "...in addition to the toll for going back and forth over the bridge, there would be a ten-cent-a-kilometre distance toll on all the newly expanded and improved parts of Highway 1 in the project."

[1515]

What that adds up to, if you're coming from Langley, let's say, to downtown Vancouver and back — thousands of people do it — is about 33 kilometres. So you have your \$2.50 to go one way on the bridge and your \$2.50 to go the other way on the bridge and \$3.30 to go one way on the highway and \$3.30 to go the other way on the highway. It turns out to be \$11.60. That's really the proposal.

We say: "Let's talk to the people of the region about that proposal." We don't reject tolling out of hand, although we've got some suggestions as to what the guidelines for tolling might be. I might have time to talk about that in a few minutes. But at the very least, we call upon the government to be straight with the people of the region. If you're talking about the proposal that comes from the leaked document, which it appears that they are, then you're talking about \$11.60 — Langley to Vancouver and back to Langley — not \$5.

Let's talk about tolling for a second. I want to make a couple of points about tolling with respect to what we should look at. If we're going to do tolling as a transportation demand mechanism as opposed to a way to raise money for a bridge so that you can fill up the bridge so that you can build another bridge so that you can toll so that you can fill up the bridge so that you can build another bridge.... Transportation policy experts tell us that if you're going to use tolling, it should be a transportation demand management tool, not simply a way to pay for a big, fat project. Then what should the guidelines be?

Well, the first thing you need is a free road alternative to the toll because some people — and to their credit, this is part of the government's guidelines themselves, but we'll unpack that in a minute.... You need a free road alternative if you're going to have tolling, and that makes sense because some people will choose the free alternative. What has the Minister of Transportation said is the free alternative? He's told us it's the Pattullo Bridge.

I see several friends in the chamber who live in Surrey, and one who lives in New Westminster. They know intimately, as I do, because I drove across that bridge to work years ago, year after year after year.... To suggest that the Pattullo Bridge is an alternative, a serious alternative, for commuters and for freight shippers coming from Surrey and the valley to Vancouver or the other way around is a joke. It's a joke. It's crowded, it's dangerous, and it isn't an alternative.

"Well," says the minister, "the real alternative...." "That's true," he says. He allows as how there are some problems with the Pattullo. So he says that the pro-

posed — the proposed — south perimeter road that the government has been sitting on for years and years and years is another alternative. Yeah, it's an alternative if you're going where it's going, but if you're coming from the valley into the city, it's no alternative at all.

The first thing you need is a legitimate free alternative if you're going to toll one of the roads. The second thing you need is public transit as an alternative, because tolling, if used inappropriately, is just regressive taxation. That kind of tolling, if it's inappropriately used, discriminates against people who don't have the money to drive. We aren't going to agree to another policy, another set of fees which are not progressive but, in fact, regressive. You need public transit as an alternative for those who choose it, and more and more of us will want to choose public transit, and more and more of us will have to choose public transit.

But there are a whole bunch of people who don't get to choose. They can't afford to run a car — and the tolls. There isn't a public transit alternative for people in Surrey and in the valley, and that has a lot to do with choices that government has made about what the priorities for public transit in the region will be.

The third thing you need.... What the heck is the third? You need to be sure, as I said a few minutes ago, that if you're going to choose tolls, the tolls are a transportation demand management tool.

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That means that your income from the tolls has to go to public transit or else you're on a treadmill of building a project, paying for it with tolls.... It fills up — very quickly — and then you build another one, you pay for it with tolls, and it fills up very quickly — unless you get off that treadmill. Then using tolls doesn't make sense. Those are our guidelines. Those are our variables that we would present to those on the other side. Again I say: we don't reject tolls out of hand, but we think there needs to be some guidelines for them.

We have some questions that we would ask about the Gateway project — specifically, about the twinning of the bridge and the widening of the highway — that we think are very important and need to be asked, because on this side, we're convincible. As I have said many times, we're convincible, but we haven't been convinced. We haven't been convinced because the minister and the ministry and the government haven't answered the basic questions which people are asking more and more about this project.

Question one. Will the twinning of the bridge and the widening of the highway solve the problem of congestion? It's the fundamental question, and we don't have an answer to that. What we know is that in other jurisdictions, when these big transportation capital projects are tried out, when bridges are built and highways are widened and new highways are built, the pattern is.... It's a very, very clear pattern; it's been identified by people who look at strategic transportation policies. In other jurisdictions, when you build those kinds of projects, what happens is that they fill up, and they fill up very quickly. They draw traffic

from other places. They don't solve the problem. Indeed, the Premier has said the same thing. "You can't build your way out of congestion," the Premier said, and he's right.

The minister has told us that there will be studies that will prove that in this case, this is different. It's not going to fill up, and the studies will be there to prove it. As I said before, we're convincible on this side. We're convincible. We want to see those studies. Let's look at them, and let's look at them carefully. Let's look at the methodology. Let's look at the assumptions. Let's engage in a discussion.

Interestingly, though, we find out that those studies are going to be made public after the consultation process. They're working on them now. There's a consultation process on now — a bit of a bogus consultation process; I'll talk about that in a second. They're going to talk to the people of the region and discuss with them, except that there are no discussions in this consultation. They're going to have a consultation, and then after that's finished, the studies that purport to prove that this time it's going to work will be made public.

A second question that we ask about the project is: what about land use planning? What about the livable region strategic plan? Is this project going to be consistent with that? Third, what about the ALR, the agricultural land reserve? Is the project going to put increasing pressure on the ALR, pressure that we've already seen begin? The fourth question that we ask is: what about air quality, and what about greenhouse gases?

The minister tells us: "It's coming. It's coming — after the consultation." The study's coming after the consultation. We want real consultation with the people of the region. We want a real discussion with the people of the region. This is important stuff. It's going to cost billions of dollars of the taxpayers' money. We want to make sure that the issue it's meant to address is solved and that the other questions are answered.

J. Rustad: I'm pleased to rise today to respond to the throne speech. I would like to take this opportunity to thank once again the people of Prince George-Omineca for the honour of representing them. The people of my riding are very warm and practical, and it's a real pleasure to work on their behalf.

I'd also like this opportunity to thank my family. All of us here make a lot of sacrifices doing this job. I think it's a sacrifice that is worthwhile, but the sacrifice is not just us. It's also on our family. It's so important for family and friends to be supportive in this role. In particular, I'd like to thank my wife Kim Royle. She has been absolutely fabulous and a real strength for me in doing this. Quite frankly, without her, I don't know if I would be able to be doing this job here today.

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The throne speech talks about our plans to celebrate the upcoming 150-year anniversary in 2008, and this will be an exciting time for our province. We will not only be celebrating the progress we're making and also the coming of the Olympics, but we will also be cele-

brating our history. There are many places in this province that are rich in history, but I would like to brag a little about Fort St. James.

They're celebrating their 200th anniversary this year, and the people in Fort St. James.... It's amazing what they have done and what they have gone through. They've seen some real challenges, and they've come a long way in that community. But you know what? They're optimistic. They're optimistic about the future, they're optimistic about where they're going, and they're optimistic because of what we've been able to do with this government. We have one of the lowest unemployment rates in history in our area, and the people are seeing the real benefits of what we're doing in this province.

Along with their optimism, I'm proud of what our government has been able to do directly for Fort St. James, and I just want to mention a few of those. We have put money back into improving our resource roads that are facing increasing wear and tear in order to deal with the mountain pine beetle epidemic. This is so important, because in order for our economy to boom and to keep moving, we need to be investing in the infrastructure that is such an important part of it. Putting those moneys into the resource roads is exactly what's needed for that particular area.

We're also creating additional seniors care opportunities in the community hospital at Stuart Lake. That hospital has been a cornerstone of the community for many, many years. It's not just about Fort St. James. It's a much broader area. There are many bands and many more people living in the outskirts who need the kind of resources that are in that hospital. Being able to expand on some long-term care facilities, some complex care facilities within that hospital, is a very important component for the community of Fort St. James.

We're also expanding on skills training opportunities to help meet the needs of our growing economy. We have jobs chasing people now. We need to be able to continue to support the economy and support the growth that we're seeing. In order to do that, we need to be able to continue with the investments we have in our skills training. I'm very pleased to hear that in our budget we have just released we have an additional \$400 million towards that. Some of that will go directly into training in my area, and I'm very pleased to see the kind of benefits we're able to bring for the people in my riding.

We're also committed to creating a new passing lane on Highway 16 to help alleviate some of the increasing pressures from the number of vehicles traveling due to industrial demand, particularly the mountain pine beetle. It's not so much the volume of traffic that's on there, but it's so difficult sometimes, particularly in winter, to be able to pass or to manoeuvre when there's a series of trucks on the road. Being able to put in additional passing lanes is something that, to me, was very important.

These are issues that I campaigned on. They're issues that I know the people of Fort St. James as well as the people of Prince George–Omineca are happy to see our government undertaking.

The people of Fort St. James and indeed my riding have seen significant change over the years. Once again, they're looking at more change for the people of our riding. Change is not a bad thing, Madam Speaker. The throne speech talks about transformative change. This is not change for the sake of change, but it talks about the kind of change that transforms a province into a better place — into a place where hope and optimism abound.

One of the places that we focused on a great deal in the throne speech was talking about transformative change for our health care system. We're facing some unprecedented change in terms of demographics, in terms of what we can provide, in terms of the technology and genetics — the kind of services that we want to have for our people. We are facing this change, and we need to change our system with that. We cannot continue on doing the same things and expect a different result.

Recently I've had a great pleasure of visiting with a group of the HEU employees in the hospital site and around. I spent a half-day touring their jobs and going through all the various components they have and meeting and talking with people, and they're incredible people. It's amazing — the work they are doing and the work they're doing on our behalf, providing the services that the people of this province need. It really shows one of the challenges that we're facing.

[1530]

I sat there and talked with them, and I said: "How is it that we're going to be able to provide the health care system that we'd like to see in the decades to come, not just for today or tomorrow but for our children and for their children? We need to be able to have this as a sustainable approach."

I was surprised. They actually had a lot of interesting ideas. They came out, and they said one of the greatest things they wanted to see was a suggestion box — the ability for them to have direct input and bring forward ideas as to what may work for the hospital and what may work for the Northern Health Authority. I thought that was a great idea, and that's something I certainly want to work towards. It's very important that we have that kind of input and those kinds of tools and abilities for our front-line workers to be able to walk with us in this change that we need to have in the health care system.

Why is that so important? We currently have the best health care system in Canada. The Conference Board of Canada has just produced a report, and we have the best, bar none. We want to improve on that. It's not just enough to be best in Canada. We want to have one of the best systems anywhere to be found, but we need to be able to walk forward. We need to be able to look at what changes are working in other areas. We need to be able to look at what successes other health care systems have so that we can try to incorporate some of those ideas. But at the same time we can't ignore the fact that we are the best in Canada and we have done a lot of great things here. We don't want just wholesale change; we want to be able to integrate so that we can find the solutions we need for the future.

But that brings up a question, and that's: why, with all the great news that we have in our health care system — one of the best systems in Canada — would the opposition be calling us to follow the last-place system? Why would they want us to go from first to last, which is exactly what happened to us with our economy in the 1990s? And why did they allow philosophical ideology to lead their decisions rather than what's best for the people of this province?

I want to take a moment to talk about long-term health care beds. I had the pleasure of touring some of our facilities in Prince George and in Vanderhoof and looking at the quality and difference of the new facilities and the renovations that we're doing today compared to what things were in the past. I have to tell you, Madam Speaker, when I saw some of those rooms — 75 square feet of space per person, four people jammed in, four seniors crowded into a room with a washroom that doesn't have proper lifts, that's very difficult to even manoeuvre a wheelchair in.... I have to say, that's not what I want to see my parents in.

I want to see them have the kind of ability, to have the kind of respect they deserve. They helped to build this province. They helped to create the kind of opportunities we have today. Yet I find it amazing that the opposition keeps standing day after day after day saying that they want those facilities open. They want to see our seniors crowded into these kinds of facilities. That is not what I want to see for the province, and that's not what we want as a government. We want to be able to build the best kind of support system possible for seniors. We want to have facilities that show respect. We want to have facilities that meet their needs. That is what we're working towards.

Change is needed. B.C. is back, but it took a lot of change to make this happen. I'd like to touch on some of the change we've seen over the last five years to put in perspective the kind of leadership needed to continue to make positive change in B.C.

One of the boldest steps our government took five years ago when it first came to power was a policy of tax relief. That was a very controversial move, and many of the opposition here stood up day after day for years saying that tax relief doesn't work. They campaigned against it. They believe that we needed the extra revenue, that it was the wrong thing to do. But because of tax relief, the 25-percent tax cut that we implemented, revenue on the personal taxation side has skyrocketed.

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Throughout the '90s and going into 2001 revenue increased by 1 or 2 percent on personal taxation. After the tax cut we have seen revenue increase by 25 percent in just the two-year period following, and revenue has continued to increase at an incredible pace. That's because tax relief works. Tax relief puts more dollars back into the individual's pockets. It gives people the opportunity to be able to invest, to be able to create the kind of futures that they want in this province. Furthermore, it's so important that we are competitive, that we are able to attract businesses, that we're able to create the kind of opportunities that truly have our province

where it is today, and we'll continue to build on that success.

It seems so strange to me that even in the face of that kind of success, the opposition opposed it and continued to oppose it. But I will say this: they've stopped opposing the tax relief, and they've stopped talking about that. And I know why. Because even they can see the success that it's helped to bring for this province.

Madam Speaker, I'd like to put a couple of quotes on the record, because it's important for me to paint the picture of where we are in this province. Even the Leader of the Opposition has said: "My goal is to move back to a fair taxation system." That was from a March 4 interview. Also: "If we had been in power four years ago, we wouldn't have given a large tax break at the start of our mandate." That was from a speech from the Leader of the Opposition to the Council of B.C. Business. And finally: "I think what we need to do is move back to a progressive tax system."

Interjection.

J. Rustad: That's exactly what it is. That's precisely what it is.

That is saying that they are not interested in moving forward. They're not interested in our tax relief policies. What they want to do is raise taxes. That is exactly the wrong thing to do for our economy. We need to keep it moving forward. We have finally moved from last place to first place. Our policies are working. We can never go back to what things were like in the '90s.

It's vision that can lead us forward, and it's this vision that can make real progress a possibility. I ask this of the opposition: how can taking money away from the people of this province in terms of taxation lead us forward?

Our throne speech talks about change. It talks about defining a vision for the future. It talks about the need for change in health and education to continue with our success for today but also to build for a future tomorrow.

I wonder: what have the NDP said about this? They have called for more spending. Some would say that they have called for reckless spending. They want more money for health, more money for seniors issues, more money for education, more money for the disabled, more money for special needs, more money for training, more money for post-secondary education, more money for road maintenance. In essence, the NDP simply stand for more spending.

This, in my opinion, is a call for reckless spending, and that...

Interjections.

Deputy Speaker: Order, members.

J. Rustad: ...is exactly what defined the 1990s. Nothing has changed. It's the same old NDP.

I'd like to focus on change and opportunities that are coming with our role in the Asia-Pacific gateway for Canada and, indeed, for North America. Asia-Pacific is growing at an incredible pace, and we are the western province. We are the Asia-Pacific gateway for Canada to those countries of China and India. It's that opportunity that we have that puts us right in the centre. It puts us as the closest link. It gives us all kinds of advantages.

It also — because of their growing economies, because of the booming success they've had over there — has fuelled the demand for commodities. And it's those commodities that we have. That's created some growth.

The opposition here would like to say that that's precisely why we have growth, but it's important to note that it's not just commodity prices. It's policy. It is those kinds of changes. It's putting in the support that's necessary to attract those dollars, because those dollars can go anywhere in the world. There are resources anywhere in the world.

It's our policies that have made a difference, and you can tell that by the percentage growth. We have grown significantly faster in terms of our exploration dollars than anywhere else in Canada. That's because of policies. That's because of what we're doing in this province.

That's also because we are putting into place.... We recognize that we need to continue to build upon the success from the Asia-Pacific gateway. We need to build those kinds of relationships so that we have further opportunities.

[1540]

In India and in China they have a huge number of people who are now entering into the middle class. They have disposable income. They have opportunities. They want to travel and see areas in the world. It's the relationships that we can build and it's our strategy around that that will provide all kinds of opportunities for us here in this province.

Also part of that is the Port of Prince Rupert. I have to say that construction on that port started just yesterday, and that is one of the most exciting opportunities for northern B.C. that's happened in decades. It will create all kinds of opportunities in transportation and in containerization, as well as opening up our north, really, to the world.

I also want to take a moment to talk about our Gateway strategy. We heard just recently the member for Vancouver-Kensington say that this project is going to cost \$4.5 billion, that more studies are needed and that it's not going to solve the problems. Quite frankly, I was surprised that he didn't just come out and say he opposes it, because that's essentially what he has done. I have to say that that project, which we have pegged at \$3 billion.... We have pegged that based on projects that are right beside it. We have done all of our costing. We have worked contingencies into the project. We've worked contingencies around the overall project.

We know how to manage projects. We know how to manage money. All of the projects that we have to

date are on budget or within our contingencies. We have done the work that we need to do in this province.

Why am I talking about the Gateway? I'm talking about that because it's so necessary to be able to move the goods for our province. It's not just about the lower mainland. It's about all of B.C. It's about being able to provide the people in my communities — and the communities of Fraser Lake, Vanderhoof, Fort St. James and Prince George — with those opportunities to be able to access ports in a timely way.

We lose about \$500 million a year just in transportation of goods because of the congestion in the lower mainland. That is something that, to me, is unacceptable. We need to be able to fix those problems. We need to be able to have a better flow of goods in this province. The Port of Prince Rupert is going to be a great benefit, but we also have to make sure that we don't end up with people sitting for hours and hours just trying to get to ports down here in the lower mainland.

The benefits that we're going to see from those investments.... In particular, I want to go back and talk a little bit about the Port of Prince Rupert. That vision that we had as a government to help bring that forward is going to create an amazing opportunity for the community of Prince George, combined with opportunities they're looking at with the expansion of the airport and the possibility of inland container ports. It's going to transform what Prince George looks like. It's going to transform the kind of opportunities that are in that community. Quite frankly, I'm excited to be part of it. I'm excited to have the opportunity to be able to promote that and to be able to move it forward.

Why is all of this so important? It's important because we need to continue to improve the quality of life for all the people of this great province. You know, we want to become the best-educated, most literate jurisdiction in North America. We want to build the best system of support for seniors and those in need. We want to create more jobs per capita than any other province in Canada. We want to have the best environmental standards, and we want to lead the way in healthy living and physical fitness. But we can't achieve these without transformative change.

We can't go back to the way things were in the '90s. We need to continue moving forward. We need, in particular, to continue with the growth in the economy — growth that would be stagnated if that opposition were to happen to get in power and raise taxes like they've been talking about, because all they've been promising to do is to spend additional dollars. Those dollars have to come from somewhere. Don't let them fool you.

I'd like to take a moment to talk about our education system. One of the things that came out of the job action that happened this past fall, but indeed something I had been doing for years before I entered into this position, was my taking the opportunity to visit schools — to go in and see a little bit about what's happening in the classrooms, to talk to some students, but more importantly, to sit down with the teachers and

the support staff and to have the opportunities to discuss their job, discuss the challenges that they're facing and to be able to bring forward those ideas and those challenges they're facing to my colleagues in government. I believe it's very important to be able to make those connections. It's important to be able to go out and talk with the people, to hear firsthand what those challenges are.

[1545]

I have to say that it's amazing, for all the rhetoric and all the politics that you hear around education, that teachers are rather quite optimistic. They know that they have the skills and abilities to be able to deliver on the education of students. They also know that we have one of the best education systems in the world, but they are keenly aware that we have challenges. In particular, we have challenges around class size and composition. Those are some real challenges that are facing our school system today because of the changes that have happened over the past 25 years.

The provincial round table, I'm pleased to say, is looking at those issues. It's set up to address those issues. It's set up to bring all of our stakeholders together, to be able to have those kinds of conversations, because that's what's needed. That's what the people of this province need, and that is what we're delivering on. It's a big part of moving forward in terms of being able to address the issues that we have in our province.

Additionally, we need to continue to try to find a new way, and we need to continue to find a new relationship with our first nations, first nations who were here many years before us. I think back to Fort St. James 200 years ago when the first communities came and settled, and it became a community there. The first nations were there before. We entered into opportunities, we entered into trading, and we entered into the kind of relationship that was profitable for both at the time. It's unfortunate that that has gone. That moment, that time has changed. We need to find some way to get back to that. We need to find some way to bridge over the past, to build that new relationship.

I'm very pleased with our government's commitment in moving that forward, because quite frankly, we have some real challenges in our society. We have challenges in our jobs and in our economy and in trying to keep things moving in our skills. First nations are a big part of that, and we need to embrace that, and we need to continue moving forward. I know we've made some great success. In my area just this summer we signed an agreement-in-principle with the Yekooche First Nation. Also, covering off part of my area, we've signed an agreement-in-principle with the Lheidli T'enneh First Nation. I'm confident that we're going to be able to move those tables forward toward some final treaties in the very near future.

I'd like to talk a little bit about democracy. We were elected to lead our province forward. We were elected to provide real leadership for the people of British Columbia. Our throne speech does exactly this. We're delivering on the promise to the people of this great province.

However, it's necessary to add the other side of the equation. The people of B.C. also elected an NDP opposition, an opposition that promised the people of this province that they would not just oppose, but they would also propose solutions. Sadly, the Leader of the Opposition has not delivered on this promise. It's unfortunate that they have let the people down in this province, because they wanted to see a different NDP. They didn't want to see the NDP of the past.

I'm proud of the direction our government is taking. I'm proud of the improvements our government has provided for the province and especially for the people of my riding. I look forward to continuing to build upon our success, to continuing to provide a vision for the future and to continuing to provide real leadership for the people of this great province.

The throne speech outlined a part of that vision. It's a vision that doesn't come all in a day. It's a vision that builds over time. It's a vision that started in 2001, that built step upon step to get us from last place to first place, to move our economy forward and to continue to build a future.

This fall we had a budget and we had a throne speech that were focused around seniors. We have made significant strides in terms of providing services and providing the kind of care and the kinds of facilities that we want for our seniors. This budget and this throne speech have really been focused around children. It's been focused around the skills, and it's been focused around continuing to move our province forward.

In the future, as we move forward, as we look at change, and as we look at the kind of change that we need, our government will be there to continue to lead this province forward, because it is vision, it is leadership, it is creativity, and it is the kind of strength that is needed to be able to move a province forward.

[1550]

We have vast opportunities. We cannot squander those sorts of opportunities on one-time flops from the '90s. We need to build a solid future: the Gateway project, the Cariboo connector, the northern medical program.

I have to say that the northern medical program was not so much about just providing another class, or another course is available. It was listening to the people in the north who had a real issue and building a change and building an opportunity. We doubled the number of doctors trained in this province — the first time any new doctor training spaces were available since the early '80s. Even though there were huge and mounting problems, even though thousands of people rallied and complained about our health care system in the north back in the late '90s and early at the turn of this century, nothing happened. It was our government that provided the leadership and the vision to make that difference and provide those extra seats.

It's the same with nursing. We are facing real challenges in terms of skills. We're facing challenges in our province. What happened? The '90s — no substantial gains in terms of nursing seats. What we have done is

increased those by 50 percent. We're doing that because we recognize that with changing demographics, with the way our province is, we have to provide the kinds of skills, the kind of tools and abilities, so that local areas and our province can meet those demands. When you train people in the north, when you train people by the people in the north, you get people staying in the north.

That's the real challenge. We need to find ways to continue to keep people in the communities that they come from and to provide those kinds of services. In the '90s people couldn't find a family doctor. We were cancelling surgeries because we didn't have the right people in place in terms of the specialists. Today, because of policies that we've put in place, because of additional hiring policies, because of the training policies, we've been able to attract all kinds of specialists. I have to say: we have one of the best health care systems now in the Northern Health Authority. It's a jewel in the north, and it's one that I'm very proud of.

Quite frankly, I'm proud of it because people are quiet about it. You don't hear a lot of noise about the health care system in the north. You don't hear a lot of noise because of the great work that our government has done and, particularly, because of the great work that the people up there have done.

Madam Speaker, I'm very proud to be doing this job. I'm very proud to be able to have the opportunity to represent the people of Prince George-Omineca. I'm thankful for the opportunity they have given me. I look forward humbly to continuing to serve them, to continuing to work on their issues, to bringing them forward, and to making sure that our government and our province continue to lead forward to provide the kinds of opportunities so that people in my riding can build their homes, can build their families, can build a solid future and can have the kind of hope and prosperity that all of us in this province would like to have.

S. Simpson: It's a real pleasure to have the opportunity to come and to speak to the throne speech. As always, it's a great privilege to be able to be here and to represent the people of Vancouver-Hastings in this place.

I want to talk today on the throne speech about some of the underlying contradictions in the speech in terms of practice versus the rhetoric of the speech. There's a lot of rhetoric in that speech. I'm looking forward to doing that.

I mentioned a moment ago about what a pleasure it is to represent the people of Vancouver-Hastings. One of the reasons that's such a great honour for me is because of the nature of that community of Vancouver-Hastings. It's a community that really is exactly that: it is community. It's built on a foundation of people who look after the interests of their neighbours, who have compassion for their neighbours, who work together to find solutions to the problems that affect the people of Vancouver-Hastings.

It's a community that's very diverse, from an established middle class to many people who are very, very

poor; from people who are doing quite well to people who have significant issues and struggle to overcome those issues. Together, people look for solutions.

[1555]

It's a community where those of us who are more middle class and who are doing better.... I would say that the vast majority of people in that situation know it's our task to work with our neighbours — and it's with our neighbours who may be doing a little less well — to make sure that everybody is lifted up. It's not about divisions. It's not about finding ways to separate the community and to push the folks who are doing less well to another place. We work hard at that.

The people of Vancouver-Hastings — I know when they talk to me — would be very appreciative if this government periodically would give them a hand in doing that. Unfortunately, that doesn't happen very often. This government is not very good at helping the people of British Columbia who have needs, who are vulnerable — the people the Governor General talked about today when she talked about people who are vulnerable. This government is just not very good at supporting people who have needs. They are much better at supporting people who are already doing all right.

I guess I want to talk a little bit about why I think that happens. I think one of the reasons is that this is a government that understands some things about capital, but they don't understand a lot about capital. They understand something about capital in terms of the economy. They certainly get that. I think they understand that a little bit. The problem is that they have no sense of social capital. They have no sense of environmental capital. They don't seem to understand that those pieces are pretty critical in the development of a well-rounded, comprehensive and competent set of policy.

If you want to have a society that actually works, you have to have a foundation within social capital. You have to have a foundation within your environmental capital to go along with your economy. Unfortunately, they're not really good at that on the other side of the House, and we'll talk about that a little bit. We know when we've talked about social capital that funding obviously is a big-ticket item, and there's no doubt that there needs to be additional dollars put into the organizations and into community to ensure that the challenges they face are met.

This government has reduced that funding across the board. I talked to agencies and organizations in my community who talk about the lost funding, who talk about the struggles to try to make it up, who talk about the pressures they face around training dollars that have disappeared and the pressures they face around youth program dollars that have disappeared. When they talk about that, the interesting thing is that they talk about the loss of the money and the loss of those direct services. But increasingly, what we see those people talking about when they talk to me about this is the impact in lost capacity. They talk about what happens in communities when....

Madam Speaker, just a bit of a point here. When you're developing successful communities, it really is

about developing the capacity of those communities to meet the challenges that they face. That includes developing the capacity of the agencies and the organizations that work in your community, developing the capacity of the volunteers who come out and are the backbone of much of what happens in community — about developing the capacity of citizens and community organizations that come out and work to build the capacity of community.

Building of that capacity, building of that community infrastructure is an essential piece. It doesn't happen overnight. It's something that happens over an extended period of time. It's something that happens through people working together, building trust together, building confidence together, learning how to share resources in the community to maximize the impact in a positive way on the community.

What that means is that organizations that work in your community, both large and small organizations, have to learn how to get along. Sometimes large and small organizations don't get along so well, but they learn over time. They begin to understand how to build that capacity. It's about having them learn how to access services; how to access each other's services and how build on each other's services; how to complement the work that others do so that you're not duplicating that work, but rather you're finding ways to, as successfully as possible, begin to develop an envelope of services that work for everybody. It's about those organizations learning how to leverage their resources to better meet the needs of community.

[1600]

This is true whether you're talking about the social service sector.... Certainly, social service groups in my community of Vancouver-Hastings are stretched. They're stretched by the pressures that they feel, by increased poverty.

As we've heard many times, Statistics Canada has told us that we have the highest rates of child poverty in Canada in this province, and that's felt. What we know is that children don't get poor by themselves while their parents are doing really well. Poor kids mean poor families. As a consequence, they tend to need those services more than some of the rest of us, and those services unfortunately aren't there in the way that they have been in the past. That's because the infrastructure has been eroded, and the infrastructure has been eroded because the support from the government in British Columbia over the past few years has, in fact, been cut, and that support has hurt people in British Columbia.

We hear about it when we talk about training. There's an awful lot of encouragement and desire for training in my community — young people who are looking to be trained, who are looking to find opportunities. What we're finding is that those opportunities.... For many of these young people at this point, we're not talking about them stepping into an apprenticeship tomorrow. We're talking about training at a much more basic level.

We're talking about basic life skills for people who have been doing other things for a period of time, who

haven't dealt with jobs, who maybe have had some problems with addiction — some other issues — and they're now looking to put their lives back together. A big piece of that is finding the opportunities not just to deal with issues around addictions but then to move past that and to begin to be able to deal with issues like: what do I do next? How do I build on the accomplishments I'm making in dealing with my personal issues? That means finding opportunities to train, to get a job, to be able to move on.

Those fundamental skills, the ones that people need before they go to get an apprenticeship or before they get to college, are being eroded. They're provided at the community level, largely by community organizations, and increasingly, what I'm seeing in my constituency is that those organizations that deliver those services very, very well simply aren't delivering them in the same way that they used to. They're not doing that, because they don't have the resources to do that.

We're seeing it in community justice. I talk to people in the community policing centre. I talk to the organizations that are working around the community policing centre providing justice programs, and they tell me the same thing: they're seeing increased pressures on them around service demands, and they're seeing that without the ability to deliver those services, because they don't have the supports.

Housing, obviously, is a very big issue. It's very hard for people to deal with the other issues in their lives if they're not dealing with the question of their housing. As we know, housing is going to fast become the issue forgotten by this government. That's pretty clear.

Agency after agency that delivers non-profit housing in our communities — I've spoken to many of them over the last couple of months — all tell me the same thing. They're all deathly scared of where they think this government is going. They're all very, very concerned that this government is going to walk away from the delivery of housing units. They're going to walk away from meeting the needs of those tens of thousands of people in British Columbia who are in desperate need of affordable and reasonable-quality housing. But that infrastructure has fallen apart too, and many of us are very afraid that we're going to see over the coming months an even greater erosion in the area of housing. We'll see.

Community health. I have community health services in my community, and they're services that aren't delivered by the government. They're delivered by non-profits. They're very effective services. They provide a range of services for British Columbians. They provide a range of services for the people in my community. What they do in doing that is they don't just meet what you might call conventional health services. They deal with preventative matters. They look at those linkages to other organizations. They look at those services that need to be provided. They tell me, and it gets back gets back to the question of housing.

When I talk to people who deliver community health services in Vancouver-Hastings and say, "What's the single biggest issue around community health?"

they tell me: "Oh, probably housing." If people don't have a decent place to live, quite frankly, they're not going to meet their other objectives and their other aspirations.

[1605]

We see that with youth services. We see that with mental health services. We see it in the area of community planning. The erosion of this social capital has really arisen because of cuts in funding that have literally taken millions of dollars out of these critical services in communities across British Columbia, but it's also about the change in the way those dollars get delivered.

One of the things that I hear from agencies and organizations is about the change in contracting and in the requests-for-proposal methods that have been developed by this government and adopted by this government in a whole range of areas. They're changes that really pit agencies and organizations against each other. They're changes where organizations that have delivered excellent services over the years all of a sudden are no longer eligible to do that. They delivered those services at the very local level, and now the government has said: "Well, we're looking to deliver those services in a regional style, so consequently you're no longer eligible to bid on those projects."

Some of them end up subcontracting from somebody else to deliver those services, but they certainly don't have the same kind of control. They don't have the same ability to respond to community needs, because they've become part of a larger bureaucracy — regional bureaucracy — rather than keeping it at a very local level where they can in fact deliver those services in an effective and local way.

We see it because of lack of certainty about funding. Instead of having rolling funding that would approve funding from year to year from agencies that are doing good work and would do reviews of the work they do, we see this year-to-year funding. We see funding in ways that don't allow for long-term planning.

If we're going to get around that, we need to do things in a slightly different way. We certainly need to begin to engage those agencies, I believe, in a much more collaborative way in the review of how that funding is provided and what the minimum standards around that funding should be.

We need to ensure that those agencies... If we're going to support agencies in the community — and we absolutely have to do that — then we need to make the commitment to ensure that those agencies and organizations have the capacity to be able to meet the needs in the community, to respond when they need to respond and to represent the interests of our communities. We need to ensure that the folks from those communities, that decision-making around how funds get allocated... At some point, those communities that are the recipients of those funds need to have a stronger voice in how decisions are made about who delivers that funding and how that funding gets delivered.

We also see these issues around environmental infrastructure, and we need environmental infrastruc-

ture and environmental capacity, which really ensure that we're doing a number of things. First of all, we need to ensure that we're actually delivering. We have the capacity for the science it takes to make decisions about our environmental integrity, and that means investing more dollars, quite frankly, in the science side of the environment. I don't believe that we do invest enough dollars in that area of the environment, and I think we need to do that in order to ensure that the decisions we make are the very best they can be.

It's about ensuring that we have the capacity to provide the enforcement of our regulatory regime. One of the things that we see... It's a decision of this government, and it's not an unreasonable decision that the government decided that they wanted to cut much of the regulations. So they went to a results-based approach.

But when you do that, and it's not a bad thing to do, that only works well if you have the capacity within government to provide the audit and the oversight functions necessary to ensure that those organizations — whether it be business, whether it be local communities, whoever — in fact are doing what you expect them to be doing to meet the objectives that you've set. That means having the audit and the oversight function in place to be able to review that and stay on top of it. Part of the problem we have is that we don't necessarily have that function in the way that we need to have it in British Columbia right now. So we need to do a better job of that.

[1610]

It's about education in the environment. We have a challenge. We need to improve our education in the environment. We need to do a better job of talking to students and to young people about the environmental issues. We need to bring the environment into our school system in a way that we haven't done, and we need to begin to build a sense of urgency within young people about the challenges around the environment that we need to meet collectively.

What we know, when we talk about sustainability, is that all of the regulations and rules in the world will only get you so far. Unless people on the ground at the community level are, in fact, embracing that and saying, "Yes, we agree with this, and we need to begin to move forward and make the changes that are being talked about — we support those changes," they're not going to occur. We need to do that on the ground. It's a long-term project, and that means starting in the schools. I'm afraid that we don't have the environmental education in our school system that we need, and I think that the government needs to look at better support there.

We need to do a better job of protecting and enhancing the assets we have. The largest asset we have that we're doing a poor job on, quite frankly, from an environmental context, is probably our parks system. We're not doing a good job with our parks. We've allowed our parks to erode, to degrade over time. We're not putting the resources into the parks that we need to put in, and we need to invest in a much more signifi-

cant way in ensuring those parks are moving forward in the public interest. I'm hopeful we'll have much more opportunity to talk about parks as we move on over the next number of years.

Unfortunately, Madam Speaker, the conduct of the government over this time has assured that neither our social nor our environmental capital are going to be very well met — by the conduct and actions of this government. The problem when you allow your social and your environmental capital to erode is that it takes a lot more than money to rectify and fix the problem. Money doesn't do it on its own.

These things, as I think I've said before, are built over time. You build social capital over time. You build it by building the organizations in your communities, by building the community spirit, by engaging and supporting your activists who are doing civic duty. Those networks, that credibility, can be undone very quickly when you don't have supports in place, and yet it's a very difficult thing to put the pieces back in place after you've let it fall apart. I'm afraid that we've let it erode in many communities in British Columbia, and we need to invest in putting that social capital and social infrastructure back together.

Part of the problem with this is that the government, I believe, has not really adopted a sustainability model for how they think about public policy. Now, it's interesting. The government, the Premier in the throne speech.... We talked about sustainability in health care, but sustainability in health care is about money. It's not about the sustainability of the system; it's about money. Sustainability is about balance. That's what sustainability is supposed to be about: bringing balance.

Sustainability in the views of the government is about something very, very different. It's an objectionable term the way it's used by the government. In the case of health care, it's a code word for accelerating privatization. It's a code word for embracing the likes of the Copeman clinic. It's a code word for saying: "It's okay, if you can pay extra money, to move to the front of the line." That's not okay with British Columbians. I'm very hopeful and very expectant that if we have a real consultation over the coming months, that's going to become very apparent to the government.

Part of what happens here, though, as we head in this direction is.... We need to understand that the government has mastered a number of things on the other side of the House. Some of the things they've mastered.... They've mastered this ability and practice of accepting no responsibility for their actions. It's remarkable the way the government can always find somebody else to blame for what goes wrong in British Columbia. It's a government that have mastered the ability to off-load public responsibility onto somebody else and then are able to say: "It's not our fault. It's somebody else's fault."

[1615]

It's a government that is always looking to blame somebody — whether they're blaming a health authority, a school district or a local council or they're finding a consultant to blame. Sadly, too often they end up

actually blaming those who are poor and more vulnerable. It's not a good way to do business.

In the throne speech we heard a lot about consultation. We heard that the government was going to have a dialogue on health care and the changes there. We heard that the Premier and the Education Minister are going to visit school boards across the province. We heard that we're going to be in a dialogue to deal with a number of the challenges in the first nations communities. Well, we can only hope that those consultations and that dialogue will go forward, but we can hope that the Gateway program that my friend from Vancouver-Kensington spoke about earlier — and, I believe, the member for Prince George-Omineca — isn't in fact the model of consultation that we're going to use.

What we've seen in the Gateway program is a number of promises, for months and months, about the provision of information about environmental analysis and a whole range and series of information that the Minister of Transportation made commitments about in estimates last year. None of that information, by the way, has materialized, but that's okay. We know that on the Gateway program the government has essentially dismissed the Greater Vancouver regional district and their concerns. They have dismissed all of the councils that don't share their view of the world.

They've set a consultation program in place that involves a series of open houses and a questionnaire that you can check off boxes on to see what you think about this and that, but no real opportunity for a discussion. Quite clearly, there's no real opportunity for discussion about what the choices are. There's no real opportunity for a discussion about whether in fact the choices that the government is proposing are ones that are going to meet the needs of British Columbians, of people who live in the lower mainland; or whether the choices that the government is proposing are actually going to solve the congestion problem, a very real problem that exists for people south of the Fraser.

Is it going to solve it for three years, or is it going to solve it for 20? Experts will tell you it's closer to three; the Minister of Transportation will tell you it's 20. But there's no room for this discussion to happen in a thoughtful way, to actually figure out what the answer to that question is. There's no room to put evidence on the table and talk about what the solutions really are. I do think, as a number of members who have talked about this issue have said, that in fact, we all share a desire to solve that problem.

What we don't necessarily agree about is the discussion that's going on at this point in time about how to get there. We don't agree with the predetermined solution of the government that was set in stone by the Minister of Transportation before he ever got to the table to talk to the people who have an interest in this, the stakeholders.

The minister has essentially said: "This is what we're going to do. This is how we're going to proceed. I will talk to you now that the decisions have essentially been made." That's not consultation, and we can only

hope that the discussion about health care, the discussion that the Premier and the Education Minister are going to have in our school boards and the discussion with first nations maybe will be a little more thoughtful, more legitimate and more credible than the process that they're following on the Gateway program.

We face many big changes in British Columbia. We face many challenges. We really do need to marshal our resources to accomplish our goals, and that means engaging our communities. It means bringing many more people into the discussion than the 79 of us in this room. It means opening that discussion up to people across British Columbia. That means providing resources for those communities to build their social capital, to build their capacity to meet their own challenges and, as importantly, to build their capacity to represent their own interests, whether it comes to this House, to this government, to the federal government or to others.

Part of our challenge is to make our communities as strong as we can make them. They will advocate for their interests and will, in most cases, make the right choices, and they certainly will provide strong voices. They will oblige us, as they should, to justify decisions that we take and to put forward and to be accountable for decisions that we take, and that's a good thing.

[1620]

That will only occur, though, if they have capacity, and I would hope the government would be prepared to support communities to build that capacity to stand up for their own interests.

So if the government is truly serious about the golden decade, it really does begin in our communities. It begins with respect, it begins with vigilance, and it begins with those things that the Governor General spoke about in the very inspiring speech that she made here in this House earlier today.

It was a speech about respect and vigilance. It was a speech that called for us to make the extra effort, to go the extra mile and to make sure that, in the decisions that we're making in this place, we always remember that it's our task in British Columbia to raise everybody up, to make sure that everybody's doing better and we all share in the opportunity and the prosperity that the government continues to tell us about. If we don't do that, if we pick winners and losers, if we let there be winners and losers, then we're not doing our job.

I would hope that every member here took heart from what Her Excellency had to say today when she spoke about that, about raising people up. I think if we take that to heart, if we do the work that we need to do, if that's reflected in government policy, then this will be a better place in British Columbia. Then we may have a golden decade in front of us, but it will in fact require us to begin to think, in public policy, about those who have the least instead of those who have the most.

Hon. G. Abbott: I seek leave to make an introduction.

Leave granted.

Introductions by Members

Hon. G. Abbott: In the gallery today are two good friends who are, coincidentally, also two wonderful constituency assistants in this province, luckily for me, in the constituency of Shuswap. In the gallery are Holly Cowan and Roxena Goodine, and I'd ask the House to make them welcome.

Debate Continued

S. Hawkins: It is an honour to represent my constituents and stand and take my place in the throne speech. I think, first of all, I do want to thank my constituents for allowing me to come and represent them for a third term from one of the most beautiful places, I would say, in the world: in Kelowna-Mission in the Okanagan Valley.

I do want to say thank you as well to the members in the House for showing their confidence in allowing me to be the Deputy Speaker once again this term, and I hope to serve you all very well in that position as well.

I must say that one of the first things I do when I rise to speak to the throne is to thank my staff both here in Victoria and in Kelowna, because without those folks serving us, we just couldn't do the job that we do. So I do want to say a very big thank you to Del Scovil and Shirley Hutt in my constituency office and to Chris Tupper and Laura O'Connor and Burinder here in our Victoria offices. So, thank you to them, who make the sacrifices they do on our behalf and make sure that our constituents are well-served.

[1625]

Kelowna is, I feel — and I know my constituents do as well — the best place to live, work, and play. I have to tell you, having been there now for 16 years, that I can't think of a better place in the world to live. We've seen some changes in the last year since the election. We have a new mayor in Kelowna. Mayor Sharon Shepherd now leads a council with some new councillors. I want to congratulate our new mayor and wish her well in her term of office. To our new councillors, Michele Rule, Norm Letnick and Carol Gran, I wish all the best as well.

I would like to say a very sincere thank-you to our Kelowna mayor, Walter Gray, who served very well for three terms in our fair city. I wish him and Doreen all the best, and I know we're not going to see the end of him, because he's certainly a very giving person. I'm sure he's going to contribute to the growth and prosperity of our city for years to come. So I do congratulate him and thank him for his years of service and wish them the very best.

We had a very significant event happen, again, to one of my constituents, and that is Kelly Scott — Kelowna's very own Kelly Scott and her B.C. rink. Kelly, Jeanna Schraeder, Sasha Carter and Renee Simons defeated defending champion Jennifer Jones last weekend in the Scott Tournament of Hearts in London, Ontario. The team made a really nice surprise visit to Kelowna city hall yesterday, where they were greeted very warmly. Kelly Scott actually works at

Kelowna city hall. They are on their way to Grande Prairie, Alberta, next week for the world championships. I know everyone in Kelowna, everyone in B.C. and everyone in Canada will be cheering for our local champions. I wish them well.

I do want to recognize another person, as well, and that is another athlete from Kelowna, Craig Buntin. He's our local Olympian from Kelowna. Craig represented our Canadian Olympic team at the Torino Winter Olympic Games last month. He and his figure skating pairs partner, Valerie Marcoux, won three national championships in the last three years — three in a row — and they earned their first Olympic berth. I know they made us proud in Torino, and we sure look forward to their performance in Vancouver in 2010. I congratulate them for making us proud.

Now, I get to listen to a lot of speakers in this House. I listen very carefully to both sides. I have to say that I don't think anyone comes to this place who doesn't care about what happens to the people in their constituency or to the people in their province. I think we should choose our words carefully when we do speak in here. I think everyone comes in here with good purpose, and I think everyone comes in here with a lot of caring and, I think, with a lot of good intentions. I will say that.

I did sit in opposition for five years, and I've sat over here now for five years. It makes me, I guess, a long-termer in this place. I'm a very slow learner. But I do think that we see achievements in both terms and maybe not so good things in what we do. I have to say the last four or five years may not have been as easy to serve, but the accomplishments, I think, were many, and there are many.

I think one of the things I see.... As we came to the end of 2005 and we're moving into 2006, it is a good time to reflect on some of the things that have happened and some of the things that we're going to see happen. I think what I'm very proud of is that our province has grown into one of Canada's economic leaders. I think that's something we should all be proud of.

B.C. is leading the nation in job creation. In my own constituency I'm seeing an unemployment rate of less than 4 percent. In fact, I mentioned last session that we were having a big problem in the Okanagan, and that's that there were more jobs than people. That's a challenge. When we've got a booming economy, we've got to find ways to make sure that we have the workers to supply that economy.

[1630]

I think we are doing a good job. We're certainly trying to keep up the pace and with the pace. I think with the boost to the education budget, with the boost to skills and training, and with the recruitment strategies — not only with the minister responsible for provincial immigration but with the different health authorities trying to find qualified professionals to work in our health care system, in our education system — we are making those strides to try and plan for this booming economy.

More than 75,000 new jobs were created in 2005 alone. The majority of those were full-time jobs. I think

that's good news. People should be proud. The entire province is benefiting. The unemployment rate in every region has been reduced, so I think that is good news.

More people are moving to B.C. We're seeing an immigration every year. That's good news. More people are moving here than to any other province. That must tell us that we're doing something right.

We worked very, very hard to achieve this economic prosperity. It's given us the tools to build a better province for everybody, and I think it's important to understand that people across the world, across North America and across Canada, are realizing good things are happening here in British Columbia.

I think we see that in the kinds of investments that we're getting in regions across the province. The government is making investments across the province. We opened the doors to new universities in Kamloops and Kelowna. We now have UBCO — the University of B.C. in Kelowna — and we also have the wonderful Okanagan College. We opened new medical schools in Prince George and in Victoria, and we are also going to be opening a medical school in Kelowna. So I think it's important to see some of the investments that we are making in a very positive way.

I think one of the proudest things I can say we did was open the doors to nurse practitioners. We invested in nurse practitioner education at the University of Victoria and the University of British Columbia because we knew that we didn't have the range of practitioners to look after an aging and growing population. I think a new role — a professional role, an independent role — for nurses was something that was very needed and something that we can celebrate. I think it's wonderful to be able to give not only patients but nurses that expanded role in that practitioner.

We've been hearing all kinds of things about things that actually haven't gone right, and I do want to say there are a lot of things that have gone right. There are a lot of positive things that we should celebrate.

We need to keep making the kinds of investments that we are across the province. We look at some of the monetary investments we're making with the northern development investment fund up north. We're letting the communities decide how they're going to invest in their local regions.

I am so proud that our government decided to put \$50 million into a southern development investment fund, and that means people in the southern interior can look at what's important in their region. They can work together. Actually, it forces communities to work together rather than apart, which I think is really unique and a great opportunity to see what kinds of challenges or opportunities that other places in your region are facing, and to learn to work together. Maybe we can actually work on projects together and leverage that funding and actually grow that investment and do some really positive things for people across the region.

I think there are a lot of positive things that have happened, and I know this chamber is traditionally a place where opposing viewpoints are heard, but I think

it doesn't hurt once in a while to raise some of the good things that are happening as well.

We see some wonderful things happening in our resource industries. We talk about oil and gas, and we talk about mining. The investments that were made, the changes that government made in the last few years to help grow those opportunities in those sectors has resulted in just an amazing rebound in the northern communities.

[1635]

When I look at what's happening up in Fort St. John, when I look at what's happening in the South Peace — the jobs and just the prosperity, the positive opportunities for young people, other people and people from other parts of the country coming to work in that sector — I think that's good news, and I celebrate that. I'm very up for those areas.

When I look at some of the investments that were made at UNBC and some of the investments that are being made at — am I going to say this right? — the Northern Lights College, the programs that have been implemented there for trades and skills and training and aviation.... Those are opportunities that young people in those areas could not have accessed before. We wanted to make sure that every region of the province had opportunities, to make sure that they realized their potential and what they could do and contribute and actually become more diverse in the kinds of projects, employment and opportunities they could present to the people living up there. I am proud of that.

I think we did receive a strong vote of confidence. We did succeed in getting re-elected, and I think that did tell us that people felt we were in the right direction. We are going to move forward with our five great goals. I think it is going to be a great decade ahead, looking forward towards the Olympic Games, looking forward towards what we can achieve as far as bringing our province to welcome the world here and showing them what we have. I think there are a lot of good things that are happening.

In the central Okanagan the business community did a survey. They did that in November, and basically, it was good news. It was showing that our economy in the Okanagan was firing on all cylinders and that we are retaining a quality labour force. We need to build on that labour force. We've got a quality labour force. We've got to recruit, and we certainly have to train some more. It is becoming challenging, but it's a good place to work. There's a lot of business confidence in the Okanagan. Basically, the survey indicates that it is a very attractive place for employees and businesses in the province, so we're pretty proud of that.

Just as an indicator, our airport has seen, I believe, 20 percent more traffic in the last year than the previous — just amazing. We welcomed our one-millionth passenger. I believe it was in December of 2005. We're going through some pretty big milestones in the area.

Tourism is just taking off, which is just fabulous for us. I would like to think that we're probably one of the best-kept secrets, but that secret is out the window now, and everybody's coming to visit us in Kelowna.

We welcome everybody from your constituencies. Come and see what we have to offer.

In fact, the Minister of Environment and the Minister of Agriculture and Lands were in the riding last week, and we had just a wonderful tour with the Kelowna Snowmobile Club. We went up to Graystokes Provincial Park.

I'm going to age myself here. I hadn't been on a snowmobile.... I said a Ski-Doo, and I was told I'm not supposed to say that. I'm supposed to say snowmobile because there are all different kinds. There's Polaris, Yamaha, Ski-Doo and everything.

Anyway, I got my own snowmobile. I hadn't been on one for at least 20 years, since I was in Saskatchewan. I was pretty used to just going on nice flat trails and stuff, so climbing the mountain on these fabulous forestry roads and trails, and seeing the network and the investment that the local club and businesses were doing up in that area and just the potential for that to grow into something for tourists.... Apparently, we have one of the best snowmobile networks and trails in North America right here in British Columbia.

The different clubs across the province have a dream to connect them all and then have one of the biggest networks in the world. It's great that people can dream and hope, and they can actually work at making their dreams come true. I think I have one of the best jobs in the world because I actually get to go out and see what people are dreaming and hoping for and help them, hopefully, build those dreams.

[1640]

That was a fabulous day. We had, actually, the Minister of Energy and Mines the same day. I had a real bouquet of ministers in the riding last week. The Minister of Energy and Mines spoke at our chamber and then did a tour. Some of the wonderful things that are happening in the riding with respect to geothermal energy and the investment the ministry helped make with Kelowna city with the landfill and the gas....

[Mr. Speaker in the chair.]

I can't remember what kind of gas they're making there, but anyways, they're finding ways to recycle and contribute. Some really, really good things are happening. I wanted to make sure that I did mention those.

We are welcoming visitors from around the world in Kelowna. We have Harmony Airways — I know they provide flights to Hawaii out of Victoria and Vancouver — now going straight to Hawaii from Kelowna. We're very happy about that, because not only do we get to go to the sun, but the people in the sun get to come to us.

We welcomed about a thousand Hawaiians to Kelowna from Maui and from the other islands, Oahu. They were just absolutely impressed with the ski facilities and what we have to offer in the Okanagan. I'm sure that as they start coming in droves, they're probably going to, unfortunately, discover more of Whistler and get over to the Kootenays. We will share them with you. They are just having a fantastic time coming

and experiencing, first of all, the snow, because this is the first winter. But when they come and see what we have to offer as far as our wine country, our hospitality, our golf courses, our lakes, our.... Oh, gosh, just about anything. Like I said, Mr. Speaker — and you would know, because you live in one of the best places in the Okanagan, down in the south Okanagan — we are happy to welcome visitors from around the world.

I also want to talk a little bit about our health care system, because I hear, obviously, a lot on that. It's interesting that the Conference Board of Canada put out its study and said that B.C. had the best health care system in Canada, out of the ten provinces. What they found interesting, though, is that we had one of the lowest satisfaction rates. That's public satisfaction.

I do want to say, you know, there is a difference between public satisfaction and patient satisfaction. Patient satisfaction is really the experience that a patient has going through the system. When you measure patient satisfaction in B.C.'s health care system, you get a very high level of patient satisfaction, because anyone who comes into contact with the wonderful people who work in our health care system will tell you that they get care beyond their expectations. That is a fact. The patient satisfaction, when it's measured, is high.

I can tell you from personal experience. No one's had more contact in the last couple years, I can tell you, than me. I'm so appreciative of the world-class programs, people and care that we get here. I know that when I was going through my own experience, my family sat down and said they wanted the best care in the world, and it's interesting, because they were told they were standing right in there for the program that I was in. I think it's no secret across Canada that we do have the best cancer outcomes in the country. So we are very fortunate here.

Well, then you go to public satisfaction. When you test public satisfaction, it's not the patient experience. It's the public perception. When you test public satisfaction, you're doing a survey across the population, and you're asking people that may not have had direct contact with the system but have read about it, heard about it, talked to their friends about it. That confidence level is measured, and that's low in the province.

[1645]

There's a huge gap between patient satisfaction and public satisfaction. We've got to bridge that somehow, because we know that patients who go through the system and get care have a high degree of confidence. We know that the public, when they're surveyed, are not happy.

I think it's important to make sure that the public understands there are a lot of good things happening in the system. I'm going to mention some of those good things, because some of the ways to get that public satisfaction rate up are to make sure people understand that there are good things happening as well.

You know, we're training more new doctors and nurses in this province than we had in the last decade. We have campuses now in Prince George, and we have campuses in Victoria. They are a collaborative with the

University of British Columbia. We are going to be opening a new medical campus in Kelowna. We have nearly doubled the number of doctors in training, from 128 in 2001 to 224. There'll be at least another couple dozen coming on board in 2008.

You know what? Again, I speak from experience. I moved here in 1991. I was a nurse for a dozen years. I moved here thinking I would always have a job. Unfortunately, in the late '80s and the '90s, provincial, territorial and federal governments got together and said that the problem with the health care system was that there were too many people working in it. Eighty percent of the cost of the health care budget is labour. They decided that we had too many doctors and too many nurses and that we were paying them too much. They decided to cut back — and this happened across Canada — on nursing positions and medical positions, doctors' positions, and training.

Unfortunately, we lost a lot of seats for nursing in this province in the 1990s. As soon as we formed government in 2001, one of our first priorities was to identify that we've got this aging population of our workers in our health care system — doctors, nurses, other workers in the system. We've got to make sure that we have enough people, because we've got a growing and aging population, to look after them. So we did.

One of our priorities was to make sure that we looked at ways to add more doctors and nurses. I can tell you we added 2,500 new spaces to expand our training programs for care aides, licensed practical nurses and registered nurses, and that's an increase of almost 62 percent in spaces since we took office. It was 30 times the amount that was added during the 1990s — so a considerable increase in medical and nursing training. As I mentioned before, we added the nurse practitioner, which is a new, independent, expanded role for nursing which I know our population is going to benefit from.

We did a lot of looking at how we could make sure we kept our professionals here. When we got in, in 2001, we gave the nurses a 23½-percent salary increase. Also, I believe we put almost \$400 million into the doctors' budget. We had to make sure that not only did we train more but that we kept the ones we had.

Because of those kinds of decisions we made, we recruited a lot more people and kept a lot more people in the province. I'm just looking at some of the facts from the period over the last few years. Fourteen specialists and seven GPs were added to the East Kootenay Regional Hospital, bringing it to a full regional status; it wasn't before. I think there's been a lot of investment in the Kootenays, in Trail and in East Kootenay, making sure that those hospitals had the resources and the specialists that they needed.

[1650]

We recruited pediatric specialists, including a pediatric intensivist, to Vancouver Island. There were GPs and specialists in orthopedics, internal medicine, pathology, psychiatry, obstetrics, gyne, emergency, radiology and pediatrics to Prince George and Mackenzie. By adding a medical school up there, we were able to

attract the kind of people who would actually be able to service the population and teach medical students. It's been a very good investment.

In Dawson Creek, Fort St. John, Terrace and Quesnel, there were 18 more physicians and ten more specialists recruited there. The Northern Health Authority successfully recruited 48 of 58 nursing graduates from UNBC, from their own university, to fill positions in acute and public care facilities up in those areas. Last year 85 percent of nursing graduates from the University of Victoria were hired by the Vancouver Island Health Authority.

In the late '90s we heard about nurses leaving the province — a lot of nurses leaving the province for other places. Well, with the increase that we gave the nurses and with making sure that we hired into full-time positions, we were able to keep those nurses — 85 percent of them on Vancouver Island from graduating programs. I'm pretty proud of those kinds of statistics and those kinds of investments.

We talk about mental health in this province as well. I remember when, in the late '90s, there were programs and a \$125 million mental health plan announced and the sad fact that the money was never there in the budget and it was never implemented. I can tell you that our government implemented a \$263 million mental health plan, including a \$138 million investment in infrastructure and facilities. I can tell you that my constituency and my city are beneficiaries of that. We opened a \$5 million adolescent psych unit in November. The Minister of Health was there to cut the ribbon. It's just an amazing facility for some of the most vulnerable, and those are our young people with mental illness. I think that is something to be very proud of, and I am proud of that.

We are performing thousands more surgical procedures. The Minister of Health and the Premier just made an announcement in the last month about a new hip and joint institute in Vancouver and more money to make sure that patients who are waiting to get their hip replacements and joint replacements are actually going to get them. You know, that takes planning, and that takes investment. I'm proud to say we were able to do that. As well, I remember....

Mr. Speaker: Thank you, member.

S. Hawkins: Oh, thank you, Mr. Speaker. I just wanted to make sure we made some positive comments. I'm proud to stand here and support the throne speech.

Hon. R. Coleman: If I could just get the podium for a second so I can put my papers down, I will begin my relatively short dissertation, which I promise will not exceed half an hour in this House.

I'm pleased to stand in support of and talk about the throne speech, as well, today. I want to start out with a couple of different perspectives. I want to go to the very beginning of the throne speech for a minute. At the very beginning of the throne speech the Lieutenant-

Governor recognized a gentleman by the name of William Proctor, who was British Columbia's last surviving veteran of World War I and who passed away late last year, in our nation's Year of the Veteran.

[1655]

Having come from a generation of people and having a family generationally that has served in all the wars that our country has been involved in — both the first and the second, and relatives in the Korean — and having a son that actually serves in the 15th Field Artillery as a reservist, I always reflect on the sacrifice people made so that we can actually stand in this House. We can be here and select our governments in this country by a ballot rather than a bullet. We have the ability of people to have differences without war and the ability of people to have a peaceful disagreement and move on. It is remarkable that we live in a society like that, and we have no idea how lucky we are.

There are billions of people in this world. There are only four million in British Columbia. If somebody were to ask you whether you wanted to win a lottery tomorrow, you'd probably say yes. If you asked the billions of people around the world, "Would you like to win the lottery and be in British Columbia as a Canadian and have the opportunity to live here?" they would say: "Absolutely." Sometimes we forget just how lucky we are to live in a province like this with the people that we get to share it with and the families that we have and the safety that they enjoy because of the sacrifices that were made by many so that we could enjoy that today.

I was the minister responsible for ICBC when we did the veterans' licence plate. I think that was one of the great initiatives that we did as a government, not because it was anything spectacular or special — other than the fact that today you can drive down the roads in British Columbia, see the people who have those plates, recognize their service to this country and know that they're people who helped build this country, who helped make it safe for us and make it peaceful for us....

As a father, I look at the veteran and at the armed forces of this country with mixed emotions sometimes. I was a reservist myself in the naval reserves, and I served in the RCMP, but I never served overseas. I do have a son who believes that his responsibility at some point in time is to actually go to a place like Afghanistan and be a peacekeeper on behalf of the people of this country. The mixed emotion as a father is obviously this: I'm proud that I raised a son who believes he has a responsibility to humanity, and as a father I worry about his safety when he makes the decision and goes, probably next year. But if he does that, I'll be proud of him, and I'll be proud of the legacy that he's carrying on as a Canadian believing in a peaceful society and a government that can be peaceful and a country that can lead the world as an example as to what we should be doing with our lives.

In the third paragraph of the throne speech, we also joined the families and friends mourning the loss of a number of people in our communities in British Co-

lumbia. One of those community leaders was George Preston. George Preston was from my community. George Preston had Preston Chev Olds in Langley for many, many years — many generations, actually, it seemed.

[S. Hawkins in the chair.]

George was one of those people who gave back. He was a Rotarian and a Shriner. He was involved in Kinsmen and K40. If somebody needed a bus to move a ball team or a hockey team, he would find it for them. If a vehicle was needed for other services in the community, George was always there. George was always there for our community, no matter what it was.

People like George Preston built British Columbia. They built the principles that we espouse as human beings simply because they gave us an example to follow. There was never any question for George that he would help people. There was never a question for George that he would serve on the Fraser River Harbour Commission or on the Kwantlen University College board or on the board of directors or the presidency or the executive of any of the many service clubs that he served in my community.

He was also a friend of mine, one who, early on when I went into politics, was actually one of the first people to step up to the plate and give me the support. But I don't remember George for that. I remember George for something else.

Back in 1984 a small group of people in my community called the Kinsmen Club wanted to build a community centre for my community, and people said it couldn't be done. In 1988 the Aldergrove Kinsmen Community Centre was completed and paid for by that small group of Kinsmen and Kinettes from my community. Who was the first donor to the corporate campaign for the Aldergrove Kinsmen Community Centre? George Preston. You remember things like that, because people like that actually help you get momentum towards success in your communities.

[1700]

As you walk through the throne speech, you have to take a second and step back and realize that a portion of any throne speech has got to give you a sense of history, of where you've been and where you need to go. It needs to provide you with a vision and a road map for where you as a society and as a province and as communities want to get to. Part of that is recognizing your history, recognizing where you have come from. Recognize the background and historical perspective of your society.

The speech talks about that in two years British Columbia is going to celebrate its 150th anniversary, as a founding colony — 150 years of progress and positive change. We're also going to celebrate 150 years of sacrifice, hard work, commitment and vision by volunteers like George Preston and every other person that has ever committed to a community — and celebrate the fact that this society and this province were built by people who cared.

As we go through that, we will have to remember some things. We'll have to remember that 150 years ago there was no health care. There were no social services. There were no highways, for that matter — very few. As the member for Peace River North will tell you, some days he thinks there still aren't in his area of the province, but we've heard that for years with regards to the fact that he wants investment in highways in his region.

As we walk through that and we look at the different steps that were taken.... You heard the Governor General today talk about us going as British Columbia to Ottawa to talk about building a wagon trail across the country and coming away with a railroad. I suspect that was the last time British Columbia went to Ottawa and got more than they went to get from the federal government of this country. It is a pretty good date to remember as a British Columbian, and one we might want to remind the new government of as we get into discussions about mountain pine beetle and other issues that face British Columbia in the future.

As we walk through this throne speech, we have to remember that it doesn't matter whether you are on one side of the House or the other; there are always issues that you can point to that make good headlines, good copy, and don't necessarily build great communities. One of them is this one simple thing: the Conference Board of Canada now rates our health care system as the best in Canada. We're leading the nation in the creation of new nurse spaces, physician training, new access to advanced education. We have the lowest unemployment rate on record in Canada.

Let's go back to health care for a second. Some of the members on this side of the House have been here long enough to be referred to as veterans by the member for Yale-Lillooet. We were veterans in opposition and are now becoming veterans in government. We know that when we were in opposition, there were times that we took shots with regards to certain issues within the health care system because in question period it gave us the opportunity to play to a particular gallery that may want to run a radio, TV or print story. At the same time, the previous government to that in opposition did that, and the previous government to that did it. And of course, this new opposition today facing a new government does the same. We do that because we play to a gallery. We play to a headline. But what's the reality? What's the reality of the health care system in British Columbia?

My colleague who just spoke before me is a person who has actually experienced B.C.'s health care system and who could tell you — and just said — that when her family said to her, "We want you to get the best care there is available," standing in British Columbia, she was told: "It's right here." Nobody has better cancer outcomes than British Columbia. Nowhere do we treat our patients better when it comes to cancer than in this province.

I know that from personal experience, not just because of the member from the Okanagan, but because I've also had to go through this with friends and rela-

tives in British Columbia. In the last couple of weeks we've seen members of this House experience a health care system where they reach a trauma and are in a system where in three hours there's a stent put in so a member's heart will continue to beat and get the oxygen to them, because they've had a heart attack.

If you listen to some of the questions, some of the comments and some of the shots, you would think the health care system was in disarray. There may be waiting lists with regard to hip- and knee-replacement surgery, but think about this: 150 years ago there wasn't a surgeon that could do any type of operation. Fifty years ago we weren't even doing open heart surgery.

[1705]

Today we do hip- and knee-replacement surgery. We replace joints on people that are living longer than they ever have in the history of our province, because they're getting older. Those hip and knee joints need to be replaced.

The system has to adapt and change as you go forward. To sit there and say at any time that you can't have that reflection of having a vision and a commitment to growth and of handling how these things can happen takes you to a place of complacency. Whether you look at health care or any other aspect of your society, that leads you to failure. Complacency is the one thing that in any society will destroy its future. Complacency and the inability to look to the future is what we should not be doing here in this House.

If there's something we should remember as legislators in British Columbia, it is that we have a responsibility to look beyond an election cycle. We have a responsibility to make some tough choices to build futures for our citizens.

When we leave this House, some of us, in the next number of years as we move on and a new cycle of politicians comes in, somebody will look back and say: "Man, you know, in 2001, when they put in those new training spaces for nurses, when they created those new spaces for doctors to be trained in British Columbia, somebody got it right." Somebody could actually see beyond a couple of years of budget in health care and could actually see that the population of doctors was aging, that there was a shortage of them, that our nurse population was aging and that we needed to have people to be able to replace them and needed to move to a new vision with regards to the operation of nurse practitioners and a health care system.

That's how you meet the commitment that was made to you by your constituents when they voted for you to come to this House. When they sent you here, they sent you here to believe that you wouldn't just sit in some election cycle; that you could actually see the future a little bit; that you could build a plan to work with the people in the communities across the province for the building of a great society, the building of a strong health care system that can be there for this large, aging population that we're going to experience over the next number of years, that can be there as it changes with a lower birth rate and an aging population, that can be there as the technologies change and

adapt to the different aspects of health care that are going to be needed to be adapted to.

We do that because we're all going to be there some day. The seniors of tomorrow, a number of them, are sitting in this House today. If we build a system of supports and a future for those folks, we and our spouses, our brothers and sisters and those of our generation will also experience great health care in the future. They won't experience it if we think that we can sit and be complacent and not change, if we sit and we think that we cannot have a vision and if we sit and forget what we're looking at by 2030. It's only 20-some years away. It's less time than it was away behind me when my second child was born; 2030 is closer than the age of my second child. But in 2030 it won't be one in seven people in British Columbia that are seniors; it's going to be one in four.

Think of that. If there are four million people in British Columbia in 2030, one million of them will be seniors. The health care system that's going to be there for them is going to be there for them if we today have enough vision to build capacity and look at our ability to adapt to the future, because we know that that population is going to need different health outcomes.

We also know that if we put in place things like ActNow B.C. and we get people encouraged on their diet and exercise — members of this House are probably, at least in the vision from this particular member, the worst at the exercise side of this thing — they will have better outcomes. They will be able to be healthier longer without having to use the health care system.

[1710]

We have to be today in a position to look at this thing and say: "You know what? We've got to change a little bit." As we do that, as members of this Legislature, we have to do it in such a way that we recognize that there's going to be the to and fro in question period that is the headline or the copy. We set that aside when we're done, and we build a future for B.C. in health care.

There has been \$1.5 trillion in public expenditures in the last four decades on health care by people in provinces across this country. Whether you're members of the opposition who have had to struggle with the health care budget when you were in government at one time or you are us today, you recognize this. The only way to combat and deal with it is by having a comprehensive, portable, strong and visionary health care system, one that we can work together to build so that the things which service the needs of our citizens are there, so that we are there for our citizens in the future.

We do that through real dialogue. You know, you always have one kind of dialogue, which is the non-dialogue of a question period in the Legislative Assembly, where you have a question and then you have an answer, and you have, obviously, what we call the theatre of the House. The second part is a dialogue between the members of this Legislature and their communities, with health practitioners, doctors and nurses, the people that are providing the services and

the facilities, to see what's going to be needed for the next generation in health.

As we do that, we should recognize our successes. Our successes come from successive decisions by governments in British Columbia. We have the best Pharmacare system in the country. If you get into a serious situation in this province with regards to cystic fibrosis or cancer or those types of diseases, we cover all your drug costs. We make sure that we don't break a family because of health care costs that they have as a result of certain procedures in our society.

I think it's important that we recognize that even if you spend, like we have, \$9.7 billion more in health care in the last four years, for a total investment of \$57.4 billion over the last five years, money alone isn't going to actually deal with this. What you have to do is have a vision of the supports that run into the health care system.

What are those supports? Not only do you have the cost to the health care system, which is the \$57.4 billion over the last five years.... What supports that system long-term in the future? Is it time you looked at your seniors housing in B.C. and said: "You know what? We need more lever-handled doors and taps. We need to be able to have backing in the walls for bars so that people can stay in their homes rather than have to move out because they have a disability or some difficulty"? We need to make sure that we have access for those people into those homes so they can age in place, so that we have home care and other supports for them rather than having them go into long-term care.

We need to recognize that the best type of health care for those folks may not be what is spent in health care but what is actually spent in shelter and supports so they can age in place and have a healthy lifestyle without having to come into the acute care system. We need to recognize that we need to add the nurse spaces and the doctor spaces so that we can have the supports to build into the health care system.

Nobody's actually done the dollars, that I know of, to say: "How much did it cost to train that many more nurses and doctors and build those medical schools?" They're in Advanced Education, but all of those things feed into the health care system. Early childhood education. We know the outcomes of a child.... If certain things happen between ages one and three and three and six, it will actually affect their health outcomes for their life — their entire life. Those are all investments in the health care system that are put together with a vision and an important thought to get things done. I think innovation, research and funding are key to our strategy, and I believe that we're on track to do that.

As we do that, we also have to look at education. We are facing something that's very odd that I have seen in my almost ten years in this House, in education. When I became a member of this Legislative Assembly in 1996, in my community of Aldergrove the issue was this: "There are portables all over the fields at all three elementary schools in the community. There are portables at the high school. We need a new high school. We need a new elementary school, because

we're running out of space for our children." We had to expand Walnut Grove Secondary School three times to actually just accommodate an area of growth in the community.

[1715]

That was ten short years ago. In my community today there is not a single portable at an elementary school. As a matter of fact, I have two elementary schools that have dropped not just below the 350-student capacity that they have, but below 200 students. It's predicted that out of the four elementary schools that exist there today, three will be under 200 students and one right around 200 students, so the capacity of 1,400 students in that community is only going to be filled by less than 800.

If we look at this thing, we have to recognize that the whole education system is going to change. We're going to have to actually close some schools in my community, which I never thought would happen in a growth area of the lower mainland, but there are areas in my community where there aren't students to fill the classrooms. We're going to have to adapt in order to handle that. As we do that, we need to have a dialogue not just with parents but with educators, teachers and administrators as to how we're going to do that and continue to maintain the high standard of education in British Columbia. That's why the Learning Roundtable and the teachers congress are going to be held later this year.

Although the student count is going down, every single year we've added more money to education, because we believe in that aspect of the future of British Columbia. As we do that, we'll help those with special needs better. We'll maximize the benefit of our capital investments in education. What's more, we can ensure, at the same time as we do it, greater accountability and performance for the taxpayers and the parents who are paying for the system.

There is no place for parochialism or provincialism in our new world. As we change, as we adapt to a society, as we as a government and people in this society try and build a future, we as legislators, in particular, will have to recognize that in order to work to get this done and build a future, we have to work with all levels of government. We have to work with our communities. We have to understand that things are changing, and as they change, we need to be ahead of the curve as the change takes place.

Take a look at our commodities in British Columbia. We have a forest sector in British Columbia that historically has relied on one very large market; 85 percent of our exports go to one market in B.C. As we look at what's happening with that sector and at the challenges with fibre supply and what products we're producing and what products we may need to produce in the future, we have to adapt.

We have to adapt to the mountain pine beetle. We have to adapt to the coast, where we have challenges with regards to types of fibre and product and how we're milling it, and the sizes and where our markets are. We need to adapt by actually moving down a road

that says: we're making an investment with a vision in the future of the forest sector in British Columbia.

Now, in the debates in this Legislature on some short-term ideas, we can agree that there are certain things we could do to send a message that we're interested in your future. I think we've done that. As we've worked with the Coast Recovery Group and done the stumpage changes, I think we're in the right direction there. But the important thing for these markets, for these commodities, is a marketplace. So we're actually investing in China.

Somebody asked me recently about China. I talked to him about the new Dream Home China project, the fact that we had over five million visitors into our one project over there already and that we're looking to move into other areas like Beijing and the Guangzhou province to build on the successful efforts we've had in Shanghai. They said: "What's your market penetration?" I said: "Today it's miniscule." Do you know how long it takes to build an international marketplace? You have to take five to ten years to do it. If somebody doesn't make the investment and have the vision today, the citizens of British Columbia will say in ten years: "Where were you? How come you missed that curve? How come you weren't paying attention?"

I harken back to a seminar, when I think about that, that I took many years ago as a member of a non-profit organization, put on by the Variety Club. The Variety Club came to a group of us service organizations and gave us a seminar on running a successful project. They said that to build a successful community charitable project, you had to recognize that it could take you five years. They had a vision on every project they did, on a plan, to recognize where they wanted to be in year one, two, three, four and five.

[1720]

That was just to raise charitable dollars in the community. Imagine if you're going to try to get into a billion people in a marketplace. First you have to expose your product to them. You have to build on relationships. You have to do that over time. As you do that and you start to get success, you better back it up with performance.

What's the performance? The Pacific gateway. British Columbia is Canada's only Pacific province. British Columbia has the ports and the ability to move the goods and services into China, Asia, India and other areas of the world from our ports. As we build our markets, we need to perform. In order to perform, you have to be able to move the goods and services. Hence, the Gateway project.

One of the members opposite, earlier, categorized the project, if I can remember this correctly, as basically a bunch of money dumped into something somebody thought was a good idea. I can tell you, Madam Speaker: when you lose \$1.5 billion of economic activity at the Port Mann Bridge on an annual basis, it's not \$1.5 billion in economic activity from the lower mainland of B.C. It's the plywood plant in the interior. It's the OSB plant in the interior. It's 2-by-4s; it's 2-by-6s. It's panelling. It's other commodities that are com-

ing out of the interior and moving, and it's goods and services going back the other way. So there's no input and no output, and you stagnate. You lose your market and your ability to ship, and other countries will take that away from you.

The Gateway investment, in both ports and highways, is one of the most critical and visionary investments that we're going to make in British Columbia. Whether we be members of the opposition or of government, we have to recognize that it's not just about commuters. It's actually about having our economy have a future, to be able to drive it into the future and deal with other jurisdictions around the world.

If you want to have health care like I described and a future for it and be able to pay for those one million people who will be seniors by 2030, and if you want to have the plan to have Children and Families funded and social services funded and education funded, you need the lungs of an economy to do that. Without the input of dollars from the economy, you can't be successful.

There are different ways you can look at this throne speech. What I look at this throne speech as is this: in addition to our concerns about the drugs and alcohol and crystal meth and issues in our society, we as a government have actually laid down a foundation for a future that members of this House will benefit from, simply because we could see past a four-year cycle. We could see that we needed to build a future for our citizens, that we could do the Gateway, that we could deal with health care, that we could deal with education.

We can build a future for British Columbians based on peace and respect and the honour that was given to us by those veterans who were mentioned at the front of the throne speech. They gave us a legacy. It is our responsibility to carry on that legacy, to build a future for our citizens based on a vision and not on short-term thinking.

D. Cubberley: It is indeed true that there are different ways to view the throne speech. Personally, it's a pleasure to have an opportunity to respond to the Speech from the Throne — a speech that bulked large around the theme of capturing the positive energy of transformative change, one that I personally found gratuitously credited government with making progress over the last four years. There was no mention of the costs, no evaluation of the quality of the choices or of the impacts suffered by those who paid the price — just an assumption that the changes made by this government represent progress and that more of the same means more progress.

[1725]

Hopefully, members, we are capable of looking a little more deeply into matters than that. After all, there are 33 of us on this side who were sent here because the people didn't like or trust the direction, the content or the style of change — which was indeed transformative, but often negatively so. That verdict, rendered only nine months ago, seems entirely absent from the boastful musings of the throne speech.

Let me say upfront that the throne speech clearly does raise important issues about the future of health care in British Columbia, issues that require ongoing and open public discussion of a kind we do not see illustrated in the day-to-day workings of the government. It raises those issues, it claims, in order to launch a dialogue. But it crafts its view of the challenges in an imaginative fabrication about the wondrous value of its own decisions in health care. One can only contrast that with the minister's ongoing reluctance to own his own government's history in health care, which tends to imperil the undertaking from the outset.

The speech centres on the reality of an aging population, a well-known idea that should factor large in government's decisions already — a trend that presents diverse challenges for what the throne speech sees as an already stressed public health care system.

Then in the context of rising seniors' demand for health care, it boldly declares that in Canada we've known for many years that the escalation in health care costs is not sustainable. Excuse me? We've known that for many years, but somehow, apparently, government doesn't feel the need to recall that barely three and a half years ago, a federal royal commission reported out after an extensive pan-Canadian public process and recommended that the federal government rebuild and entrench its historic funding commitment to medicare — indeed, that a new health care accord be struck, aiming new money at the most pressing problems in order to buy change.

Never mind that this accord was struck and signed by Premiers across Canada, including our own Premier. That new money — \$41 billion over ten years — was to be aimed at renewal and redesign of primary care, improving access to diagnostic services, aboriginal health and especially at reducing wait times for key classes of surgery.

Never mind that government has the money but has not really begun to use that money to buy the changes it agreed to. Apparently, none of it happened. It's not part of the context of transforming health care in the direction of sustainability. The throne speech begins with an assertion that it claims we all understand and accept, when in fact, I'm sorry to say, we don't. That's where the credibility gap opens up, and it widens from there.

The throne speech invokes the necessity for change and says we must build on the basis of changes already made by this government and declares, without any examination, that those changes were positive. It says we can't afford to keep going down the old path but must learn from the experience of others. It asks why we're so afraid to look at mixed health care delivery models and then asks rhetorically why we shouldn't build our health care system on a foundation of sustainability.

In the cooked equation of the throne speech, sustainability apparently equals agreeing to a mixed health care system, especially one with a parallel private option for those who can pay more. And all of that without mentioning Romanow and the national discussion completed just three and a half years ago — a discussion that substantially canvassed the same ter-

rain the Premier now promises to explore, a discussion that drew on the best research available and looked at mixed systems, systems with co-payments and systems with more private delivery.

Romanow, of course, was obsessed with sustainability. I commend the chapter entitled "Sustaining Medicare" to members opposite — all members — which canvasses the funding of the system and ways of allowing it to thrive in the face of rising demand. Innovation, both technological and in care delivery, coupled with effective population health measures, including a more physically active public, are the most obvious and effective ways of controlling and moderating costs. They are things we need, collectively, to get better at.

On the funding side, sustained additional investment by the federal government, bringing it back to its historic levels prior to capping and off-loading, is the key to keeping medicare affordable and accessible.

Were we to be objective for a moment about funding constraints, we'd acknowledge that the two events that constrain our ability to pay for the system of public health care are these: the federal capping in the '90s and the reduction of health transfers to the provinces, which led to unprecedented unhealthy reductions in capacity; and the prior commitment to tax cuts for corporations and individuals by provincial and especially the federal governments, which are worth many, many times the added investment in health care over the same period of time.

I'll offer a quote from Romanow that I think shows why we don't really need the Premier to announce transformative change, promise a dialogue and then, at the first possible opportunity, run off on a notional fact-finding mission cum family-health tour that strangely resembles a monologue. Romanow says:

[1730]

Early in my mandate, I challenged those advocating radical solutions for reforming health care — user fees, medical savings accounts, delisting services, greater privatization, a parallel private system — to come forward with evidence that these approaches would improve and strengthen our health care system. The evidence has not been forthcoming.

I have also carefully explored the experiences of other jurisdictions with co-payment models and with public-private partnerships and have found these lacking. There is no evidence these solutions will deliver better or cheaper care, or improve access — except, perhaps, for those who can afford to pay for care out of their own pockets. More to the point, the principles on which these solutions rest cannot be reconciled with the values at the heart of medicare or with the tenets of the Canada Health Act that Canadians overwhelmingly support.

He concludes:

It would be irresponsible of me to jeopardize what has been, and can remain, a world-class health care system and a proud national symbol by accepting anecdote as fact or on the dubious basis of making a leap of faith.

One of the first issues arising with the government's proposal to lead a dialogue and an open conversation on this issue is the issue of trust. Many remember promises from 2001 of a government that is open, transparent and accountable; a government that

respects signed agreements; a government that delivers patient-centred care when and where it's needed. These promises were early victims of the juggernaut of transformative change and nowhere more clearly seen than in the realm of health care. Hidden agendas trump trust every time. The consolidation of all health decision-making into five regional authorities with unelected boards and no working relationship with local communities resulted in decisions about care provision moving further away from home.

While the Premier's been drawing conclusions based on glimpses of what other countries do, we've lately been peering into the chaos and mismanagement unleashed in the health care system by botched restructuring and the ill-conceived and undiscussed decision to close nearly one in five acute care beds in hospitals across B.C. Overconsolidation, lack of public discussion, disconnect from patients and communities: here we see issues that challenge public trust, which is the basis upon which any dialogue led by politicians must rest.

What about trust in the matter of net new long-term care beds for seniors? These same health authorities, with the plays called in from the centre, chose to shut down seniors care beds across B.C., reducing the stock by as much as one in four in the IHA after having promised to expand it. A promise to add beds that turns into a decision to reduce beds without replacements — at the same time that hospital beds are being shut — is definitely not the way to run a patient-centred health care system.

The result: chaos and mismanagement in the hospital sector; seniors occupying needed beds; emergency rooms clogging up and having difficulty getting patients the care they need; surgeries cancelled; staff being overworked in deteriorating conditions; and patients being pushed quickly out of hospital beds into alternate-level-of-care beds out of their communities or pushed back home with inadequate home care, sometimes with disastrous consequences.

Trust, indeed, remains a key issue because government isn't yet capable of admitting it made any mistakes. Yes, there were mistakes — grave mistakes — so there is deep anxiety around the idea of this Premier and this government attempting to lead more change. Transformative it may be; positive its record is not.

Trust is an issue elsewhere in health care. The throne speech is filled with stirring praise for the unprecedented achievement of P3 hospitals. It mentions the 300-bed Abbotsford regional hospital and cancer centre on track for 2008 — years late and over budget. It mentions it without saying who now owns it. It's certainly not the host community — no siree. Surprise, surprise. It's now owned by the Macquarie Bank of Australia — at least for now — who happened to buy it as a freely traded commodity on the international market just before Christmas.

[1735]

What a glorious achievement, moving hospitals from the not-for-profit sector into the for-profit sector with its checkered record on the clinical and cost sides and finally to have it come to be owned by a foreign

bank. Banks have such a good record managing hospitals — so much parallel expertise to apply. But it did get it off the books. Indeed, it got it right out of the country.

Think openness, transparency and accountability. Ask how B.C. moved without public discussion or knowledge from being a not-for-profit-hospital province to being a for-profit-hospital-only province. Think about it, and you too may develop issues of trust with this government on health care.

The biggest issue of trust is really that the government has never been upfront about its agenda. It turned health care upside down in a single term. It moved it entirely in the opposite direction to what it promised in the *New Era* document, hid from public debate on the health care restructuring issue in the last election and still can't acknowledge its errors. Now, out of the blue, it wants to lead a public discussion, a real dialogue on the sustainability of health care — looking to mixed health care systems for solutions.

Oh, and by the way, the Premier thinks that the Canada Health Act needs updating. We will, he says, define and enshrine in provincial law the five principles — not to make them weaker, heaven forbid, but to make them stronger and consistent with its original intent to preserve public health care for all Canadians. I find it intriguing to see this government develop a sense of mission around the five principles of the Canada Health Act, which the throne speech declares are merely a promise and "remain largely undefined."

Do members opposite actually believe that the principles of the Canada Health Act remain largely undefined? They certainly gave another impression in the new era, which was to uphold and embody the five principles. They reinforced that in their comments on the Medicare Protection Amendment Act — voted unanimously in 2003. Indeed, the member for Vancouver-Quilchena, speaking as Minister of Health on second reading, said: "The amendments we are proposing today support our new-era commitment to 'ensure that B.C. health care is universal, accessible, portable, comprehensive and publicly administered, consistent with the five principles of the Canada Health Act.'" He sounded quite certain then.

Indeed, government was amending provincial legislation in order to render its intent more clearly in line with the principles of the Canada Health Act. The member continued:

These amendments will bring greater clarity to both patients and private clinic operators about billing practices for medically necessary health care services. These amendments will (1) strengthen B.C.'s rules about billing practices by clarifying when charges are inappropriate, (2) confirm the Medical Services Commission authority to audit the billing practices of all diagnostic facilities and private clinics in response to complaints, and (3) allow the Medical Services Commission to recover inappropriate charges from private clinics or physicians."

This dovetails perfectly with the very well-defined provisions in the Canada Health Act regarding universal access to publicly funded and administered — i.e., insured — services.

It's a worthy effort to further clarify intent. The member for Chilliwack-Kent, concerned about potential impacts on private, for-profit clinics asked: "Will the amendment contained in this legislation essentially restrict or outlaw the provision of private cataract surgery in the province?" The response is informative, both for where we are today and where the Premier may be trying to head us.

The member for Vancouver-Quilchena says that there's nothing in the bill that changes whether cataract surgery is or is not covered under the Canada Health Act. All the bill says is that cataract surgery is considered a medically necessary procedure by Health Canada, and we therefore have to ensure it's reflected in the practices in British Columbia. So if a practitioner is enrolled in the Medical Services Plan, all this says is that they cannot extra bill over and above what MSP would provide for.

As we know, that bill — requested by Health Canada, needed for clarity in regulating clinics and passed unanimously by this House — was never proclaimed. Neither the Premier nor the past Minister of Health nor the current has ever explained why it hasn't been proclaimed.

I think we can infer why, and with some accuracy, because it would in fact have had the impact, as intended, of making it harder for clinics and physicians to act outside the Canada Health Act — harder to assess user fees, facility fees and other fees for quicker access that are expressly forbidden under existing law.

[1740]

I mention these things because the greatest threat to our public health care system is posed by the introduction of a parallel option based on selling improved access to those with money for a fee beyond what's allowed in law. We have every reason to be concerned, because there is evidence that this is the actual agenda for health care. The issue of private delivery may simply serve as a smoke screen for the introduction of two-tiered medicine — a parallel system with faster and better service for the well-off.

We see that system in embryo today in the form of the Copeman clinic openly selling access to insured medical services for a club fee. We could call it "club med." Operating in open defiance of federal and provincial law, this clinic is being enabled to gain a toe-hold in family medicine by the dithering of the current minister. Legal opinion of the clinic's business plan, notably its billing scheme, shows it to be out of compliance — way out of compliance. Yet B.C. has allowed it not only to advertise but also to pull doctors out of public practice and set them up behind a barrier — a fee screen, if you will — where they can be seen quickly by club members.

[Mr. Speaker in the chair.]

Even when pressed on the issue, the minister can't bring himself to state the obvious, and even when cornered and forced to say he will act, he does not. Well,

that's not quite true, because doing nothing to enforce the law in fact means endorsing and enabling a breach of the law.

What's really at stake here? If you tolerate Copeman's billing scheme, nothing stops any doctor from charging patients an annual fee just to be on their roster or charging tiers of fees with gradations of access and service. That of course flies in the face of the universality provisions of the Canada Health Act and the Medicare Protection Act, which gives force to the Canada Health Act provincially.

A word on the issue of how well defined the principles of the Canada Health Act are. They have actually been quite clearly defined in successive policy statements by federal health ministers that interpret them. Most of the defining has been done in response to one threat, and that is the threat posed by user fees, facility fees and various forms of extra billing. The one I would strongly commend to members is the Diane Marleau letter of January 6, 1995. It's especially apt on the rise of private-for-profit clinics, a phenomenon that swept across Canada in the '90s which led the federal minister to express her concern not about the fact of private-for-profit clinics, but about their practices of user fees and facility fees for expedited access to insured services.

At the time the Canada Health Act had been in force for about a decade. Minister Marleau noted:

I am convinced that the growth of a second tier of health care facilities providing medically necessary services that operate totally or in large part outside the publicly funded and publicly administered system presents a serious threat to Canada's health care system. Specifically and most immediately, I believe the facility fees charged by private clinics for medically necessary services are a major problem that must be dealt with firmly.

It is my position that such fees constitute user charges, and as such, contravene the principle of accessibility. Facility fees refer to amounts charged for non-physician or hospital services provided at clinics and not reimbursed by the province. Where these fees are charged for medically necessary services in clinics that receive funding for them under a provincial health insurance plan, they constitute a financial barrier to access. As a result, they violate the user charge provision of the act.

Now, that's not at all ambiguous — is it? "Facility fees are objectionable because they impede access to medically necessary services." Minister Marleau. "Moreover, when clinics which receive public funds for medically necessary services also charge facility fees, people who can afford the fees are being directly subsidized by all other Canadians. This subsidization of two-tier medicine is unacceptable." That's pretty clear too.

[1745]

Think of the Copeman clinic: selling preferred access to insured services, creating a barrier to all those who can't pay and subsidizing the exclusivity of its club membership via a transfer from all of the rest of the taxpayers. What does Minister Marleau say? "The accessibility criterion in the act of which the user-charge provision is just a specific example was clearly intended to ensure that Canadian residents receive all medically necessary care without financial or other

barriers and regardless of venue. It must continue to mean that as the nature of medical practice evolves."

The minister's intent clearly was not to preclude the use or the establishment of private clinics. It was rather to ensure that "medically necessary services are provided on uniform terms and conditions wherever they're offered."

She summarized the destructive effect that unregulated, for-profit medicine charging facility and user fees would have over time: (1) weakened public support for the tax-funded and publicly administered system; (2) the potential of fee-charging for profits to concentrate on easier procedures — cherry-picking — leaving public facilities to handle more complicated and costly cases; and (3) the ability of private facilities to offer incentives to health care providers that would draw them away from the public system.

The minister's solution was threefold. First, clarify the provisions on uniform terms and conditions, i.e., universal access, as they would apply to for-profit clinics. Second, call on provinces to introduce regulatory frameworks like the Medicare Protection Act, which all provinces have since done. Third, where there are interpretive issues, if it's ambiguous, resolve them through consensus at federal-provincial meetings in a manner consistent with the Canada Health Act's fundamental principles, which are clear.

If this government is sincere about engaging British Columbians in open dialogue about the renewal and sustainability of public health care, it should become much more forthright on issues pertaining to the regulatory framework in place — a framework that's clear and unambiguous, that's serviceable and effective when enforced, and that's valued and supported by the overwhelming majority of British Columbians.

As to action, it should declare categorically that two-tier medicine and user fees are not on the table in any form. It should prove it by curbing the Copeman clinic and sending a clear message to all physicians that facility, roster, uninsured service and other fees will not be tolerated, and it should proclaim the Medicare Protection Act, giving itself the same tools as other provinces to regulate, not eliminate, for-profit clinics and the physicians and medical practitioners working therein to ensure they are not extra-billing for insured services.

Currently, government is playing footsie with for-profit, user-fee-charging clinics. By dithering and avoiding taking responsibility, it's encouraging a culture of self-reward to set root in public health care — one that can only drain resources away from the system relied upon by the majority.

Two-tiered medicine can only undermine, never secure, public health care. That's because there are no doctors and nurses from Mars. The doctors we have are currently working in the public health care system, and all those who move to a second tier will come at the expense of the public health care system. The result, which is well-documented, is the draining of resources away from the public and into the semi-private, publicly subsidized tier.

Government also needs to recognize its own mistakes in restructuring B.C.'s health care: overconsolidation; the bed crunch in both acute care and residential care sectors; poor access to primary care right across B.C.; and the failure to grapple directly with the reform and renewal needed to bring wait times down, especially for seniors.

Health care in B.C. needs healing after the wars of the past four and a half years. It needs to know those guiding the system are operating it in the spirit that informed its creation. Health care providers need to know they're respected and that their views can enter into the design and modification of the most important social service in our province.

Communities need to know that health care is rooted in service to them, that they are not burdens on the system but rather form its *raison d'être*. Patients need to know that care is there when and where they need it, irrespective of their ability to pay or who they know.

If the dialogue and open conversation promised were to actually come to fruition, it could be a time of immense progress, healing and positive transformation. But its potential depends upon self-honesty on the part of government. To this point, we see continued boasting where none is warranted, and extreme denial, especially around the devastation done in the hospital sector and the entire sector of seniors care.

[1750]

It's to be hoped that progress can in fact be made, but it may well have to be born of conflict — conflict with those who seek not to produce the most efficient and accessible health care system nor to re-engineer it carefully but rather who seek to act on a thinly veiled agenda to introduce changes to the Canada Health Act, and particularly to the universality requirement, which Dr. Vertesi, the Premier's brother-in-law, sees as "threatening, personally, because it so clearly and prescriptively bans user fees." We need to hear the government state support for the universality requirement unambiguously in order to feel comfortable with it originating proposals for change.

We have reason to be concerned, because as the member for Vancouver-Quilchena put it in response to the member for Maple Ridge-Mission, "There are obviously many in this province who feel there should be more flexibility around the interpretation of the Canada Health Act" — many in the private clinics, many appointees to health authority boards, many, perhaps, of the more libertarian members of the B.C. Liberal Party, but not, in my experience, most British Columbians. Most of them just want us to make the existing public health care system be all it can be. They just want to know that the care they need is there when they need it, without forking out money.

I will end here with a quote offered to the Premier lately by Lord Warner, the British minister of health, who, having acknowledged that all systems around the world, mixed and non-mixed, are grappling with the problem of delivering timely health care at a reasonable cost, said: "I would not presume to give the Premier advice on how to reform his health care system.

What I've done is share with him our experience on reform and the processes we've been through. I think we've learned that you can't do things to people; you have to do things with people." Let's all pray this government listens to Lord Warner.

Mr. Speaker, noting the lateness of the hour, I move that we adjourn debate.

D. Cubberley moved adjournment of debate.

Motion approved.

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

Hon. G. Abbott moved adjournment of the House.

Motion approved.

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

The House adjourned at 5:53 p.m.

PROCEEDINGS IN THE DOUGLAS FIR ROOM

Committee of Supply

ESTIMATES: MINISTRY OF FINANCE (continued)

The House in Committee of Supply (Section A); D. Hayer in the chair.

The committee met at 3:02 p.m.

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

J. Kwan: Just getting back to our debate yesterday around Partnerships B.C., let me start today with some questions around the Sea to Sky Highway project review that was done by the Auditor General.

The document indicates under the heading "Achieving Value for Money": "The Ministry of Transportation believes value for money for this project is demonstrated because of the additional improvements, and the anticipated user benefits that flow from them, provided in the DBFO contract."

Let me ask the minister this question. Am I correct in understanding this report? The government is asserting that there's value for money because of the additional improvements that came about as a result of the P3 scenario?

Hon. C. Taylor: Yes, the value for money includes both the risk-transfer benefits and also the additional

benefits that came as a result of the project — the additional construction issues that are mentioned in the report that they were able to do under the same budget.

[1505]

J. Kwan: If these improvements — and let's just focus on the improvements for a moment here — were incorporated into the baseline requirements of the project, what would the cost of that project be if it was calculated with the province's borrowing rate and if it was assumed under a normal, conventional way of doing and financing infrastructure projects?

Hon. C. Taylor: Because the benefits that come also include the risk analysis and the risk transfer, it would be inappropriate just to look at this project if it were borrowed by government money and just done as a straight project and including the \$131 million that we see as additional benefits.

J. Kwan: I'll get to the risk transfer issue in a moment, but I do want to break it down for the purposes of this debate. What I was able to garner from the report — and from the recommendation in the report from the Ministry of Transportation — is that the Ministry of Transportation believes that the "value for money for this project is demonstrated because of the additional improvements and the anticipated user benefits that flow from them." That's what the report says directly, and that's a direct quote.

If in fact that is the case, then it begs the question. It would follow that Partnerships B.C. would have undertaken an evaluation of how much those improvements would have cost — if one was to engage in bringing those into the baseline requirements — so that you could compare apples to apples, so that a comparison of a three-piece scenario would mean this amount and under the public sector comparison scenario it would mean this amount. Has the government costed out what those improvements would mean under a public sector comparison model?

Hon. C. Taylor: Within the value-for-money report, the benefits to the province.... You have the list before you of all of the benefits, and the costing was valued at \$131 million worth of benefits. That, of course, has been signed off by the Auditor General.

J. Kwan: The minister hasn't answered my question around the improvements. The improvements are value-for-money for the project, which is demonstrated because of the additional improvements. I'll get to the anticipated user benefit in a moment, the \$133 million that was cited in the report. I'll get to that component in a moment, but I want to first focus on the improvements.

If the government is making the assertion that the P3 model is a better model, that it brings value for money for British Columbians, then a fair comparison for that would be to also have the cost comparisons of

those improvements and those user benefits under a public sector comparison model. Has the government done that comparison so that we know there is, in fact, value for money, as is being asserted by the Minister of Transportation in this review?

Hon. C. Taylor: To repeat: the cost to the province is the same as it would have been under the other model, except that in addition we get the \$133 million in benefits.

J. Kwan: The \$133 million in benefits flows because of the improvements of the roads. Isn't that the case?

Hon. C. Taylor: The benefits are listed on page 3 of the report. It includes, for instance, a "four-lane section with continuous median barrier, including straightening, widening and improved sightlines.... Two-, three- and four-lane sections; about half of this section includes improved two-lanes; remaining sections include additional passing opportunities with three and four lanes." I'm just starting to read down the columns, but all of the information is there in terms of what those extra benefits were to the province.

[1510]

In terms of the value-for-money report that is done, the important thing always is that the Auditor General has signed off. It may be that some people do not like the P3 model, but the fact that this was signed off by the Auditor General says that there was value for taxpayers. We believe that the risk transfer is a huge part of it, but so are the innovations that came, in this particular instance, to how the private company actually designed the highway.

J. Kwan: Let me just get clarity on this. The minister read off some items on the list. She says those are benefits. They're not. Those are additional highway improvements — that's what the document says — beyond the baseline, okay? So these are improvements that we're talking about. According to the report, for \$45 million you can get these improvements. That's what the report says, so for \$45 million under the P3 model to get these road improvements, additional highways and so on.... My question is: can you get the same kind of improvements under a public sector comparison model?

Hon. C. Taylor: Whether you call these improvements for the community or benefits, it remains a fact that this particular project under the P3 model resulted in \$133 million dollars' worth of improvements and benefits to the community from this project.

J. Kwan: Let me just say very clearly why I'm asking this question. I was on the phone with the Auditor General's office today to get clarity on this because I was confused, to be honest, about the debate yesterday and the comments made by the minister, based on this report. I needed to go back and reread the report, which I did several times. Then I went on and spoke

with the Auditor General's office to make sure that I understood it fully. I asked the question whether or not the government, in its review of this value-for-money report, whether or not Partnerships B.C. — first of all, on the improvements: on the additional highways, the passing lanes, median barriers and so on — had actually costed that out under a public sector comparison model. The answer was no. They did not cost that out.

If they did not cost that out, then my question is: how could the minister stand in this House and assert that there's value for money here when we actually don't know what that cost would be under a public sector comparison? If those improvements were so important, as the reports seem to indicate they are, why wouldn't they be added, then, to the baseline requirements for the project? And if you do add those improvements to the baseline requirement of the project, what is the cost of doing that under the public sector comparison?

That's my question to the minister, and I would expect that Partnerships B.C. would have undertaken to get that information so that we could actually compare apples to apples.

Hon. C. Taylor: It is not the Minister of Finance who is asserting that it's value for money. It is the Auditor General who has signed off on this report, and it is important that everyone who is listening or interested in this understands that the value-for-money assertions were judged to be fair and reasonable. That's why taxpayers of British Columbia, in fact, did see benefits of \$133 million from this project: because it was done as a P3.

In terms of the costing of a model, if you had done it the P3 way versus just the government doing it, with the P3 model the costs were 5 percent higher, but the benefits were between 15 percent and 30 percent higher. The difference was enormous and important for the taxpayers of British Columbia.

J. Kwan: Let's just backtrack here for a minute, then. The minister insists on the notion that the Auditor General has signed off on this report.

[1515]

Let me just quote the minister from yesterday's debate. The minister stated: "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."

The minister further stated: "I will remind the member opposite that for 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 at \$133 million. Now all of these value-for-money reports have been reviewed and signed off by the Auditor General." Those are direct quotes from the minister.

Let's just walk through these quotes piece by piece. I spoke with the Auditor General and asked him whether or not the Auditor General's office has signed

off on, first of all, the Vancouver ambulatory care report, and the answer was no. I would like the minister to clarify that, please.

Hon. C. Taylor: That is correct. The Auditor General chose which ones he wanted to review to look at our methodology and to see how we affirm value for money.

J. Kwan: I'm sorry, what is correct: that the Auditor General did not sign-off on the Vancouver ambulatory care study? Is that what's correct? Sorry, I didn't understand the minister's answer.

Hon. C. Taylor: The value-for-money numbers, which are quoted by the member opposite, are correct and in all of the publicly available value-for-money documents. On that particular one that was asked about — I believe it was ambulatory care — the Auditor General did not review one. He chose to review the Abbotsford and Sea to Sky.

J. Kwan: I was confused based on the minister's words yesterday:

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.

The minister is now saying that the Auditor General did not sign off on the Vancouver ambulatory care report. Is that correct?

Hon. C. Taylor: As I've said — this is the third time — the value-for-money reports are all there and in the public, and the amounts, as you are citing, are correct. My assertion about the Auditor General refers to Abbotsford specifically, and Sea to Sky.

J. Kwan: That isn't what the minister said yesterday because she said very clearly: "Now all of the value-for-money reports have been reviewed and signed off by the Auditor General." The minister provided misinformation to the House, on that basis. I was fact-checking with the Auditor General, and now the minister, I expect, is correcting the record to say that she was wrong with that assertion yesterday. That's what I take the minister's answer to be. If I'm incorrect with that, I would ask the minister to please correct me.

Hon. C. Taylor: For the fourth time, the value-for-money reports are in the public domain. The Vancouver general ambulatory care resulted in savings for the taxpayers of \$13 million; for Abbotsford hospital, \$39 million; for Sea to Sky, additional benefits of \$133 million; and there are additional projects which are also bringing either savings or benefits to the taxpayers of B.C.

The one that is referred to by the member opposite — the ambulatory care — was done before the Auditor

General had expressed an interest in looking at the value-for-money reports, but from the time that he expressed an interest, we have provided the reports. He has looked at the methodology, commented on the methodology and has said that our approach is a fair and reasonable one.

J. Kwan: Well, in speaking with the Auditor General's office, he was very clear to say that, in fact, his office did not sign off on the ambulatory care study. What the minister said yesterday differs from what she's saying today — that being the point.

The minister can get up and say, "I'm saying this for the fourth time," but you know what? What she needs to do for the first time is to admit that she was wrong yesterday — that, in fact, the information that she provided to the House was wrong — and to correct the facts on the record. That would be helpful.

[1520]

If she says it for the first time, then we can move on, but maybe that's not forthcoming. I'll correct the record on that, because I spoke with the Auditor General's office, and I want British Columbians to be very clear on what the Auditor General's office did or did not do and what they verified and what they didn't verify.

That's one piece. The other piece that I'd like to enter into, because what the minister has continued to say is that there's savings of \$133 million for the Sea to Sky Highway project, savings of \$39 million for the Abbotsford project and, as she claims, \$13 million on the Vancouver ambulatory care project.... Of course, on that project the Auditor General has not even done a review on that matter. That is for the public record.

Let's then go to the claim of the \$133 million savings. The minister states: "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."

I spoke with the Auditor General today, and in our discussion I asked whether or not the \$133 million of savings has been signed off by the Auditor General. What the Auditor General told me was this: "The \$133 million is simply the net present value of the additional benefits that result from the \$45 million in additional project costs. Since this \$45 million is going to be invested in additional passing lanes, median barriers and reflective markers, this will bring a value equal to \$133 million in terms of improved safety and reduced travel times."

In understanding that statement, this is not stating that public-private partnerships saved the province \$133 million. It's not saying that at all. In fact, Partnerships B.C. has never even analyzed the amount of highway improvements that you could gain by investing an additional \$45 million through the conventional method of building highways and not through P3s.

I would go on to say that it's plausible this \$45 million in extra financing could actually achieve the same user benefits through a non-P3 process. Isn't that plausible to the minister?

Hon. C. Taylor: I believe it is a good deal for the taxpayers of British Columbia that for a 5-percent increased cost, we get between 15 and 30 percent increased benefits. At the same time we have risk transfer, which is extremely important for the taxpayers of British Columbia.

J. Kwan: The minister actually didn't answer my question. My question is: is it plausible that for an additional \$45 million to be invested in financing this initiative, we could achieve the same user benefits through a non-P3 process? Isn't that plausible?

Hon. C. Taylor: Given the experience of B.C. government, especially when I look to the past and the fast ferries, I would say it would be highly unlikely that a government-run project would have been able to do this — all of this, including the extra improvements and benefits that came from this project — in a way that saved taxpayer dollars.

J. Kwan: Has the government even tried to find out? Has the government undertaken a study to see whether or not it is plausible under this scenario that by investing an additional \$45 million one could actually achieve the same outcomes as the government claims under the P3 model for the Sea to Sky Highway project?

[1525]

Hon. C. Taylor: The government set a budget. We put the budget out to tender, and as a result of the P3 arrangements we were able to get much more done in the project for the same amount of money.

J. Kwan: How would the minister know, when she actually hasn't done the baseline requirement estimates with the improvements?

Hon. C. Taylor: The way P3s work, of course, is that we cost out the basics and we put it out to bid. When companies come forward.... In this particular case, with some wonderful innovation, we got far more than we had expected. The taxpayers of British Columbia, as the value-for-money report suggests, got \$133 million more in improvements than we had initially planned on.

Not only is the benefit side important, but you must not forget the risk transfer. All of the risk is on the private sector so that, in fact, taxpayers both got the benefits and got much of the risk transferred to the private sector. Along the way, we got amazing innovation and improvements in how the highway actually has been done. It's just a great success story.

J. Kwan: The \$133 million that the minister talks about are not savings, as the minister stated yesterday. She kept calling those "a savings," and they're not savings to the taxpayers. I verified that with the Auditor General's office today. I asked him: "Based on your report and your review of the report, could one say

that there is...?" It's \$131 million, according to the report. The minister is using \$133 million, but the number in the report is \$131 million. "Are these savings to taxpayers?" The answer was: "No; they're not savings to the treasury of British Columbia." All that they are, as it states in the report, are net user benefits because of the road improvements.

Because the government is investing \$45 million in addition to the baseline requirement for the project, it is plausible that there could be \$131 million worth of user benefits under this P3 scenario. The question then is.... If P3 is supposed to be better and if P3 is providing more value for money — that's what the title of this report is called.... There needs to be a comparison on the concept of whether or not by investing and adding \$45 million to the project — as additional financing — one could get the same road improvements and, therefore, the net user benefits in the amount of \$131 million, as stated in the report, under a public sector comparison model. That's the question.

If the minister can get up and say, "Yes, we have done that study. Yes, we have that information, and the answer is yes," then we're talking about the comparison of apples to apples. Then I could sit down and say: okay then, fair enough. That's factual information on the table for British Columbians for their evaluation.

I'm waiting for the minister to confirm with me that, in fact, that work has been done and that it shows that by investing \$45 million more, we could either achieve the \$131 million user benefits or not under a public sector comparison. Could the minister please advise me whether or not that work has been done and what the findings were.

Hon. C. Taylor: It's a pretty simple project. We decided on the budget. We put it out to tender. We were very pleasantly surprised that for the taxpayers of British Columbia there were \$131 million of additional benefits that came with this project, as well as risk transfer to the private sector, as well as innovation. It was an excellent project all around for the taxpayers of British Columbia, as the value-for-money report shows.

J. Kwan: I appreciate that that's the spin the minister wants to put out. I appreciate that that's her message box, and she's sticking to it. She's very good at it, Mr. Chair. I have to say that she hasn't veered off the message one iota, no matter what questions are being asked.

I must admit that yesterday she threw me for a loop, as well, with very good spin-doctoring. I guess that's what all the PAB people are doing. But, you know, fair enough. That's what the minister has got, and those are her resources. That is taxpayers' money that's funding her to do that, and that's okay — sort of. But we'll get to PAB another day.

[1530]

I want to get to this, at this moment here, because it is critical. If the government wants to claim — and all the more power to them — if they want to say that there is value for money for this initiative, for the Sea

to Sky project, under a public-private sector initiative and that there are \$131 million worth of savings for taxpayers because of a public-private partnership approach to this project.... If that's true, and if you make a fair comparison of that by doing it the conventional public sector comparison approach, then that's fine. I'm fine with that. But provide the information and the documentation to back up that claim. That's all I'm asking.

Doesn't the minister think that British Columbians deserve that information? It's not just for British Columbians to take the word of what the government is saying but, rather, the minister's providing factual information to the public.

Let me just backtrack on that question with a simpler one. Has there ever been a calculation done to see if the improvements could have been achieved through a non-P3 method at a comparable cost?

Hon. C. Taylor: The taxpayers of British Columbia have had lots of experience with the model that the member opposite keeps referring to as being this wonderful model. Well, that wonderful model got us the fast ferries. I'm sorry, but for government to do a project.... It didn't have the right expertise, the scope kept changing, the budget kept changing, and at the end of the day, it was an extremely unsuccessful half-billion dollars of taxpayer money.

The public-private partnerships that we've been involved in have been just the opposite. They have been saving taxpayer dollars or giving additional benefits to taxpayers from the projects. We do value-for-money reports after each one is completed. It is all transparent. We are commended regularly for the amount of transparency that we have within Partnerships B.C. The projects are there for the taxpayers to have a look at and judge, and I am quite confident any taxpayer looking at the fast ferry model that the member opposite is promoting versus the Partnerships B.C. model will certainly vote for the Partnerships B.C. model.

J. Kwan: You know what? We used to say, my good colleague Joy MacPhail and I, when we were in the House — and you'll recall this, Mr. Chair — that whenever the government side invokes fast ferries, we know that they're in trouble, because they don't want to talk about the issues at hand. They don't want to talk about what's really before us.

There were issues with the fast ferries project. You know what? British Columbians voted on that too. It was called the 2001 election. The minister can talk about that all she wants, but that's not the issue here — is it now?

The debate here is about public-private partnerships relative to the Sea to Sky Highway project. More specifically, we're talking about benefits and value for money. The minister and the government are asserting that British Columbians are benefiting from this P3 project to the tune of \$133 million, to quote the minister.

All that I'm asking is for the minister to back up that assertion and do a fair comparison of that model versus that of a public sector comparison model. The

minister is fond of talking about the fast ferries, but let's look at other projects that have come in on time and on budget using the public sector comparison model. It's called SkyTrain.

Is it the case that we are in such a place where the government's bargaining power with proponents, developers, out there to build infrastructure has been so eroded that we can no longer engage in negotiations or requests for proposals that ask the public to say: "I need you to come in with a bid"? Included in that bid would be, for example, a fixed contract that guarantees being on time and on budget to take off some of those risk transfers that the minister has talked about. Do we not have that capacity to do that anymore?

[1535]

The question is this. I expect that we should have the capacity to do that, but the minister is asserting that P3s are a much better way of doing business than that of a public sector comparison. What I want, and all I want, from the minister is to back up her words on that front with factual information that would tell this House and the public that the minister and the government had done the calculation on the improvements to the Sea to Sky Highway, the improvements listed in this document — and I won't go through the list here — and how much that would cost. And can we achieve it with \$45 million or less?

The reason why I raise "or less" is because the fact is that if we do this through the public sector comparison model, our financing rate is lower, because the government has far greater borrowing powers than any corporation out there because of our rating. Lenders know that if the government borrowed money from them, they're going to get paid. They know that. They don't necessarily know that for the other corporations out there, so that's why there are different credit ratings, and great on us that we do have better ratings.

I would expect that the financing may be plausible, that the financing could be lower to do these improvements. If the minister has not done that work, or if the government through Partnerships B.C. has not done that work, then how could they assert that the P3 model is in fact a better model? Where are the facts to back up that claim?

Hon. C. Taylor: The facts are in the value-for-money reports which are out on all of our projects.

I will just mention, since the member opposite decides to focus on Sea to Sky and how we know it was a good project.... Well, the Canadian Council of Public-Private Partnerships just gave us a national gold medal award, and it was for the Sea to Sky project. They see that as one of the top projects that has been done by P3s within Canada. It was a major award. Our Minister of Transportation went back east to receive it. They obviously believed that this was a good project. The Auditor General reviewed this project and signed off on this project.

Within our group we know that the risk transfer is an important part of this going forward. Keeping to a budget for the taxpayers of British Columbia is essen-

tial, and getting either additional savings or additional benefits is critical. This is a gold medal project.

J. Kwan: It remains to be seen whether or not it's a gold medal project. What the Auditor General said is — and I quote the Auditor General in his letter: "...that I expressed no opinion as to whether the expected results will be achieved." That's what the Auditor General has signed off on. Make no mistake about that. It's here in black and white, and that's what the Auditor General has said.

The Auditor General, furthermore, states that while he was undertaking the review, his office has asked, has checked into, whether or not Partnerships B.C. did the analysis on the cost of the improvements, whether or not the \$45 million improvements could be achieved through a public sector comparison model. The answer was no. That's the truth of it. The office actually didn't do that work, so nobody can claim that spending \$45 million on road improvements through a P3 could not be achieved through a public sector comparison model in terms of yielding the \$131 million user benefits. That's the truth.

[1540]

I do think that this is an important point because so far, I did not hear an answer from the minister. I have not heard one answer from the minister on my questions, and these questions are central to the debate on the issue around credibility and giving reassurance to British Columbians that all is well in the land of Partnerships B.C.

Furthermore, the \$133 million that the minister claims are moneys that have been saved by taxpayers.... In fact, those moneys have not materialized. It's not money in the bank. It's not money that goes to the treasury in any way, shape or form. So I don't know where the minister gets that from, because it is simply not true. It's simply untrue to make the statement that the Sea to Sky Highway is a perfect example of how that particular project basically has saved taxpayers \$133 million. That is an untrue statement and has not been verified by the Auditor General's office.

In fact, the minister does not know whether or not, under the public sector comparison model, those improvements could also be achieved if one invested an additional \$45 million in the project. Why don't we know that? Because the question was never asked, the analysis was never done, and no information was provided. Isn't that the truth?

Hon. C. Taylor: I'm really pleased, actually, to have this filibuster going, and it may go for days yet. Every time, it gives me a chance to talk once again about Partnerships B.C. and what a tremendous success story this has been.

The Sea to Sky project is great for the taxpayers of British Columbia because what the government did was set a budget and said: "This is the budget." We are a government that believes in sticking to budgets, and we put it out for tender. One of the things about Partnerships B.C. is that we have had broad recognition for our accountability and transparency right from the

RFQ, which is an open competition; the RFP competition; we have a fairness adviser; we have a conflict-of-interest adviser; we have transparency; and the Auditor General's review of this particular project.

So in all ways, what the taxpayers of British Columbia got was a far better highway. They got it on time, within our set budget and, in addition, \$131 million of extra benefits. The value-for-money report is there for everyone to look at. The member opposite does not seem inclined to recognize that they are of value as well in risk transfer and is instead just concentrating on the benefits side.

The benefits part of it, the risk transfer, is a very important part of it. The innovation that we get from the private sector, again, is an important part of it. Pulling in private dollars is an important part of it — over \$4 billion of projects. Out of that \$4 billion, instead of that being \$4 billion of taxpayer dollars, it's only \$2 billion of taxpayer dollars.

You really must look at partnerships, P3s, in the whole picture and not just pick off one tiny bit. We have such bad examples from the past of how government previously, especially with fast ferries, was just a failure at trying to do a big project. We are determined not to repeat that pattern, and the P3 pattern that we will acknowledge and use and support is out there. The value-for-money reports are out there for taxpayers to make their decisions.

J. Kwan: Let us be clear: nobody is filibustering the debate. I think that these are important questions, and I spent quite a bit of time going through this information with the Auditor General's office to make sure that I understand it correctly and to make sure that the statements the minister has put on record in this House are in fact correct.

We started out with the information that the minister put on the record in this House, the pieces that are incorrect, that are wrong, about the ambulatory care study, about it being signed off by the Auditor General. In fact, that office has not signed off on that report, on that study. That's wrong information for this House. It is wrong information for anybody to believe that it has been done. It has not been done.

It is wrong for the minister to say that it's \$133 million worth of savings from the Sea to Sky Highway project. The Auditor General made it very clear that the \$131 million — user benefits is what they are — was improvements as a result of an additional \$45 million investment into the highway under a P3 model. That's what they are; they are not savings to the taxpayers.

[1545]

So let us be very clear on the information that the minister is providing in this House that is incorrect and inconsistent with the information that I have received from the Auditor General. Nobody is filibustering, Mr. Chair. I'm trying to set the record straight, and I'm trying to give the minister the opportunity to set the record straight, which I think is important for the public.

The government has not done a review of what \$45 million would buy under a traditionally financed infra-

structure project such as highway development under the public sector comparison model. That's the truth of it. Without having done that work, where the Minister of Transportation claims, and is backed up by the Minister of Finance.... The statement is: "The Ministry of Transportation believes value for money for this project is demonstrated because of the additional improvements, and the anticipated use of benefits that flow from them, provided in the DBFO contract."

Well, that is the statement that has been made by the Ministry of Transportation. There's nothing in the report that backs it up, and that's the problem. These are assumptions. Yes, assumptions are plausible, but as admitted also by the Auditor General's office, it is also plausible that you can spend an additional \$45 million and add those road improvements into the baseline requirements. It is plausible that you can actually get exactly the same net user benefits. That's plausible as well. That's all that the Auditor General's has done. They're saying: "Is this plausible? Yeah. Then again, on the other hand, it is also plausible, too, to do the other scenario."

So for the government to come out swinging as hard as they are, to say that somehow their net savings — and to quote the minister directly — "of \$133 million" for the Sea to Sky Highway project.... It's simply incorrect. I think it is important. I think it's very important that we set the record straight.

The report on the Sea to Sky Highway, on the net benefits that the minister cited that are valued at \$131 million according to the report — but according to the minister, it is somehow \$133 million.... There is the question of whether or not these are net savings or user benefits. I'd like the minister to clarify that.

Hon. C. Taylor: Which page are you referring to?

J. Kwan: Page 22.

Hon. C. Taylor: Could you repeat it? Unless it is the same question in terms of the \$131 million improvements that we got out of this project, I'm not sure what you're referring to.

J. Kwan: "The sum of expected user benefits from the incremental improvements is estimated to be \$131 million NPV over the life of the contract." That \$131 million, according to the Auditor General's office, is user benefits, not savings to the treasury of B.C. Could the minister please confirm that statement?

[1550]

Hon. C. Taylor: As I have been trying to say, yes, of course they're benefits. If they had been built into the initial budget, then it would have been a different question. We put out a budget as a government and asked what in fact we could get for that, and we got additional benefits that we hadn't counted on before.

I think it is really important, since you're referring to the Auditor General, that you know — just to give people at home comfort in the Auditor General's review — that he has attached a letter which everyone

can read and that he has an annex here that talks about the criteria for his review. There have been some implications here in this room that perhaps we were not giving you accurate information, but let me show:

Reporting on the assumptions, context, decisions, procurement processes and results to date of the Sea to Sky Highway improvement project should be, in both content and presentation: firstly, understandable, the assumptions and judgments of management are clearly stated; accurate, assertions are free from significant misstatements; rational, cause-effect linkages are clearly described and plausible; complete, there are no significant omissions of relevant facts or cause-effect linkages; qualified appropriately, uncertainties around assumptions, estimates and predictions are described appropriately; and relevant, the overall presentation is consistent with the report's stated objective.

Based on this, this is what the Auditor General signed off on our value-for-money report.

J. Kwan: Based on this, the Auditor General also said: "I express no opinion as to whether the expected results will be achieved." Let's be very clear about that. What all that means.... It sounds really nice; the language really does sound very nice. Someone was very thoughtful about it, and I don't dispute that. What I'm having trouble with, though, is what's not covered in the review and the pieces that have not been evaluated with information provided to the public.

Hence, we have this debate. The questions which I asked of the minister are essential if the government's going to make the assertion, to quote the report from the Minister of Transportation directly, that: "The Ministry of Transportation believes value for money for this project is demonstrated because of the additional improvements and the anticipated user benefits that flow from them provided in the DBFO contract." You will note, Mr. Chair, that the choice of word here is "believes."

They believe that. I'm quite convinced that they do believe that. What I'm trying to get at here, though, is also to advance other plausibilities that had not been considered in this report. They were not considered in this report because the work was not done to demonstrate and to provide that information. Hence, the problem. If the report had actually gone out and done all of that work and answered the question that I keep putting to the minister, which the minister keeps on refusing to answer, and the question being....

Had the government said, "Hey, you know, those road improvements here highlighted under page 3 of the report are really important and, in fact, so important that we want to add it to the baseline of our requirements; we want to add it to that because they are so important, because they could yield savings of user benefits of \$131 million to taxpayers," then I'd really want to make sure that happens and to make a fair comparison that private-public partnerships is actually a better way to go than the public sector comparison model.

If that information were provided there to back up that claim, then fair enough. It's not an ideology here that I'm trying to fight. It's the lack of factual information to back up the minister and the government's ide-

ology that I have trouble with. That is the problem that we're faced with, and the minister has consistently refused to answer the question. I expect that she's refused to answer the question because they don't have the answer for it, because they didn't do that work. She would know, and I'm sure PAB is watching intensely for her to get on record to say: "We didn't do that work."

[1555]

That's why she won't answer the question. She wants to stay in her message box — it's a very tight message box — and not go outside of it. Quite frankly, that doesn't actually help the debate. We can all spin messages, and we can all get into that box and do our thing. But part of the estimates process is about providing answers to questions that are legitimate from the opposition's point of view, but legitimate also to the taxpayers. They have the right to know the answers to these questions, and the minister has refused to answer them.

On that basis I would say that the government cannot claim that Partnerships B.C. is saving the taxpayers \$133 million on the Sea to Sky Highway project. I would venture to say that — I don't want to be unparliamentary here, Mr. Chair — that is a misstatement at the very least. I won't use stronger terms than that because I would be accused of being unparliamentary, and I don't want to go down there.

It is simply wrong to make that assertion, and it has not been backed up by the Auditor General with respect to that. In fact, the government's own report shows that Partnerships B.C. cost the government a total of \$1.983 billion for the Sea to Sky Highway project, compared to \$1.67 billion if the project was financed and procured through the traditional method. That's also what the report says.

I just want to set this aside for one moment. I want to touch on the other issue that the minister talked about on risk transfer, because that's another component piece in all of these P3 models. Before, the minister said: "It costs more, but we've got more." Those were the minister's words from yesterday, that being that it costs more — \$45 million more for the Sea to Sky Highway project. Yes, we got more — but for \$45 million. We didn't get it for free. If we got it for free, that's value for money. That's a real benefit, but we didn't. You pay for it. Taxpayers paid for it.

I also want to note that the public sector comparison used in the study is based on the baseline minimum construction specifications, whereas the Sea to Sky Highway has all of those improvements — the 20-kilometre additional passing lanes, the 16-kilometre additional median barriers, reflective markers and so on. Those are improvements that cost more at 45 million bucks. Because we don't have the information to compare a P3 with a public sector comparison, we are actually comparing oranges to apples — for the minister to make the claim that somehow this is better.

I'd like to ask the minister this question on the risk, though. The project risk transfer analysis performed by Partnerships B.C., in my view, favours public-private

partnerships. It assumes that the public sector is always held responsible for cost overruns for major infrastructure projects. I would say that this assumption is flawed, because there are other options that one could employ — like fixed-price contracts, like performance incentives, like completion bonds, for example. Those kinds of methods have been used and tried before, and they eliminate the project risks.

[1600]

I want to say what the risks are when we talk about risk transfers. They are risks related to inflation, labour costs and maintenance, for example. These are just some of the risks associated with a project. In other words, the project risk premium does not necessarily lie with the government, in that it will be passed on to the private sector with P3s through innovative and well-negotiated contracts.

In other words, you can actually pass those risks on to — for all we care — the same company that's doing this project under the P3 in a public sector comparison model. Isn't it right that you can actually pass on the same risk transfers under different models?

Hon. C. Taylor: You can pass on much more and transfer more risk under the P3 model.

J. Kwan: The minister says that you can pass on much more in terms of risk under the P3 model. Is she saying that you cannot do the same under the public sector comparison model?

Hon. C. Taylor: Under P3s, where you have someone not only building but managing a project, all the evidence shows that your costs are much lower, and it works out much better for the taxpayers in the long run.

J. Kwan: The minister says that all the evidence shows that it is much better. Let me just pause there for a moment. Is there no evidence that shows that you could transfer these risks to whoever is building the project under a public sector comparison model?

Hon. C. Taylor: The design-build model was the base that we went out with for our set budget. What we found with the P3 was that in fact we got much more than we had expected and much more on behalf of the taxpayers of B.C.

J. Kwan: That wasn't my question. My question is: is the minister saying that we cannot transfer those risks to a public sector comparison model?

Hon. C. Taylor: As you look at P3s, the evidence in British Columbia and around the world is that it cannot be done as well.

J. Kwan: What analysis does the minister have to back up that claim for this project here?

Hon. C. Taylor: There is much research on P3s. A lot of it's coming out of England, but in Canada, Part-

nerships B.C. is regarded as the leader. If you would like detailed research to support P3s, we'd be very happy to give it to you.

J. Kwan: I'm specifically talking about this project. I know that the minister cites other examples elsewhere, but the truth is that in the U.K. there are issues now emerging with public-private partnerships and some of the issues that they're readjusting — the discount rate, amongst other things — but I don't want to quibble about that.

What I do want to get at, though — and I do think that it's central to the debate here — is this. The government is asserting that public-private partnerships are a way better way to go. So far they've presented nothing to back up that statement other than to say: "Trust us. Take my word for it. There's lots of research out there. We have lots of experts tell us so."

Yet when we ask for basic information from the government to back up that claim, we have not seen that evidence presented to us. We just cited earlier, as a minimum, when we talked about the importance of laying out comparisons so that they are apples-to-apples comparisons rather than apples-to-oranges comparisons when we talk about road improvements and the use of benefits that yield from those road improvements.... I am not disputing that by spending \$45 million under the public-private partnership model, you would yield \$131 million in user benefits in return. I'm not disputing that.

[1605]

But if that is the case for P3s, what I would like the minister to provide information on is the claim that you could not achieve the same things under a public sector comparison model. We have not received that information. We don't have that information. Why? Because the minister has not conducted an analysis on that, so it's not available. All we've got right now is the minister's word saying: "Trust me. It's all good."

Then we talk about risk transfers, which I'm asserting.... I've seen in the past other projects like the SkyTrain project. That is a project — and the minister is fond of talking about past projects — in which fixed contracts actually brought in the project on time and on budget. So the notion that it can't be done is simply not true. It has been done, time and again.

[H. Bloy in the chair.]

What I'm interested in is this: if the risk transfers can be done through other means such as fixed-price contracts, performance incentives and completion bonds, then it follows that you've got to look at the question around the financing of the issue. That's the other huge piece of risk exposure for taxpayers.

The borrowing rate for taxpayers, as established yesterday, is such that the government's borrowing rate is always better than that of the private sector because of our triple-A rating, because of the fact that lenders know that no matter what happens, governments will pay them back. They know the money is in

the bank, as they say. They know that with a high level of certainty. They cannot say that with the private sector — right? That's true. That's the truth of it.

The question, then, to the minister is: why does the government always assume that the taxpayers will always be on the hook for cost overruns for any type of project other than P3s? Why is that?

Hon. C. Taylor: In part because we have the experience of fast ferries very fresh in our memory.

J. Kwan: I'm not sure what the minister said. I was distracted for a moment there. She said something about something fresh in her memory. Maybe the minister can repeat what she said. I'm sorry. I didn't catch that.

Hon. C. Taylor: I cited the example of fast ferries being on our minds.

J. Kwan: Back to the fast ferries again. Let me ask the minister: has she heard of a thing called the SkyTrain?

The Chair: Member.

J. Kwan: The minister has refused to take that question, but she doesn't hesitate to talk about fast ferries.

SkyTrain was on time, on budget and delivered through the public sector comparison model. What about the Vancouver Island Highway project? That was another project that was on time, on budget and delivered through the public sector comparison model.

I can name off a whole bunch of projects, but what is the point? That's not the point of the debate, is it? The point of the debate is this: if the only project that the government can fall back on to say, "Hey, we must do P3s, no matter what," is because of the fast ferries experience, then that's an ideology that the minister is committed to that has nothing to do with facts — facts around which model is a better model for British Columbians.

I think that the minister has a responsibility of checking into and making sure that the best models are in fact chosen on behalf of British Columbians and that in choosing that model the minister is not blinded by ideology but has factual information to back up her claim and to give comfort to British Columbians that all is well. Not just a notion for her to sit there and say: "Trust me. All's good. My experts tell me so."

[1610]

We have yet to go back to really analyze some of the information around the organizational charts with respect to the experts around the minister's table and, also, the contracts that were procured to give advice to Partnerships B.C. We'll come back to that when that information is available, because I think there are some issues related to that that we need to canvass as well.

The minister, I think, needs to answer the question: why does the government always just assume that the taxpayers will always be on the line for cost overruns

for any type of project other than P3s? Has the minister heard of a fixed-price contract concept?

Hon. C. Taylor: I'm so pleased the member opposite has brought this up, because that's exactly what we've done with the Pitt River project.

J. Kwan: The Pitt River project will be canvassed, actually, by my good colleague the member for Maple Ridge-Pitt Meadows. In fact, he wants to ask lots of questions of the minister about that. But that wasn't my question, was it? My question was: has the minister actually heard of fixed-price contracts?

Hon. C. Taylor: It's important to realize that we look at every project with open eyes, and we are not believing that P3s are right for everything. That's why, with the Pitt River Bridge project, we decided not to use the P3, but it is why, with the Sea to Sky, we decided to use it. So we use both methods, and we try to get the one that is appropriate for a particular project. Our value-for-money reports reinforce the fact that they have been beneficial for the taxpayers of B.C.

J. Kwan: I take from that answer that the minister has heard of the concept of fixed-price contracts. What about performance incentives? The minister must be familiar with that concept. Is she?

Hon. C. Taylor: I will rise above the fray and not comment on the member's condescending questions at this point but say that we use performance measures in our contracts, and we see them, as well, in our staffing. I think performance incentives are very important throughout management.

J. Kwan: Yes, I would expect that the minister does know about performance incentives, because that is a major piece within Partnerships B.C.'s compensation package, which we will canvass fully when we get the information around each individual's salary and what compensation they are receiving by way of bonuses. So the minister has heard of the concept of performance incentives.

What about completion bonds? Has the minister heard of those?

Hon. C. Taylor: Hon. Chair, I believe this line of questioning is quite ridiculous. Yes, we have all heard of completion bonds.

J. Kwan: I'm glad that the minister has heard of it. She thinks that my line of questioning is ridiculous. I beg to differ.

I asked the question of the minister — whether or not projects could be achieved with the risk transferred to the developer in a public sector comparison model through things like fixed-price contracts, performance incentives and completion bonds. The minister would not answer my question, so I thought maybe I'd better back up a little bit and dissect that question a little bit

more and get an understanding on which part of it I am not conveying myself clearly to the minister to try to figure out which part the minister does not want to respond to. To do that, I have to ask these questions by breaking it down.

I don't think that they are ridiculous by any stretch of the imagination. Maybe I wouldn't have to break down these questions in the way that I am doing it if the minister actually answered my questions for a change. Then maybe we could get on with business. But as long as I need to get the answers, I will keep on probing as best as I can to see where the problems are.

[1615]

Then it raises the question with respect to this project, the Sea to Sky Highway project. Why can't the government achieve the same benefits of transferring project risk with non-P3 arrangements?

Hon. C. Taylor: It was really important that we set a budget and that we put in incentives for completion. Using the expertise within the Transportation Ministry, they did their best estimates of what the costs would be if it were just, straight out, the public sector model you're talking about. That's why we put the budget out there. We were very pleased that under the P3 model, we were able to achieve a better result, and that's what the value-for-money report reviews.

J. Kwan: That's what the government asserts that the value-for-money report reviews. What the report actually shows is that there are several pieces of important information missing. Therefore and hence, the Auditor General's statement in his letter says very clearly: "I express no opinion as to whether the expected results will be achieved." That's what the Auditor General's office said about this value-for-money review.

Just so that we don't forget what's missing in the report, it's the notion that the government never bothered to see what the cost of the improvements that have been cited in the report for the Sea to Sky Highway would be in a non-P3-financed project or model. The government never even bothered to check that out.

The minister refuses to answer the question on why the government cannot achieve the same benefits of transferring project risk with non-P3 arrangements. The minister has refused to answer that question. Doesn't that tell you something, Mr. Chair? Doesn't that indicate something? If the minister is so certain about the P3 arrangements around the Sea to Sky Highway project, surely to God the minister can say: "Well, we have ample evidence to show for it in the analysis directly around the Sea to Sky Highway project, and here's what the information says." But we don't have that. The minister cites the U.K. The U.K. is having some difficulties in some of their public-private partnerships. They have revamped some of their assumptions and so on.

But I don't want to talk about the UK; I want to talk about B.C. I want to talk about what the projects are before us. I want to talk about the fact that the \$131 million that the minister claims for the Sea to Sky

Highway are not savings for British Columbians. They're not savings for British Columbians, and that's what the Auditor General's office said as well.

The minister keeps saying that P3s transfer project risk to the private sector, but she refuses to acknowledge that you could achieve the same goal with public sector comparison models or the non-P3 finance options.

Let's talk a little bit about the finance options for a moment, because it would seem to me that transferring P3 project risks to the private sector comes at a cost. The question is: what is that cost? The costs of borrowing are just higher for P3 consortiums — for the government — because they're less credible in terms of the credit ratings relative to governments. Lenders see a larger risk with these companies. That's the issue. So with financing options, isn't it the case that British Columbians have better financing options than those of companies out there?

[1620]

Hon. C. Taylor: We went over this extensively yesterday, and of course, the answer is yes. Our cost of borrowing is less, but when we looked at the project as a whole, we got more for the project as a whole, despite the extra cost in financing.

J. Kwan: Yes, projects as a whole, so let's add up all the pieces together here.

The piece around road improvements. The government says: "These road improvements are so important that we're prepared to pay another \$45 million to get them." Yet the government never put that out in its baseline requirements. Why, I'll never know. If they're so important, why wouldn't you incorporate that into your baseline requirements so that the scope of the project, both at the same place under the different models...? The government's refused to do that. That's kind of curious, wouldn't you say?

The minister and the government expect British Columbians just to accept the notion that for 45 million bucks extra — in addition to the baseline requirements — with these road improvements, we could only get them under a P3 scenario. The government expects us to believe that, so let's just mark that off.

Then let's just mark off the \$131 million in user benefits. Those user benefits — let us be very clear — come from the road improvements from the extra investments that have been made. That's why you will get the \$131 million user benefits. If you don't pay the extra \$45 million, you don't get that benefit. Yet the minister refuses to back up her statement that we are getting a benefit of \$131 million with this P3 model with information around whether or not, through a non-P3 finance option, we could achieve the same user benefits in the amount of \$131 million. Isn't that kind of weird? Or is it just me? It just seems to me it's a bit odd that you would not want to make sure that the information is there to back up your claim.

Then the minister says: "Let's talk about transfer risks." The minister says that transfer risks to the pri-

vate sector can only be achieved through P3s, yet she acknowledges the fact that there are other ways of doing projects, such as the three that I have highlighted: fixed-price contracts, performance incentives and completion bonds. Those are all examples that've been done before — done way before I've been alive. They've proven to work, and they continue to be proven to work. Those are the three elements that the minister refuses to acknowledge. She insists, though, that P3s are better.

It is concerning for British Columbians and, I think, for taxpayers, because from this value-for-money review, there is no certainty around it that gives us the kind of assurance that the minister asserts are in place in terms of benefits for taxpayers. All it is, with this value-for-money report, is that the Auditor General went in and did a review, and in that review, his office deemed that it is plausible that these outcomes could be achieved. But what he's also been clear to say — which is why it's not stated in the report — is that the elements that are missing, that need to be in there to do a fair comparison....

That's why he cannot, I think, conclude that there are savings to be had to the tune of \$131 million and \$133 million, though, as the minister asserts. You could not — and the Auditor General did not — sign off on that. He said: "Yeah, based on the information that's provided, that's plausible."

[1625]

It is also plausible that we could achieve the same results through non-P3 finance options to do the project — maybe even better results. Why? Because the financing cost for a government is lower than that of the private sector.

The minister admitted yesterday that the financing cost for government is lower. "I think it's about 5 percent," she said yesterday. If you go elsewhere, she says, "It varies," but yesterday she quoted 5 percent. Generally speaking, the borrowing cost for government is lower.

Would the minister please tell this House: in a public-private partnership scenario, are the financing risks — and those are the risks involved in lending money to institutions with low credit ratings — transferred, or are those risks absorbed by the taxpayers? Are we exposed to those risks as part of the cost of construction, as part of the project?

Hon. C. Taylor: Hon. Chair, I wonder if the member opposite would clarify exactly what she's asking.

J. Kwan: I'd be delighted to do that. The question is this. The cost of borrowing for government is lower, as has been admitted and confirmed by the minister. The cost of borrowing is higher for the private sector. Under a P3 scenario, isn't the cost of borrowing a risk that taxpayers are being exposed to?

Hon. C. Taylor: It's not a risk; it's part of the cost of the project. When we look at all of the costs together and at the benefits, the value-for-money report shows that it is a plus for the taxpayers.

J. Kwan: Hon. Chair, the minister keeps on going back to the report showing that it is a plus for the taxpayer. Maybe she can actually clarify now for this House: what exactly is the plus for the taxpayer?

Given that we've actually identified the facts — from the Auditor General on the statements that she's made yesterday — that the \$133 million she claims as savings for taxpayers are not materializing with this project, and given that the \$45 million in road improvements are only resulting because we're paying \$45 million for them, what exactly are the benefits? I'm confused.

Hon. C. Taylor: There are many benefits to P3s, and in this specific project, of course, we have put a public report out there, which lists them. Some of it is the risk transfer. Some of it is the benefits that we have cited at \$131 million. We've put a budget out there and expected a certain amount of product. In return, we got bids that came in with extra benefits to the taxpayers, but we also got improvements and innovation, which is one of the advantages of working with the private sector. They often have some ideas that we in government haven't thought about, and the way that road was eventually designed came about as part of it.

[A. Horning in the chair.]

There are various ways that we benefit from these public-private partnerships, and the Auditor General has signed off on the assumptions that we used when we assessed the value for money. While the member opposite is just reading the last sentence of the Auditor General's comments, the preface was that you can't possibly sign off until the 25-year project is completed. That is what we discussed yesterday. That's when you do an audit, and that's why you do these reviews. We intend to do them every five years as the project proceeds, to ensure that everything is being met. One of the great benefits for the taxpayers of British Columbia is that if they are not being met, the performance bonuses are not being paid.

J. Kwan: Mr. Chair, you know what? I'm going to try this from a different angle here, and then I'll go back to some of the issues that the minister has identified.

[1630]

The minister keeps on insisting that the Auditor General has signed off on this report. Yes, he signed off on the assumptions and to say that those assumptions are plausible. Absolutely, he's done that. But he has also, I think, by not putting some information in this report, raised some very critical questions which the minister refuses to answer in this debate. Now, maybe it's just me, because you know I'm asking these questions.

Let me ask the minister this question. Will she commit today to go before the Public Accounts Committee with the Auditor General so that the questions could be put to her with the Auditor General present? I take it the minister doesn't trust me on what I say. Will

she commit to do that? The Public Accounts Committee is now up and functioning. When the review is before the committee, will the minister commit that she will actually go before the committee and take questions from committee members?

Hon. C. Taylor: As the member knows, the Public Accounts Committee has just finished their review of this project.

J. Kwan: But that wasn't my question. Will the minister commit, and get out of her message box, and say to British Columbians and members of this House that she will actually appear at a Public Accounts Committee when this report is being debated by the committee members? Will she commit to that today?

Hon. C. Taylor: Estimates is the place where you are free to ask as many questions for as many days as you wish on Partnerships B.C., and I'm happy to answer your questions.

J. Kwan: Thank you for that, and I will ask as many questions as I need to and for as many days as required to get clarity on this. Make no mistake about that.

What I want to ask the minister, though, is this. We're having a bit of a discussion and a bit of a disagreement, I think, on a critical issue here, and that is what the minister is saying the Auditor has done with respect to this report. Fair enough. The minister can take a different opinion.

The minister says that she's open and accountable and that she wants to be responsible. I truly believe that the minister wants to do all of those good things. So in the interest of accountability, in the interest of openness and in the interest of actually being responsible and demonstrating that the minister stands behind this project 100 percent, go before the Public Accounts Committee and take questions from the committee with the presence of the Auditor General's office and of course Partnerships B.C. staff, I'm sure.

Hon. C. Taylor: Just to correct what I said. The Public Accounts Committee has just finished looking at the Abbotsford project, I believe it is. Partnerships B.C. was there, and others. My accountability is here in this House and estimates, and I am very happy to answer your questions about Partnerships B.C. or the questions of any other members of your party.

J. Kwan: Is the minister saying that she's not accountable in a different forum, that she's only accountable through estimates debate in the Legislature with questions related to this?

Hon. C. Taylor: I'm accountable every day in every action I take, and certainly question period is one place where I can be asked questions about Partnerships B.C. I'd be happy to answer them there. This estimates debate is in your hands, and I'm happy to spend the entire time talking about Partnerships B.C.

J. Kwan: What about going before the Auditor General and actually taking questions from all sides of the House? No different from estimates, with the exception that it's actually in a public accounts forum and with the exception that we can actually have the Auditor General present so that the Auditor General can, I'm sure, correct mistakes of members or statements that members may be making. But the minister will also be able to challenge all of those issues as well. I actually think that's a great forum for all of us to engage in that kind of discussion. Will the minister commit to that?

Hon. C. Taylor: I'm sure that if the Public Accounts Committee would like to look at a specific transportation project in detail, they will deal with the relevant ministry. I am here today to talk about Partnerships B.C., the responsibility we have for looking at P3s within government, and also to talk about the successes that we've had.

[1635]

J. Kwan: Yes, it's true that projects under Partnerships B.C. fall under different ministries as well, but at the end of the day Partnerships B.C. is a responsibility of the minister. To that end, the minister needs to, in my view, take these questions. The minister needs to, in my view, either support these initiatives or not, raise the questions associated with them and answer questions associated with them — whether it is in this forum or another forum. The minister says she's accountable each and every day in different places. Why not at the Public Accounts Committee forum?

Hon. C. Taylor: As I said before, at the Public Accounts Committee, if they want to look at a specific project — whether it's a hospital, which comes under the Health Ministry, or if they would like to look at a road, which comes under Transportation — I'm sure they will do that.

But I do want to say in terms of the Auditor General, because a lot of loose comments have been made.... He gave a speech to the financial management institute forum just in this past year, and he talked about the work he did with Partnerships B.C., which the member opposite has made light of. But his comments are:

We did this work because we think better accountability to the public and their elected representatives takes place when those who manage a significant initiative report directly on their performance and do so in a robust manner. And we think better accountability leads to better performance. At the end of the day, we were able to state publicly that in its value-for-money disclosure report, Partnerships B.C. has fairly described the context, decisions, procurement process and the expected results of the project to the date of the report.

Partnerships B.C.'s report, including our opinion, was released in February. As a result, I think that there is greater public confidence that this significant project will be well managed because there is sound information publicly available on what is planned and why, including relevant information related to resources, strategies and results. I think you will find the explanations of risks transferred and not transferred and the public sector comparator particularly valuable.

This was the Auditor General.

J. Kwan: You know what? The Auditor General has said all of those things. The Auditor General has also signed off on the performance measures that the ministry puts before it in terms of the financial statements that come out of Partnerships B.C.

It's fine that the Auditor has done that, but in the detailed report around the Sea to Sky Highway, on the issues that the Auditor General did not mention here around the \$45 million improvements, around the issue of whether or not those improvements could be attained through a public sector comparison model and non-P3 finance option.... It is in question because the government and Partnerships B.C. never undertook to do that work, to do that review.

That's here — information in this report in terms of questions not answered. The Auditor General also said very clearly in this report — I think it's page 17 of the report — on the \$131 million benefits.... User benefits are all that they are. They are not savings. It's not savings for the taxpayers — user benefits as a result of the road improvements by spending another \$45 million.

The question is: could we achieve the same user benefits under a non-P3-financed model? And the question is on the finance risk side of things. The question is whether or not British Columbians would be better off in terms of finance risk with a non-P3 finance option because we have better borrowing rates.

So on the notion around transfer risks, couldn't those be covered off, as well, through different ways of contracts and through the negotiations? The answer, I believe, is yes. The plausible answer for all of those questions from the Auditor General's office is also yes. That's all that the review has done — provide, I guess, a notion of plausibility on whether or not what the government says can in fact be achieved, and he said yes.

[1640]

The flip side of it is: to do it under a different model, is it plausible to achieve those same goals? The answer is also yes.

On that basis, one could not arrive at the conclusion, as the minister and this government have, that P3s are a better way to go. You cannot arrive at that conclusion. Evidence is the issue here.

The minister speaks to other jurisdictions. From the Auditor General.... Here's what he says in the report.

Much discussion of P3s in Canada hinges on experience in other countries, frequently Great Britain. Since P3s do not have a long history in Canada, this is a reasonable approach. However, caution is recommended for several reasons. The underlying conditions for P3s in Great Britain and B.C. appear to be different.

Our offices have carried out numerous examinations of major capital projects since it was established in the late 1970s. From those examinations we reached several generalizations. News stories tend to highlight problem projects such as the fast ferries or the construction of the Coquihalla Highway, but this is misleading. Year after year each B.C. government we have examined has invested incrementally, adding to the projects fabric of roads, hospitals, schools, universities and other public facilities.

Second, again leaving aside the well-publicized problems of the day — say the fast ferries — most of the

projects we have examined have been well managed and executed. We have seen no evidence that B.C. lacks a cartel of experienced engineers, project managers or construction managers. In our view, given these differences, we would not expect to see in B.C. P3s neither the big payoffs claimed by proponents in Britain nor the big disasters claimed by the opponents there. For example, generalizations about large cost overruns and prolonged delays on public sector projects are not borne in the projects we have examined here in B.C.

From the Auditor General.

The minister is fond of highlighting one project and so on. I always go back to the Auditor General's words, and here's what he said about the history of non-P3-financed options. If there was going to be a true evaluation of what is a better approach, P3s versus non-P3-financed options, the government needs to do its homework, provide the comparisons in the apple-to-apple comparison kind of way, provide the factual information to members of the public, and then come out and argue the case. The minister has not done that to date.

The minister — so as not to sidetrack — has not committed and has refused to commit to go before the Public Accounts Committee to answer questions. Luckily, though, for the Public Accounts Committee, they can actually subpoena pretty well anyone they want. The Public Accounts Committee may well exercise that right, and I sure hope they will. I think it's worthwhile to have the minister at that forum and to be accountable to legislators from both sides of the House.

Let me ask the minister this question. How does the Auditor General's sign-off on this project differ from the sign-off of other projects? What is the significance of the difference?

Hon. C. Taylor: The Auditor General himself first of all asked to do Abbotsford and then asked to do this project.

J. Kwan: That wasn't my question. My question to the minister is: how does the Auditor General's sign-off on this project differ from that on the sign-off of other projects? What is the difference between those kinds of sign-offs?

[1645]

Hon. C. Taylor: In fact, we asked the Auditor General, first of all, to look at Abbotsford, and then he asked to look first at Sea to Sky. This is not an audit. It is a review, as we've been talking about. An audit can't take place until the project is complete, which is in 25 years. In the meantime, we intend to do reviews every five years to ensure that we in fact are getting the value for money that is in this report.

J. Kwan: Today we're talking about reviews. Yesterday the minister was talking about audits. I couldn't move the minister off the notion that the Auditor General has audited these value-for-money reports, even if my life depended on it. It's shown here in *Hansard*. I even took the trouble to tab all the areas where the minister used the word "audit" umpteen times, but the minister can read the record for herself.

In fact, the minister even went on to say that there have been audits on a variety of reports on Partnerships B.C. on which there have not been audits, with the exception of financial statement audits. Those are the only audits that the Auditor General has done, and those are annual audits — absolutely. To be sure, this information was checked with the Auditor General's office as well, because I thought: "Holy moly, maybe there were audits done that I actually missed."

As far as I could tell, there were no audits. There were just reviews — two reviews on public-private partnerships out of this office — but no audits beyond your basic financial audits, which is the responsibility of the Auditor General to do for every single ministry and government organization. It's his job to do that, and they do that annually. For that matter, they do a great job of it, but no audits have been done on Partnerships B.C.

So let's be clear. The minister talked about audits as though they've been done routinely by the Auditor General on this office, when in fact that is simply not the case. So on the question, though, that I asked of the minister around sign-off on projects, there is a difference, you see, around the sign-off on projects.

With this project, all it is, is a review sign-off, and all that it speaks to is the possibility of what the government says can potentially be achieved. As stated before, it is also possible that it could not be achieved. It's also possible that you could achieve the same goals and the same benefits and savings to taxpayers through non-P3 finance options. That's important to note. Auditors General, where they have audited projects and done their reports, would actually either sign off on it, saying, "Yeah, these improvements have been achieved," or not.

Let me tell you, while we're at it, that the Auditor General's office suffers from this challenge. The Auditor General's office, in fact, wanted to do two risk audits within government, because the government is engaging in practices that are so fundamentally different from practices of previous governments. The Auditor General asked for a lift of \$500,000 for his office in order to undertake that work. It went before the Finance Committee to ask for that money. The Finance Committee said no. The Finance Minister did not grant the Auditor General the money to do that work in its budget. The \$500,000 will only give the Auditor General the opportunity to do two risk audits.

I would say that it would be worthwhile to do a risk audit here on some of these P3 initiatives so that the minister can actually get up in this House and say: "Yeah, we have done an audit, and in fact, it shows and it verifies all the claims that we make."

[1650]

It would actually be good for the government to do that, but the minister did not give that money to the Auditor General and turned him away. The Auditor General went on to say that without that money, he's not able to do his job effectively. That's what the Auditor General said. If the minister is so keen on audits, which I know she is, will the minister actually fund the

Auditor General's office to the tune of \$500,000 so that they can do two risk audits, Mr. Chair?

Hon. C. Taylor: Since the member opposite has been so kind to point out any time I incorrectly use a word, I would like to have the record corrected, because the member opposite just said that the Auditor General has never audited Partnerships B.C. Of course, he does audit Partnerships B.C. each and every year.

In terms of the budget for the Auditor General, we accept the recommendation that comes to us from the committee of the Legislature, and we did it this year as we have in the past.

J. Kwan: Let us be very clear, and I wouldn't want the minister to put words in my mouth — and if you check back in *Hansard*, the minister will know. What I said was that the Auditor General's office has never done audits on Partnerships B.C., save and except for financial statement audits, which they do routinely not just for Partnerships B.C. but for every single government organization and every ministry. Check *Hansard*. I am absolutely certain that I actually said that, and I would encourage the minister to check it out so she's not just providing on-the-record misinformation about what I said. I think that's critical.

But on the issue around the Auditor General's office, the truth is that the Auditor General's office does not have the budget to deal with the risk audits that need to be undertaken. I'm going to enter into that debate another time, because we're talking about Partnerships B.C., and I must admit that I don't want to get off track here with respect to that.

Then just getting back to the question around sign-offs. There is a difference, just to be clear on the record. The sign-off here on this initiative, on Sea to Sky Highway, is a review sign-off. The review sign-off is around the plausibility of the statement claims, the assertions that have been made by the government — whether or not they could materialize. And yes, the Auditor has signed off on that to say that yes, it could materialize. Likewise, on the flip side — to which the government through Partnerships B.C., through this ministry and this minister....

They have not undertaken the work to see whether or not we could achieve the same goals or maybe even better goals under a non-P3-financed model. That is the issue here. The minister doesn't seem to care to find out.

I would also just like to conclude with this statement, and I'm going to yield the floor to my colleague from Delta North around the issue of financing risk. Financing risk is the risk involved in lending money to institutions with low credit ratings, such as P3 partners as opposed to the government. This increases the costs to taxpayers substantially, and that's also another component in terms of the risk transfer that I think we need to take into consideration. The fact is that the public must pay for that risk transfer in the form of higher borrowing costs required from P3s, and that is the fact that we must not lose focus on. What P3s bring to the

table is financing risks — financing risks that we have to assume because of the nature of P3 models. That financing risk would not exist if we engaged in the practice of non-P3-financed options for the projects.

I want to be very clear on the record about that, Mr. Chair — around the financing risk. That's also a component which we're concerned about with respect to the P3 model before us on Sea to Sky Highway and, I know, on the other projects as well.

With that, Mr. Chair, I'm going to yield the floor to my colleague the member for Delta North.

[1655]

G. Gentner: I take pleasure to enter the debate with the hon. minister on such a beautiful spring day, although we're still not quite into the spring.... Not solstice, but what do you call...?

D. Chudnovsky: Equinox.

G. Gentner: Equinox. Sorry. But we're getting there. In Victoria we seem to be a little ahead at times.

I'd like to start off.... To talk about some liability issues relative to P3s. I want to start by saying it's no coincidence. I mean, the member beside me made mention of the various rating schedules of various corporations. I can start by saying my understanding is that the holding company that's representing SNC-Lavalin has a rating value of triple-B, whereas the province's rating is much, much higher. I think it's without question that the borrowing rates would be very different relative to the P3 partner, as opposed to if it was a non-P3 financed option, as posed by the government.

I want to talk briefly about the private partners. The consortiums, basically, have shell companies; however, it's convenient to call them subsidiaries. To the hon. minister: what happens when there are some problems with the partner? Can the minister explain to me the meaning of joint and several liability?

Hon. C. Taylor: Joint and several liability, of course, means that if one partner has a problem, all partners are responsible. But the important thing here is something that we talked about at length yesterday, and that was that if, for instance, one of the partners does fail in some way, the project comes back to us, but they lose their equity. So the asset remains with the province, but they would lose their equity.

G. Gentner: In a nutshell that is it, of course.

To the minister: when one partner is unable to or has some difficulties paying its way, the responsibility is held by the other creditors, namely the bank and, of course, the taxpayer. So although the partner may be 70-percent liable, the government may be seen as 100-percent responsible on that debt.

The point is, to the minister: what if the shell company has no assets — and basically most of them don't — because they borrow? Who bears the responsibility then — the shell company or the taxpayer?

Hon. C. Taylor: One of the very positive things about P3s is that the private partner must put in equity along the way, and so as it's built, the equity comes in from the private partner.

G. Gentner: When we look at the former, or shall we call it the non-P3 finance options, construction companies picked up all the responsibilities a hundred percent. My question to the minister, therefore, would be: how much responsibility would the P3 partner take if it has very little assets?

Hon. C. Taylor: We certainly check their financial capability just as part of reviewing their proposal.

G. Gentner: To the minister: are we talking about you checking the parent companies, or are we talking about the non-asset shell companies? Who do you check?

[1700]

Hon. C. Taylor: We certainly check all of the companies, but they have to have firm financing at the time that they make the proposal. That's part of our consideration and our decision when we decide how to go forward.

G. Gentner: If that's the case, hon. minister, why is it that these private holding companies have to borrow so much money, as compared to the province of British Columbia?

Hon. C. Taylor: Every business has a combination of debt and equity.

G. Gentner: Well, the poor construction guy down the road doesn't necessarily.... He isn't heavily in debt. He has worked very hard for 20 or 30 years, and he has paid as he goes. The question again, I suppose, is: if the small shell company has been checked out...? Again, if the shell company or the subsidiary, which has limited assets.... In dire need, will that subsidiary be able to go to the parent company to help out the holding company when it's in difficulty?

Hon. C. Taylor: When we do these P3s it is the company's dollars and equity that go into the project, and they are responsible for their financing. It's not taxpayer dollars; it's the private company's dollars.

G. Gentner: Therefore, is the minister saying there that the parent company will take 100 percent of the responsibility of any P3 contract?

Hon. C. Taylor: It is the project company and the lenders who put in the money for the project. We only pay when performance targets are met.

G. Gentner: If I have it right, the project company and the lenders — "We are therefore the project com-

pany...." Is that the subsidiary, or are we talking about the parent company?

Hon. C. Taylor: We probably need clarification of your question, but I believe that the answer you're looking for is that it is the subsidiary that we're talking about.

G. Gentner: "Therefore, a deep search has been done whether or not the project company has proper financing and assets...." But my understanding is that it's the shell company that has no assets. Therefore, if it's a project company that has the difficulty, and if it has some liability problems or — heaven forbid — goes bankrupt, is it not the taxpayer who will be on the hook, and the credit agency?

Hon. C. Taylor: The company must be adequately capitalized before we will do a deal with them.

G. Gentner: There are a lot of companies capitalized. Frankly, subsidiary companies that have no assets, and when they get a project or they're deemed a project company by Partnerships B.C.... As soon as they're awarded the contract, that's a blank cheque, even though they may have very few assets.

[1705]

I believe that the minister has made some remarks to whether or not the capitalization and the assets behind the shell really are talking about the parent company. I really haven't quite ascertained from the minister what is the responsibility of the parent company when the subsidiary is in financial difficulty.

Hon. C. Taylor: If there were circumstances that proved difficult for a company.... The lenders are part of this agreement. So either the parent company could step in or the lenders, but it's not the taxpayers of B.C.

G. Gentner: Well, let me remind the minister about the leaky condo situation, where there were a number of companies that were unable to pay. A number of companies went south, and it was the taxpayers who had to bail them out, because although the municipal government was seen as 30 percent liable, it was the taxpayer that was found 70 percent responsible because there was no money left in the smaller subsidized holding companies. You know, the road has been paved on this one.

My next question to the minister is: why is it that Partnerships B.C. does not make a deal with the parent company? Why aren't we making deals with the parent company? Why are we dealing with these subsidiaries?

Hon. C. Taylor: It's very common in business these days that big companies, when they take on a specific project, set up a company that is specifically for that project.

G. Gentner: Why is that, minister? Why would a parent company set up these subsidiaries?

Hon. C. Taylor: As part of the due diligence that we do. We do it not only with the project company, but we do due diligence right up to the parent.

G. Gentner: Okay. Due diligence with the parent. Are you saying that if there's some financial difficulty, the parent company will bail out the subsidiary?

Hon. C. Taylor: The parent certainly has that option, or the lenders, but not, as I said before, the taxpayers of B.C.

G. Gentner: Well, a parent company has the option to pay its way. I know what option that'll mean. It will be zero. If it's only an option and not a firm commitment, why would a parent company bail out a problematic P3 when it doesn't have an obligation to do so?

Hon. C. Taylor: When we do these deals, the financing is committed.

G. Gentner: The financing may be committed. However, when the creditors get their digs into a difficulty, it's the province that's top of the line, along with the banks. You're sure the bank's going to get its money, and we know the taxpayer's going to be holding the dregs.

Again, I want to ask the question: how much are holding companies held liable here?

Hon. C. Taylor: The important issue that you are trying to get at is: what is the vulnerability of the taxpayers of British Columbia? It's an important question to ask. If everything went wrong with a particular company and all the financing went away, what would happen is: we get the asset back and they lose their equity — which they have put in upfront. So the taxpayers are not vulnerable in the way that you are suggesting.

G. Gentner: What equity is the minister talking about?

[1710]

Hon. C. Taylor: It's the equity that the parent company puts into the project company.

G. Gentner: Can the minister just give me a percentage of how much equity a parent company gives a subsidiary, since it has to borrow money? I mean, how much equity does the parent give to its subsidiary?

Hon. C. Taylor: Hon. Chair, with most of these projects — and you would understand that each one is slightly different — equity would be about 10 percent to 15 percent.

G. Gentner: It's 10 to 15 percent. I know that for many homeowners a 10-percent or 15-percent down payment on a house is very difficult to find. But we're talking about multi-billion-dollar projects in this prov-

ince, and the minister is assuring us that there's only a 10-percent to 15-percent down payment on this?

Hon. C. Taylor: All of the financing is committed up front, so the lender is putting in 85 percent as committed up front. The equity of, say, 15 percent is committed up front.

G. Gentner: During a previous conventional non-P3-financed optional project, what is the percentage equity the province would have put in?

Hon. C. Taylor: It has been the pattern of the province primarily to debt-finance.

G. Gentner: Okay. To the minister: the debt finance is based on the assets and the credit rating of the province. Would the minister not admit that the credit rating of the province is far different from the credit rating of, let's say, SNC Lavalin?

Hon. C. Taylor: We canvassed this extensively yesterday, and of course the province can borrow money at a better rate.

G. Gentner: Okay. If that's the case, and if the province can borrow at a better rate, why would it want to pass the cost back to the province through a private company — a holding company, not the parent — which has very little assets and has a very different rate of borrowing?

Hon. C. Taylor: The cost of borrowing is just one part of the P3s, and it's one of the reasons why, when we look at it, we have to look at it as a whole — because the risk transfer is a very important part of it. The innovation that we get from the private sector is a very important part of it. The fact that we have the ability to access \$2 billion, a little bit more than that, and use that, instead of just using all taxpayer dollars, is a very important part of Partnerships B.C., and we're very pleased that the model has been working so well.

G. Gentner: Well, risk transfer is passed on to the holding company or the subsidiary, but my understanding is.... What are the tax benefits to a holding company relative to a P3? Can you name them?

[1715]

Hon. C. Taylor: Hon. Chair, the tax situation of every single company would be different, so I can't give you a blanket answer as to how that would work for each and every company.

G. Gentner: Maybe I could try. A holding company basically receives tax benefits by borrowing money because the interest can be claimed, is that correct?

Hon. C. Taylor: That's correct, and claimed against the income.

G. Gentner: So it's in the private interest of the parent company to form a holding company or subsidiary or project company to borrow money so it can claim it — correct?

Hon. C. Taylor: It's like any business: they borrow money, and they pay taxes on their profits.

G. Gentner: Okay, we'll back up on that. We have the subsidiary company that can find its tax shelter, if you will, by borrowing money, and whereby the parent company, through joint and several liability, may not be held accountable. The minister said it was an option of whether or not the parent company wants to bail out the subsidiary. Would the minister not agree that bigger costs, bigger debt means a larger tax benefit to the subsidiary?

Hon. C. Taylor: It's not a tax shelter.

G. Gentner: I'll go back to the question. Does the minister agree that bigger costs, bigger debt means a larger tax benefit?

Hon. C. Taylor: It depends on the income that they make. They pay taxes on profits.

G. Gentner: Would the minister agree that in order to pay those taxes the holding company has got to make some type of profit?

Hon. C. Taylor: Absolutely.

G. Gentner: That profit is derived from the payment from Partnerships B.C. during the project — correct?

Hon. C. Taylor: It, of course, is from meeting their performance targets. It's from their lower costs, and all private businesses would quickly be non-businesses if they weren't generating a profit.

G. Gentner: I don't think the minister has answered the question. I mean, part of the profit is derived and paid for based on.... Let me back up on that one. Minister, is it not true that the shell company, in order to make profit, makes it through Partnerships B.C., and the profit it derives comes back from the tax, the interest it receives, the claims on taxes?

Hon. C. Taylor: Again, it's not a shell company. It is a business operating, and they will pay taxes on their profits, which come from managing their business well and meeting performance targets.

[1720]

G. Gentner: The holding company.... Not a shell company. The project company. That's the word I think you guys — I'm sorry, the ministry, Partnerships B.C. — uses.

The project company may not be held liable or the parent company may not be held liable because the project company, with its limited assets, really, once it's in financial difficulty can't necessarily be held 100 percent responsible. Therefore, this non-shell company/holding company, does it not have a tax shield that withholds itself from exposure?

Hon. C. Taylor: The experts don't know what you mean by tax shield.

[H. Bloy in the chair.]

G. Gentner: Well, let's put it this way then: is this not subordinate debt that adds to the overall cost of the project?

Hon. C. Taylor: Could you explain how you're using the subordinated debt phrase in this particular question?

G. Gentner: Let's just call it debt then. The overall debt accumulated obviously adds to the cost, and you know, just a nod of the head may suffice, hon. minister. It does add to the cost — correct?

Hon. C. Taylor: We have agreed with you that, of course, the cost of borrowing for a company would be higher than it is for the province, but the important thing is that the proposal that they come forward with, that we accept, is one that overall is a lower cost. That's often because they can do some things better than government can. It's sometimes because they bring innovative techniques to the table.

G. Gentner: I do note that there have been.... What's in the public interest, and what's being done better. Of course, we're seeing a RAV with a \$345 million overrun; the Bennett bridge with 45 percent over; and the Abbotsford P3 project, hundreds of millions of dollars over. So I can see that the efficiency of Partnerships B.C. is being met.

Will the minister agree that if the government wanted to finance tax breaks for construction firms, taxpayers would be better off if it simply had cheques written directly to them?

Hon. C. Taylor: The P3 model is one that doesn't work for every project. There are some projects like the Pitt River Bridge which in fact we've decided to do in a different way. But the P3 model that works so well — and we have the value-for-money reports to back that up — shows that for some of these big projects, it is a real benefit for the taxpayers of British Columbia to bring in private dollars. It will also take some of the risk off the backs of taxpayers and in some cases save money and in other cases bring in extra benefits to the projects — benefits that we hadn't originally counted on.

G. Gentner: There are many non-P3-financed projects that have been doing very well that have used

private dollars and were not P3s. Design-build — contractors have been very successful. So I do take issue. I know that according to the purposes and mandate of Partnerships B.C., all agencies of the province must consider looking at your option, even though it may not be the best.

[1725]

I did hear from the minister some reference to a bridge over by Pitt Meadows. So because of that, I see we have a member here from that neck of the woods, and I will relinquish the chair to my hon. friend.

M. Sather: First of all, I just wanted to say that Pitt Meadows and Maple Ridge — Maple Ridge, in particular — have had somewhat of an unsuccessful or unpleasant experience with a public-private partnership in Maple Ridge. The town core was to be built and was begun under that mechanism. Subsequently, there was a lawsuit launched by our now-mayor regarding the process and notification of the public or the lack thereof. The municipality regained the project, and I'm told by the municipality that we achieved savings in that process of somewhere around \$70 million to \$80 million.

But what I wanted to talk about is the Pitt River Bridge. It's a much-needed infrastructure in our constituency, and we're hopeful that it will be completed on time and on budget. We do have some concerns, or I have some concerns, with regard to the construction that I can bring up with the Minister of Transportation in due course. I wanted to ask the minister some questions about the Pitt River Bridge with regard to Partnerships B.C.

So the Pitt River Bridge has recently.... The Request for Qualifications, RFQ, has been offered — February 22 — to be completed, as I understand, by June, I believe it is. I was wondering if, through you, hon. Chair, the minister could tell me what Partnership B.C.'s role was in issuing the RFQ.

Hon. C. Taylor: The ministry actually did the RFQ process but asked advice from Partnerships B.C. in terms of what the best method of procurement might be and asked for other advice. But it was a ministry initiative.

Interjection.

Hon. C. Taylor: Transportation.

M. Sather: So the Ministry of Transportation took the lead role in this, then, as I understand. Partnerships B.C., whose logo is also on the RFQ.... The role they provided was an informational one to the ministry. Who then, specifically, would Partnerships B.C. have been advising within the ministry?

Hon. C. Taylor: They would have been advising the project team within the ministry.

M. Sather: As the minister has mentioned several times, the Pitt River Bridge is a project that was deemed to be unsuitable for the P3 process. I would

like to ask the minister how that determination was made — that it was unsuitable as a P3.

Hon. C. Taylor: This project was regarded to be fairly straightforward, fairly conventional and not a lot of risk. The advantages we've been talking about with P3s, where if there's a lot of risk and uncertainty, you can off-load it onto the private investor — that wasn't the case in this situation. They felt it was a pretty straightforward project.

M. Sather: If I could just get from the minister a little bit more clarification about risk, then. The minister is saying that it was not a complicated project. Can you enlarge upon that a little bit? I know it's not specifically your area in terms of construction perhaps, but if you could tell me a little bit more about why this project is considered to have such low risk?

Hon. C. Taylor: Since the Transportation Ministry is clearly the lead on this one, I would ask you to refer the question to the Minister of Transportation.

[1730]

M. Sather: If I could just ask the minister a bit more, then, about the role of Partnerships B.C. Partnerships B.C., as I understand it, is the body that vets these projects, if you will. I'm wondering at what point Partnerships B.C. came in on the Pitt River Bridge project. Was it right from the beginning, the get-go, or was it only at the end of the project when they were invited in by the ministry? When did their involvement really start?

Hon. C. Taylor: From the beginning.

M. Sather: The minister has talked a number of times about innovation being a key part of a P3 and making it of value to the public — the innovation that the private sector can bring to a project being of value in the overall performance of it. Were there not, then, any opportunities of any significance for innovation in the construction of the Pitt River Bridge?

Hon. C. Taylor: Again, I will refer you to the minister who is responsible for this, but you've asked the question broadly in terms of the kinds of innovation. Sea to Sky Highway was a very good example.

The ministry and the government had been thinking that the way you can widen those lanes is simply by blasting the mountain and going through the traditional way. The innovation that actually came was the cantilevered approach, which was really a very interesting and successful way of doing the highway that we hadn't thought about. Another one is the Bennett Bridge. A floating bridge is very different from the straight-ahead bridge, and it had lots of risks and design issues. So that was better suited to a P3.

M. Sather: Can the minister assure us that since this is a straightforward, uncomplicated project, there won't be any cost overruns?

Hon. C. Taylor: Once again, this is for the Minister of Transportation.

M. Sather: One of the things that's of note, I think, with regard to the Gateway program is that the federal government has actually committed money to the Pitt River Bridge. That's the one area that we actually have some solid commitment for a project. Now, in the termination, then, that Partnerships B.C. assisted in, was that a factor of concern to them — the fact that they had \$90 million on the table committed by the federal government? Did that in fact lower the risk for the project?

Hon. C. Taylor: It had no bearing on the decision.

M. Sather: Well, earlier today we heard the minister speak, I'd have to say, rather disparagingly with regard to public projects in saying that she didn't think that the public sector could find any savings on the Sea to Sky and, therefore, we had to go to a P3 project. Does the minister have any confidence that we can find any savings for the Pitt River Bridge project?

Hon. C. Taylor: Again, the specifics of the Pitt River Bridge should go to the Minister of Transportation.

G. Gentner: Quickly go back to a document we started with, the service plan — the illustrious service plan — if I may. Very quickly. It suggests here that "Along with traditional methods, agencies are required to consider and pursue options such as public-private partnerships." If I have this correct as all agencies must consider.... How many agencies in British Columbia are there?

[1735]

Hon. C. Taylor: There are a lot.

G. Gentner: Well, a lot is a lot, and a rose is a rose.

I suppose the question, therefore, would be: a lot of agencies are mandated to find alternate purposes, such as P3s through Partnerships B.C., so how many agencies — which is a lot of a lot — have knocked on Partnerships B.C.'s door?

Hon. C. Taylor: When you talk about agencies, of course, we have to be clear that we're talking about all the ministries. We're talking about all the SUCH sector — so that's all the schools, all the universities, all the colleges, all the hospitals; anyone who is building anything that will come on the taxpayer-supported debt — so that's why it is really a lot.

What they have been asked to do is consider — I want to make it quite clear: only consider — P3s, and beyond that, that doesn't mean they have to use Partnerships B.C. at all. In fact, the member who spoke earlier about another example of a bad P3, that was not a Partnerships B.C. P3. That was a separate one altogether.

The first step is: consider P3s. The second is: you're not required to use Partnerships B.C., and you're to find the best procurement project that you can. As far as Partnerships B.C. is concerned — you asked for a number — about 30 to 40 have come to them, whether it's for advice or to actually run a project.

G. Gentner: That's a start: 30 to 40 have come through the door of the CEO, if I have it correctly. The entry level in Partnerships B.C. is filtered by the CEO — is that correct?

Hon. C. Taylor: As we said yesterday, typically it comes to the CEO, but there is also an individual responsible for business development. Also, you know, sometimes Partnerships B.C. approaches an agency, so it works in several directions.

The Chair: Member, also noting the time.

G. Gentner: Yes, indeed — very shortly, if I could have one or two more questions?

The Chair: One.

G. Gentner: One? How generous, hon. Chair. I would....

Interjection.

G. Gentner: Okay.

So there are some agencies that Partnerships B.C. goes out to seek. It's not an inflow only. How does Partnerships B.C. determine which agency would best follow under the model offered by Partnerships B.C.? Is there any advice given to the CEO by the government as to which agencies it should go after?

Hon. C. Taylor: In terms of an example of where Partnerships B.C. has actually gone out, they went out to Whistler to talk to them about some of their issues. Partnerships B.C. is not actually doing the project, but they have been involved in giving advice and bringing in best practices.

One of the things we've built with Partnerships B.C. is a really strong expertise. We are now being sought, as you know, by other provinces and other places to give advice and help. As a result, a place like Whistler gets the benefit of that advice.

From time to time I'm sure that there are examples where government has suggested to Partnerships B.C., "Make sure you take a look at this project or that project," but for the most part, most of the ideas are either initiated by the agencies or by Partnerships B.C.

J. Horgan: Noting the time, hon. Chair, I ask leave to rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 5:40 p.m.

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